

Employee Wellbeing & Safety: Health

GRI 403-6

Only with a healthy mind and body can employees maximize their abilities and grow. Kao actively supports employee health promotion activities and promotes health and productivity management to maximize employee vitality, which in turn will support the continuous growth of the Kao Group.

Risks	Strategy		Metrics, targets and results			Initiatives	Financial impact
<ul style="list-style-type: none">Health insurance finances under pressure due to increased national medical expensesIncreasing numbers of employees suffering from age-related illnesses and mental health issues, and increasing numbers of employees taking leave of absenceIncreasing number of employees unable to perform adequately due to unidentified complaints of illness	Overall health	(1) Improve employees' mental and physical well-being	Metrics	Targets	2024 results	Kao Group Health Day to nurture the health of employees and society (1) (2) (3) (4) (5)	<ul style="list-style-type: none">Improved labor productivity and reduced labor costsAppropriate investment in health measuresLower medical costs
			Score for "Vitality" in our employee engagement survey (perfect score: 100) (1) (2) (3) (4) (5)	70 In 2030	61	Health Decralation (1) (2) (3) (4) (5) (6)	
	Mental health care	(2) Improve mental health through support focused on connections with organizations and people	Degree of GENKI* (Rate of affirmative answers in the job stress assessment) (1) (2) (3) (4) (5) * 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.	80% In 2025	79.3%	Waku Waku Walk (1) (3)	
			Average number of long-term absence days (days/people) *Starting from Japan (1) (2) (3) (4) (5)	105 In 2030	220 In 2024	Job stress assessments (2) (5)	
Opportunities <ul style="list-style-type: none">Minimizing health risks such as lifestyle diseases and locomotive syndrome by increasing the number of employees with a high level of health awarenessIdentifying health issues by reaching out to older generations and women, and developing measures to address these issuesProviding healthcare support tailored to the issues of the target persons by utilizing the Kao's healthcare knowledge	Physical health	(3) Promote autonomous self-care	Long-term absence rate per 1,000 employees (1) (2) (3) (4) (5) *Starting from Japan	0.12 In 2030	27.2 In 2024	Initiatives to support women's health (3) (4)	Environmental and social impact <ul style="list-style-type: none">Contribution to the healthy and enriched lives of employees and their families, partner companies, and societySound regional healthcare financeContribution to society through externally deploying the result of health and productivity managementContribution to consumers and society through the consistent and continuous provision of products and services
		(4) Provide support for balancing health check-ups, treatment, and work	High stress level (Male) (2) (3) (4)	8.6% In 2025	9.9% In 2024	Lifestyle Habit and Visceral Fat Check-up Service (lifestyle habit analysis and visceral fat measurement) (3) (6)	
			High stress level (Female) (2) (3) (4)	7.7% In 2025	9.0% In 2024	Gait Measurement Sessions and <i>Hoco Touch</i> (3) (6)	
		(5) Run consistent industrial health activities	BMI level over 25 (Male) (1) (3) (4) (5)	26% In 2025	27.4% In 2023	<i>Smart WASHOKU</i> (3) (6)	
			BMI level over 25 (Female) (1) (3) (4) (5)	14% In 2025	16.4% In 2023	Running classees (3) (6)	
	Social health	(6) Externally deploy good practices	Smoking rate (Male) (1) (3) (4) (5)	26% In 2025	24.7% In 2023	Health Day Consortium (6)	
			Smoking rate (Female) (1) (3) (4) (5)	13% In 2025	15.3% In 2023	Conducted a Practical Program for Preventing Obesity at a public lecture by the Japan Society for the Study of Obesity (6)	

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

Walking the Right Path

Effective Corporate
Governance

Full Transparency

Respecting Human
Rights

Human Capital
Development

Inclusive & Diverse
Workplaces

> Employee Wellbeing
& Safety

Responsible
Chemicals
Management

Strategy

To contribute to business growth and the resolution of social issues, we are promoting effective strategies, aligned with Kao's values, that reduce risks and create opportunities in Employee Wellbeing & Safety (Health).

■ Social issues

Kao recognizes the following social issues related to this theme.

