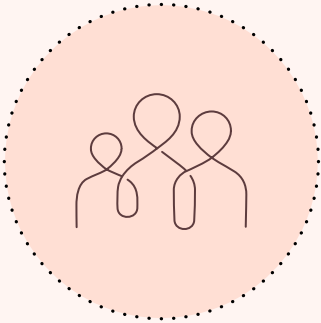


Universal Product Design

GRI 417-1

We aim to provide products and services that are easy for everyone to use, promoting universal product design (UD). Grounded in Kao's purpose to "realize a Kirei World in which all life lives in harmony," we are taking steady steps to create a society where no one is left behind.



Risks	Strategy			Metrics, targets and results			Initiatives	Financial impact
<ul style="list-style-type: none">Decline in brand value and loss of business opportunities if competitors take the lead in UD products and information provision on product usageMisuse of products with insufficient UD considerations, leading to safety issues, and a lack of diversity considerations, resulting in decreased corporate and brand trustworthinessLawsuits based on legal regulations such as the Act for Eliminating Discrimination against Persons with Disabilities, as well as a decline in corporate and brand trust	Overall	(1) Developing UD along the consumer flow of "knowing the product," "choosing," "buying," "using," and "disposing of"		Metrics	Targets	2024 results	Expansion of a new detergent bottle design that is easy to pour and hold (1)	<ul style="list-style-type: none">Market expansion by addressing the needs of elderly individuals and diverse consumers, leading to the creation of new revenue sourcesReduction of consumer dissatisfaction and complaints through improved product usability, resulting in lower related costsLong-term sales stability through increased customer loyalty and repeat purchase rates
				Percentage of new and improved products compliant with Kao's Universal Design Guidelines (1)	100% 2030	99%	Launch of the automatic foam hand soap dispenser (1)	
Opportunities <ul style="list-style-type: none">Enhancement of brand value and loyalty, as well as business growth, through the expansion of UD productsEnhancement of brand value and loyalty, as well as business growth, through information provision on product usage with UD considerationsCreation of business opportunities and business growth through marketing initiatives linked to activities supporting improved quality of life	Products and information provision	(2) Providing information and developing communication with consideration for diversity		Reach of information provision for people with disabilities (e.g., web content views, number of classes conducted for schools for the deaf and blind) (2)	—	45,555	Expansion of "Hair styling to hear" and "Skincare for everyone" (2)	Environmental and social impact <ul style="list-style-type: none">Improved safety and efficiency in product use for consumers, enhancing peace of mind and comfortContribution to a richer life for diverse consumersOperational efficiency improvements in customer facilities (medical, hospitality, food service, etc.) through professional-use products, as well as expanded utilization of diverse employees, contributing to business management
				Cumulative distribution of braille stickers (2)	—	8,048	Revision of braille stickers and creation of a website for information provision for people with visual disabilities (2)	
				Compliance with WCAG 2.1 Level AA on Kao's website (2)	100% 2027	83%	Promotion of UX/UI improvements for websites and online services (2)	
				Percentage of Kao commercials with subtitles (2)	—	76%	Expansion of universal manner training (3)	
	External collaboration	(4) Collaborating with companies, government agencies, and consumer organizations that have a disability perspective						

* The numbers at the end of the metrics, targets, and initiatives indicate the strategy identifiers.

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Strategy

To mitigate risks and create opportunities related to universal product design (UD), we are implementing Kao's unique, effective strategies that contribute to business growth and solving social issues.

■ Social issues

For Kao to remain a sustainable and competitive presence, an accurate understanding of social issues is essential. Recognizing these issues not only reduces business risks but also serves as a critical starting point for identifying new growth opportunities. Kao acknowledges the following social issues related to this theme.

- Providing products that are easy to use and information that is easily accessible for everyone, regardless of culture, nationality, beliefs, race, gender, identity, or ability
- Increasing the importance of product usability and the clarity of information in response to the progression of population aging
- Broad recognition of challenges that diverse individuals have faced with existing products and information

■ Risks and opportunities

In a business environment that includes the social issues outlined above, Kao faces various risks while also identifying new business opportunities. Identifying risks and opportunities is a crucial process in formulating corporate strategies and initiatives. The key risks and opportunities that Kao has identified for this theme are as follows.

Risks

- Decline in brand value and loss of business opportunities if competitors take the lead in UD products and information provision on product usage
- Misuse of products with insufficient UD considerations, leading to safety issues, and a lack of diversity considerations, resulting in decreased corporate and brand trustworthiness
- Lawsuits based on legal regulations such as the Act for Eliminating Discrimination against Persons with Disabilities, as well as a decline in corporate and brand trust

Opportunities

- Enhancement of brand value and loyalty, as well as business growth, through the expansion of UD products
- Enhancement of brand value and loyalty, as well as business growth, through information provision on product usage with UD considerations
- Creation of business opportunities and business growth through marketing initiatives linked to activities supporting improved quality of life

■ Strategy

In response to the identified risks and opportunities, Kao has formulated the following strategies. The promotion of UD is a key strategy underpinning the basic policy of the Mid-term Plan K27: "Become an Essential Company in a Sustainable World." Based on Kao's DE&I policy, "DE&I in Society," we aim to create a society where people can connect and live together in harmony through *Yoki-Monozukuri*, which is committed to staying close to every consumer.

(1) Developing UD along the consumer flow of "knowing the product," "choosing," "buying," "using," and "disposing of"

Kao ensures a consumer-centric approach at all product touchpoints, providing products and services that meet diverse customer needs. This contributes to addressing consumer challenges while also enhancing differentiation, added value, and competitive advantage, ultimately leading to improved profitability.

Related initiatives: P71 Expansion of a new detergent bottle design that is easy to pour and hold, P72 More comfortable handwashing! *Bioré-u* automatic foam hand soap dispenser

(2) Providing information and developing communication with consideration for diversity

Kao provides clear, highly accessible information and communication that considers diversity, meticulously delivering the information needed by diverse consumers. This enhances user benefits and accessibility.

(3) Developing a wide range of initiatives from an inclusive perspective

Kao promotes a wide range of initiatives that incorporate an inclusive perspective, including the development and provision of tools that support product use for people with disabilities, to effectively contribute to diverse consumers and customers. Kao enhances trust and loyalty towards the brand by conducting support activities aimed at solving the issues faced by consumers and customers.

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(4) Collaborating with companies, government agencies, and consumer organizations that have a disability perspective

By strengthening collaboration with companies, government agencies, specialized institutions, and consumer organizations with a disability-inclusive perspective, Kao incorporates firsthand insights into the development of high-quality products and services. This leads to the creation of new markets and the provision of greater added value.

Impact generated by implementing the strategies

Through the aforementioned strategies, we expect to generate the following financial impact as well as environmental and social impact.

Financial impact

- Market expansion by addressing the needs of elderly individuals and diverse consumers, leading to the creation of new revenue sources
- Reduction of consumer dissatisfaction and complaints through improved product usability, resulting in lower related costs
- Long-term sales stability through increased customer loyalty and repeat purchase rates

Environmental and social impact

- Improved safety and efficiency in product use for consumers, enhancing peace of mind and comfort
- Contribution to a richer life for diverse consumers
- Operational efficiency improvements in customer facilities (medical, hospitality, food service, etc.) through professional-use products, as well as expanded utilization of diverse employees, contributing to business management

Strategic resilience

By continuing product development based on our Universal Design Guidelines and providing clear information for diverse consumers, Kao differentiates itself from competitors while maintaining and enhancing brand value. Additionally, by ensuring strict compliance with legal regulations and advancing product design that considers diversity and safety, Kao prevents litigation risks and declines in trust. This enables us to maintain resilience, allowing for flexible adaptation to unexpected market changes and competitive environments.

Metrics and targets

To enhance the effectiveness of our strategy, we have established performance indicators related to risks and opportunities and regularly monitor our progress. For significant risks and opportunities, we set targets and track their achievement, ensuring steady progress through the PDCA (Plan, Do, Check, and Act) cycle.

Targets and progress

Strategy	Metrics	Results					Mid- to long-term targets	
		2020	2021	2022	2023	2024	Target value	Year
(1)	Percentage of new and improved products compliant with Kao's Universal Design Guidelines	(53%)*	98%	99%	99%	99%	100%	2030

* Value based on the former definition

Kao has established product guidelines related to simplicity, usability and safety, and almost 100% of new and improved products launched each year meet these standards.

Metrics and results

Strategy	Metrics	Results		
		2022	2023	2024
(2)	Reach of information provision for people with disabilities (e.g., web content views, number of classes conducted for schools for the deaf and blind)	19,543 people	45,340 people	45,555 people
(2)	Cumulative distribution of braille stickers	3,620 sets	7,218 sets	8,048 sets
(2)	Compliance with WCAG 2.1 Level AA on Kao's website	20%	42%	83%
(2)	Percentage of Kao commercials with subtitles	53%	80%	76%

Kao is strengthening its efforts to incorporate UD perspectives not only in product development but also in communication.

The handwashing classes content for schools for the deaf and blind has been expanded to include special needs schools since 2023, making it available to a wider range of special needs schools.

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Governance

The Global Consumer Care serves as the supervising division, and the person in charge of that division promotes strategies for UD through the following two meetings. Specifically, the GC/ESG Promotion Meeting (held six times a year), which includes the supervising and development managers as members, discusses the results of the ESG Managing Committee, deliberates on proposals, makes decisions on policy, and confirms and discusses global situations and responses.

We also hold regular meetings attended by the president, general managers of business divisions, and managers of research, manufacturing, and procurement divisions, where we discuss new products and major investment projects from a global perspective, focusing on product performance, product value, and business feasibility, including income and expenditure.

In addition, during the product development process, we hold meetings attended by the managers and staff in charge of business, research, manufacturing, product quality management, and other divisions, and we also check the product performance, product value, and business potential involved in the decision to commercialize the product from an ESG perspective.