- Decline in social vitality due to the aging population and increased burden of medical expenses for citizens
- Diversification of support for the workplace environment due to the raising of the working age and the advancement of women into society
- Need for childcare support and support for raising children by society due to the declining birthrate

■ Risks and opportunities

Under such a social background, the main risks and opportunities identified by Kao in this theme are as follows.

Risks

- Health insurance finances under pressure due to increased national medical expenses
- Increasing numbers of employees suffering from age-related illnesses and mental health issues, and increasing numbers of employees taking leave of absence
- Increasing number of employees unable to perform adequately due to unidentified complaints of illness

Opportunities

- Minimizing health risks such as lifestyle diseases and locomotive syndrome by increasing the number of employees with a high level of health awareness
- Identifying health issues by reaching out to older generations and women, and developing measures to address these issues
- Providing healthcare support tailored to the issues of the target persons by utilizing the Kao's healthcare knowledge

■ Strategy

We are promoting health and productivity management as an activity that will form the basis for "maximizing employee vitality" to support the Kao Group's continuous growth. We have announced our health and productivity management policy internally and externally through the Kao Group Health Declaration and have formulated the Mid-term Health Plan to achieve this. We are also promoting occupational health activities based on the Health and Productivity Management Strategy MAP. We also compile a Health White Paper every year to reflect on our own activities and use this to improve our measures.

Kao Group Health Declaration

The Health Declaration states that employees will work enthusiastically to improve their health, that the company will actively support these activities, and that the company will also contribute to the health of society by sharing its best practices with the outside world.

Kao Group Health Declaration

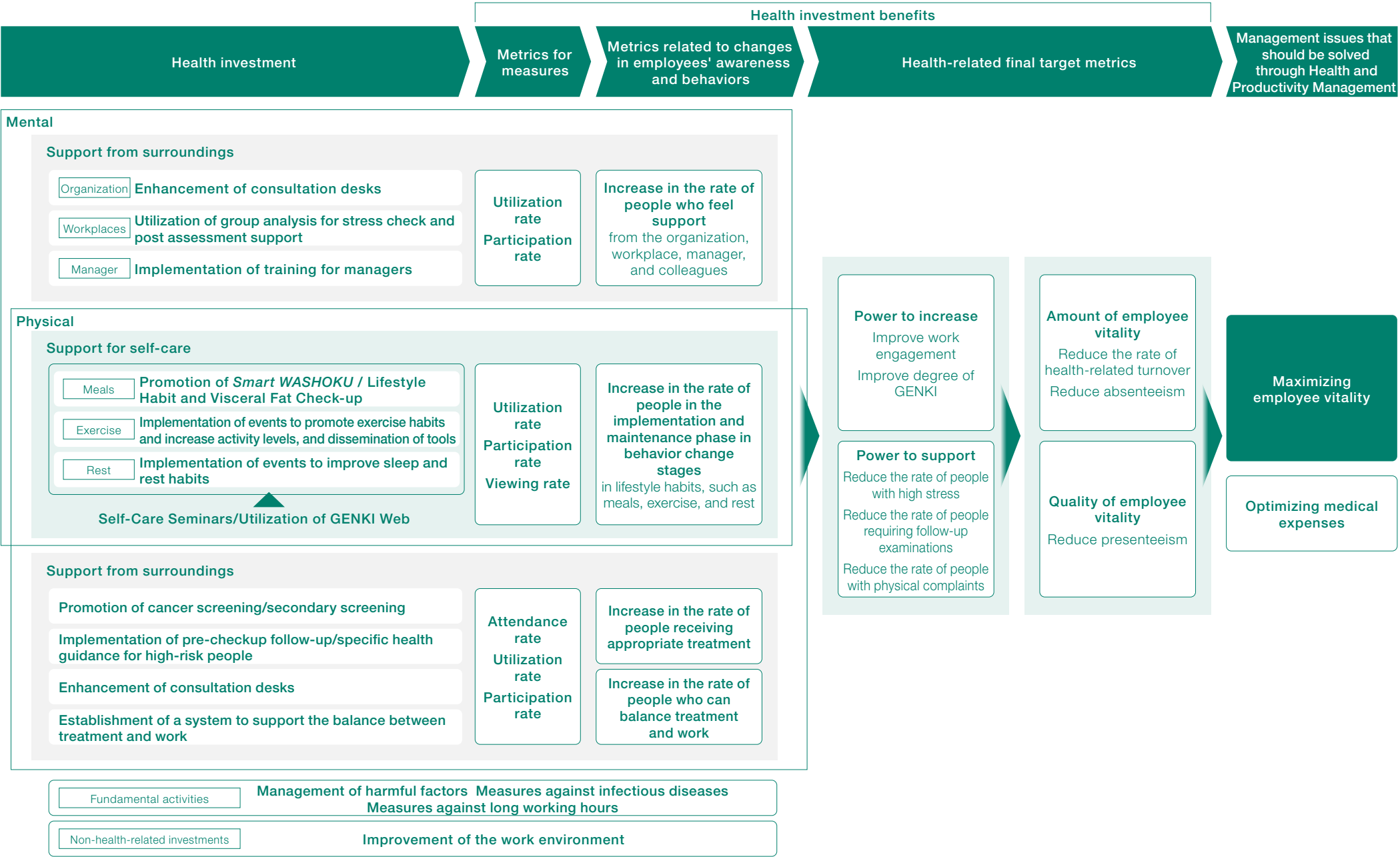
Along with promoting healthy bodies, we are striving for the expansion of reliable healthcare based on evidence from inside and outside the company for not only employees and their family but also for communities, workplaces and consumers.
Together we will realize healthy and enriched lives for all.

Well-being
Making things better
for everyone



Health and Productivity Management Strategy MAP

The Health and Productivity Strategy Map shows the connections between the Health Declaration and the health support activities that form the basis of “maximizing employee vitality.”



(1) Improve employees' mental and physical well-being

Aiming to achieve the goals of the Mid-term Plan 2027 (K27), we will support the health of our employees both mentally and physically so they can continuously perform at a high level, and we will maximize the vitality of our employees.

Related initiative: [P243](#) Kao Group Health Day to nurture the health of employees and society

(2) Improve mental health through support focused on connections with organizations and people

To improve mental health, we will foster the ability of employees to notice changes in themselves and their colleagues and respond to them early, while also cultivating a culture of mutual support throughout the organization.

Related initiatives: [P243](#) Kao Group Health Day to nurture the health of employees and society, [P244](#) Initiatives to support mental health

(3) Promote autonomous self-care

We support the autonomous maintenance and promotion of health among our employees by developing and implementing health promotion programs that focus on the three pillars of diet, exercise, and rest, and that raise the interest and motivation of our employees.

Related initiatives: [P243](#) Kao Group Health Day to nurture the health of employees and society, [P254](#) Lifestyle habit improvement initiatives, [P246](#) Support for the health of employees and their families, [P246](#) Practical Program for Preventing Obesity at a public lecture by the Japan Society for the Study of Obesity

(4) Provide support for balancing work with health check-ups and treatment

In addition to improving the rate of regular health check-ups and disease prevention activities, we will also establish a support system that enables employees with illnesses to balance work and treatment. We will provide multifaceted support for employees, not only in terms of health management and prevention, but also in terms of health promotion and treatment support and create a workplace where employees with health issues can work with peace of mind over the long term.

Related initiative: [P245](#) Initiatives to support women's health

(5) Run consistent industrial health activities

We assign occupational physicians and nursing staff nationwide to promote evidence-based, steady occupational health activities together with the manager and staff of the HR section.

Related initiatives: [P245](#) Lifestyle habit improvement initiatives, [P246](#) Support for the health of employees and their families, [P246](#) Practical Program for Preventing Obesity at a public lecture by the Japan Society for the Study of Obesity

(6) Externally deploy good practices

We will widely communicate good examples of our company's initiatives to the outside company

through initiatives such as the Genki Project and contribute to the promotion of health in society and among consumers.