 Our ESG Vision and Strategy > Governance

D (response based on risk/opportunity)

The response policy decided by the GC/ESG Promotion Meeting is deployed to related divisions, and specific activities are promoted. The policy is reflected in the product development process and approved/confirmed, as necessary. The content of various activities is disclosed internally and externally.

* For details on each activity, refer to Initiatives (P71-72).

C (monitoring and evaluation of response status)

The GC/ESG Promotion Meeting reports on and evaluates the progress of ongoing response activities. As necessary, the content and results of activities are reported to the ESG Managing Committee and proposals are shared.

A (response to issues and improvements)

Based on the monitoring results and proposals, the activity policy and implementation system are improved as necessary. Continuous improvement is made to measures for dealing with risks and the content of initiatives.

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Risk and opportunity management

▀ Policies

At Kao, we have established the following policies as guidelines for our daily operations and decision-making in executing our UD. For more details, please visit our website.

 Kao Universal Design Guidelines
<https://www.kao.com/global/en/sustainability/me/universal-design/guidelines/>

▀ Management process

The status of our efforts to address risks and opportunities in the pursuit of promoting UD is managed through the following PDCA cycle, and we are working to make steady improvements.

P (check for risks and opportunities)

The GC/ESG Promotion Meeting monitors various trends, such as global regulations and customer requests, and identifies the associated risks and opportunities. A response policy is established based on the identified risks and opportunities.

Initiatives

Kao is engaged in a variety of initiatives aimed at promoting UD. These initiatives are based on the aforementioned strategies, and are being promoted in collaboration with one another to achieve our goals. Here, we will introduce some of the important initiatives from among the many we are engaged in.

Strategy		Initiative		
Overall	(1) Developing UD along the consumer flow of “knowing the product,” “choosing,” “buying,” “using,” and “disposing of”	Expansion of a new detergent bottle design that is easy to pour and hold	Launch of the automatic foam hand soap dispenser	
	(2) Providing information and developing communication with consideration for diversity	Expansion of “Hair styling to hear” and “Skincare for everyone”	Revision of braille stickers and creation of a website for information provision for people with visual disabilities	Promotion of UX/UI improvements for websites and online services
Products and information provision	(3) Developing a wide range of initiatives from an inclusive perspective	Expansion of universal manner training		
	(4) Collaborating with companies, government agencies, and consumer organizations that have a disability perspective			
External collaboration				

New detergent bottle design that is easy to pour and hold

Region: Japan
Corresponding strategy: (1)

In 2024, Kao redesigned the bottle for the *Attack Anti-bacteria EX* series liquid detergent, making it easier to hold and measure. The new design features a wide handle that provides a secure grip, ensuring that anyone can hold it comfortably and use it with ease.

Additionally, the pour spout design has been modified to allow easy measuring—detergent can be dispensed by simply tilting the bottle slightly. This container has been registered in the Good Practice Database.

The new design is well received, especially among elderly users with reduced grip strength, who have praised it for being lightweight, easy to hold, and preventing detergent from pouring out too quickly.

User feedback

Attack Anti-bacteria EX Easy Drying

“The new container is easy to use. Since I mostly dry my laundry indoors, I appreciate having a version specifically for indoor drying. I also like the ‘tok tok tok’ sound it makes when pouring and the controlled amount that comes out—no sudden gushes. The container is also easy to hold. As someone around 50 with weakening grip strength, the rounded shape makes it comfortable to hold.”



Attack Anti-bacteria EX

“The previous *Attack* container was slippery when my hands were wet, and I couldn’t close the cap properly. I had no choice but to use a different brand, but now the new *Attack* container is easy to use, so I’m switching back. I had mentioned before that I wanted the *Attack* container to be easier to use. Please continue to launch great products that are convenient for customers!”



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More comfortable handwashing!
Bioré-u automatic foam hand soap
dispenser

Region: Japan

Corresponding strategy: (1)

In 2024, Kao launched a dispenser that automatically dispenses foam hand soap when a hand is placed under it and stops when the hand is removed. Since there is no need to press a nozzle, it is easy to use for elderly individuals with reduced strength, and children can develop hygiene practices while having fun.

Additionally, refilling the dispenser is simple—just open the lid and pour. There is no need to twist it like a conventional pump-type dispenser, making continued use more convenient.

Users have shared feedback that the dispenser makes handwashing fun and easy for children, helping to promote hygiene practices.



User feedback

“It is amazing. I love it so much that I use it multiple times a day. My child’s friends and even my own friends use it dozens of times a day.”

“Now that I can wash my hands so easily, I wash them more often than before. I think this is a good thing for Kao as well.”

“My 2-year-old daughter absolutely loves it. She used to resist washing her hands, but now she does it on her own.”

“The blinking power light might be good for kids. I can say, ‘Look, it’s telling you to wash your hands!’ to encourage them. I even bought one for my grandchild. (Omitted)
It is compact and stylish. After trying it, I found it very convenient. I don’t need to press a handle. I just place my hand under it and the foam comes out. Plus, the amount of foam can be adjusted in two levels. I was amazed by this thoughtful design.”