Related initiatives: [P243](#) Kao Group Health Day to nurture the health of employees and society, [P246](#) Support for the health of employees and their families, [P246](#) Practical Program for Preventing Obesity at a public lecture by the Japan Society for the Study of Obesity

Health White Paper

We summarize our annual health and productivity management activities in a Health White Paper and reflect on them.

Impact generated by implementing the strategies

We believe that the aforementioned strategies will have the following financial, environmental, and social impacts.

Financial impact

- Improved labor productivity and reduced labor costs
- Appropriate investment in health measures
- Lower medical costs

Environmental and social impact

- Contribution to the healthy and enriched lives of employees and their families, partner companies, and society
- Sound regional healthcare finance
- Contribution to society through the external deployment of the results of health and productivity management
- Contribution to consumers and society through the stable and continuous provision of products and services

Strategic resilience

Kao is developing multifaceted measures centered on promoting the health of our employees, and is building resilience to deal with risks such as mental and physical health issues and increased medical expenses. By strengthening the system to comprehensively support everything from health checks to treatment support, and by reinforcing the foundation of occupational health, we will maintain the vitality of our employees and ensure the stability of the organization as a whole. This will enable us to remain a company that can respond to new growth opportunities, even when risks become apparent, and continue to operate stably.

Metrics and targets

To improve the effectiveness of our strategies, we have established performance metrics related to risks and opportunities, and we regularly monitor progress. We have set targets for the metrics related to particularly important risks and opportunities, and we are steadily promoting initiatives by utilizing the PDCA cycle to check the status of achievement of these targets.

Targets and progress

Strategy	Metrics	Results					Mid- to long-term targets	
		2020	2021	2022	2023	2024	Target value	Year
(1)	Score for “Vitality” in our employee engagement survey (perfect score: 100)	–	–	–	59	61	70	2030

Important metrics for Kao Health 2025

Strategy	Metrics	Results					Targets 2025
		2020	2021	2022	2023	2024	
(1) (2) (3) (4) (5)	Degree of GENKI (Rate of affirmative answers in the job stress assessment) (Male)	78.0%	77.8%	76.6%	78.2%	78.0%	80.0%
(1) (2) (3) (4) (5)	Degree of GENKI (Rate of affirmative answers in the job stress assessment) (Female)	77.6%	77.2%	78.1%	79.3%	80.5%	80.0%
(1) (3) (4) (5)	BMI level over 25 (Male)	28.5%	27.3%	27.6%	27.4%	–	26.0%
(1) (3) (4) (5)	BMI level over 25 (Female)	15.0%	14.7%	15.5%	16.4%	–	14.0%
(1) (3) (4) (5)	Smoking rate (Male)	26.0%	24.8%	24.8%	24.7%	–	21.0%
(1) (3) (4) (5)	Smoking rate (Female)	17.0%	15.6%	15.0%	15.0%	–	13.0%

Metrics for KLP Kao Actions

Strategy	Metrics	Results					Mid- to long-term targets	
		2020	2021	2022	2023	2024	Target value	Year
(1) (2) (3) (4) (5)	Average number of long-term absence days (days/people) * Starting from Japan	144 days	197 days	127 days	195 days	220 days	105 days	2030
(1) (2) (3) (4) (5)	Long-term absence rate per 1,000 employees * Starting from Japan	18.5*	23.2*	27.4*	25.6*	27.2*	0.12	2030

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

The score for employee vitality increased by two points.

The degree of GENKI is on the rise, and the number of employees who are lively, full of energy, and working with enthusiasm is increasing. The number of employees with a BMI of 25 or higher is increasing, particularly among women, and as obesity among the younger generation is also increasing, it is necessary to continue providing support for obesity. The number of smokers is decreasing among both men and women, but the number of smokers among men in their 20s is increasing, and it is thought that many employees start smoking after joining the company, so support for smoking cessation is required.

The average long-term absentee rate and the average number of lost long-term work days are both increasing. Looking at the breakdown of long-term absentees, the number of new absentees is decreasing, and the increase in the number of long-term absentees is due to an increase in the number of people continuing long-term absences. As a countermeasure, we will review support for balancing treatment and work, and support programs for returning to work.

The rate of people with high stress levels has been on a downward trend since bottoming out in 2020, and is generally being kept at around 9%. In particular, the rate of high-stress workers in their 30s and early 40s is high. On the other hand, the average number of long-term absence days (days/person) is on the rise, and the number of days of absence due to mental health issues in particular is increasing.

Key Health Metrics for Kao Group Employees in Japan

		2020	2021	2022	2023
Percentage of employees undergoing periodic health check-ups		100%	100%	100%	100%
Percentage of employees who underwent follow-up examinations		88.1%	92.6%	96.0%	97.1%
Percentage of employees undergoing continued therapy who are at high risk of diabetes		–	87.7%	87.1%	81.4%
Specific health guidance implementation rate (age 40 or older)		63.2%	71.2%	75.2%	73.4%
Percentage of employees who eat breakfast at least three times a week	Male	76.5%	75.8%	75.2%	74.4%
Percentage of employees who exercise at least once a week		60.3%	60.2%	61.0%	61.7%
Percentage of employees who walk for at least 60 minutes a day		55.6%	49.1%	50.8%	55.3%
Percentage of employees who get adequate sleep		63.8%	63.6%	63.3%	62.2%
Percentage of employees who do not smoke		74.0%	75.2%	75.2%	75.3%
Percentage of employees who do not drink alcohol every day		82.0%	82.1%	82.2%	82.2%
Percentage of employees with a BMI of 25 or higher		28.5%	27.3%	27.6%	27.4%
Percentage of employees engaged in improving their lifestyle habits		28.0%	28.3%	28.8%	29.0%
Percentage of employees who are at risk of developing metabolic syndrome (age 35 or older)		36.9%	33.8%	33.0%	33.2%
Percentage of employees receiving specific health guidance (age 40 or older)		22.4%	18.9%	18.2%	17.6%
Percentage of employees who eat breakfast at least three times a week	Female	76.3%	76.5%	75.4%	74.8%
Percentage of employees who exercise at least once a week		40.4%	41.0%	41.2%	41.8%
Percentage of employees who walk for at least 60 minutes a day		60.6%	56.2%	57.0%	60.4%
Percentage of employees who get adequate sleep		62.6%	61.7%	60.6%	59.2%
Percentage of employees who do not smoke		83.0%	84.4%	85.0%	85.0%
Percentage of employees who do not drink alcohol every day		90.6%	90.0%	70.8%	89.2%
Percentage of employees with a BMI of 25 or higher		15.0%	14.7%	15.5%	16.4%
Percentage of employees engaged in improving their lifestyle habits		21.2%	22.4%	22.9%	22.0%
Percentage of employees who are at risk of developing metabolic syndrome (age 35 or older)		8.9%	8.2%	8.5%	8.9%
Percentage of employees receiving specific health guidance (age 40 or older)		9.2%	8.1%	7.8%	8.0%

Investment in major health facilities

	Year	Category	Cases	Yen (tax excluded)
Improvement of lifestyle habits	2024	<i>Hoco Touch</i> usage fee		7,068,740
		Gait and visceral fat measurement	1,688	5,307,037
		<i>Smart WASHOKU</i> seminar		2,513,000
GENKI-WEB	2024	Meal analysis		1,800,000
		RenoBody		600,000
		Fee for system usage		5,136,000
GENKI point	2024	Items	7,154	16,800,156
		Donation to Heart Pocket Club	2,202	220,200
Walking event (for corporate citizenship)	2024	Blind soccer / Share / Care International / WHO	1,880	1,100,000
Subsidization in each worksite and area (Health Insurance Union PE-Aid)	2023	Health promotion business activities	115	9,402,182

Final health metrics in the Health and Productivity Management Strategy MAP

	Male				Female			
	FY2021	FY2022	FY2023	FY2024	FY2021	FY2022	FY2023	FY2024
Degree of GENKI (being energetic, lively, bright)	77.8	76.6	78.2	78.0	77.2	78.1	79.3	80.5
Work engagement level	69.8	66.6	67.9	68.0	74.3	72.9	74.3	74.9
Absenteeism	5.1	6.2	8.5	6.5	6.1	8.9	10.9	8.6
Presenteeism	21.4	22.3	22.8	18.0	23.4	24.2	24.4	18.8
Job satisfaction	68.0	66.7	67.7	67.5	67.2	65.7	67.6	67.6
Life satisfaction	85.5	85.8	86.3	86.4	86.4	87.2	87.1	86.7

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. * “From FY2024, the question changed to be based on the SPQ (the University of Tokyo single-item edition). “Please rate your work over the past four weeks, with 100% being the level of work you can achieve when you are not sick or injured.”
- Job satisfaction: Each response to the stress check question, “I am satisfied with my job,” is scored. The percentage is calculated by dividing the number of employees who scored 3 or higher by the total number of respondents.
- Life satisfaction: Each response to the stress check question, “I am satisfied with my home life,” is scored. The percentage is calculated by dividing the number of employees who scored 3 or higher by the total number of respondents.

Deployment of Company-wide Health Promotion Activities (Japan)

Content of activities in 2024	2024 results	2024 Participant satisfaction level
42-day Weight-loss Challenge	2,388 participants (Achieved target: 36%)	54%
Pre-health check-up weight-loss challenge (One Month Program)	325 participants (Achieved target: 27.4%)	83%
Stop Smoking Challenge	62 participants (Of whom 32 were successful)	–
Quitting smoking online	13 participants	–
Waku Waku Walk Challenge	1,871 participants (Achieved target: 47.8 %)	81%
Video distribution of Gynecological Cancer Screening	1,598 viewers	99%
Relax & Recharge	3,972 participants	92%
e-learning for managers on Women's Health	2,868 participants	89%
How I'll spend the New Year's holiday!	1,374 participants in the declaration, of whom 999 people achieved their target. Video viewed by 1,901 people.	94%
Women's Health News	Published in January, April, July and October	–
GENKI Mori Mori Bulletin	Issue 6, published	–

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

Content of activities in 2024	2024 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: Lectures, Stop Smoking Challenge, and more.	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: Occupational 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.
Senior Health: Slip-and-fall prevention seminars, etc.	2 programs were held with a total of 200 participants.

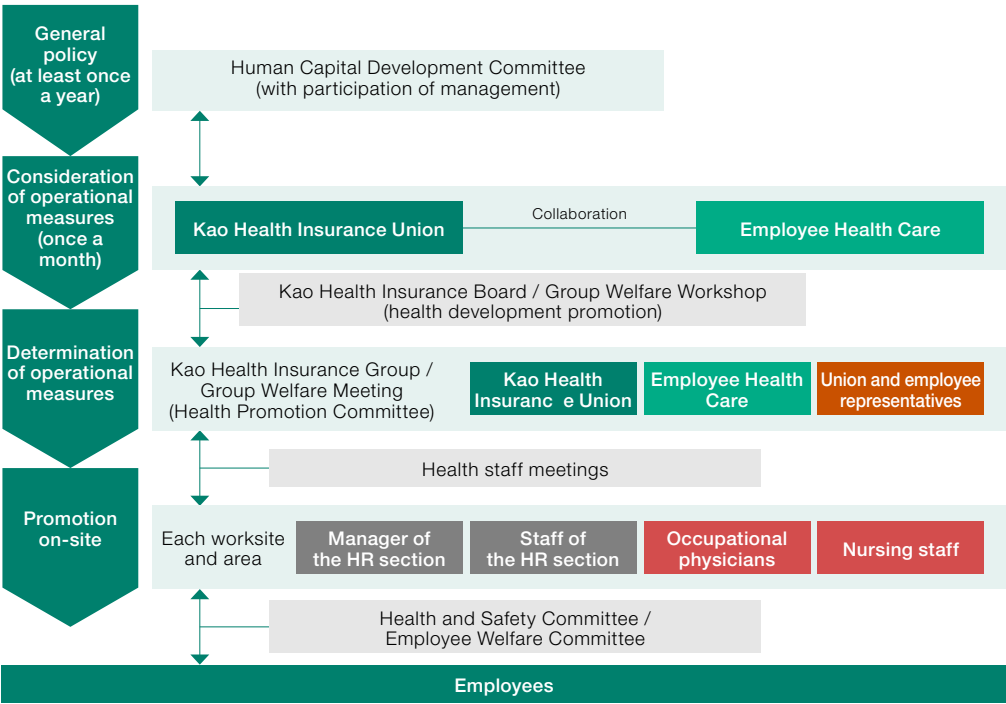
Governance

Under the supervision of the Board of Directors, the Human Capital Strategy is responsible for overseeing the division, and the senior executive officer in charge of the division is responsible for the overall management of the division. The formulation of health policy is deliberated on and approved by the Human Capital Planning Committee, which includes Directors and Executive Officers. The content is shared throughout the Group.

In Japan, the company and the health insurance association work together to consider and plan measures. In addition, the final decisions on key measures are made at Group welfare meetings attended by the director in charge, the person in charge of the Human Capital Strategy, and employee representatives, as well as at informal gatherings that include employee representatives. During the implementation stage of the formulated measures, the health practice managers and health practice staff assigned to each workplace and district play a central role in promoting the measures in collaboration with industrial physicians and nursing staff.

Furthermore, at our sites outside Japan, we are also developing a system for managing health based on the administrative policies of each country and region, while sharing information on initiatives in Japan.

Organizational structure



Risk and opportunity management

Management process

The status of our initiatives to address the risks and opportunities associated with Employee Wellbeing & Safety (Health) is managed through the following processes: planning, implementation, evaluation of results, and corrective action. We are working to make steady improvements.

P (Planning)

Set key targets based on the mid-term health plan, Kao Health 2025

D (Implementation)

Please see the initiatives (P243-247).

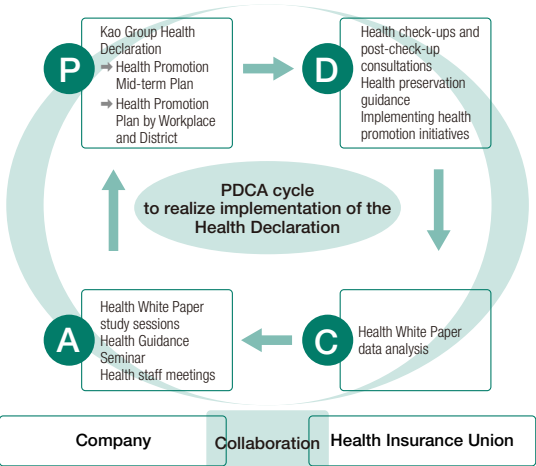
C (Evaluation of results)

Evaluation of health data and various KPI results, Workplace Occupational Health Best Practices Award.

A (Corrective action, review of targets and activities)

Corrective measures and updated activity plans are considered at the Health Staff Meeting and Group Welfare Meeting based on the results of activities. A report on the series of activities is given at Human Capital Planning Committee meetings.

Health Promotion Management System



Initiatives

Kao is engaged in a variety of initiatives aimed at Employee Wellbeing. These initiatives are based on the aforementioned strategies and are being promoted in collaboration with each other to achieve our targets. Here, we will introduce some of the important initiatives from among the many we are engaged in.

Strategy		Initiatives		
Overall health	(1) Improve employees' mental and physical well-being	The Director's message for Kao Group Health Day	Kao Group Health Declaration	<i>Waku Waku Walk</i>
Mental health care	(2) Improve mental health through support focused on connections with organizations and people	Job stress assessments	Line care training	Self-care training
Physical health	(3) Promote autonomous self-care	Lifestyle Habit and Check-up Service	<i>Smart WASHOKU</i>	Running classes for employees and their families
	(4) Provide support for balancing health check-ups, treatment, and work	Health promotion videos and information distribution	e-learning for managers	Support for balancing treatment and employment
	(5) Run consistent industrial health activities	Industrial health system	Health Consultation Service	Health White Paper
Social health	(6) Externally deploy good practices	Health Day Consortium	GENKI-well Services	<i>NAiBO®-eye</i>


Kao Group Health Day to nurture the health of employees and society

Region: Global

Corresponding strategies: (1) (2) (3) (6)

Kao has designated April 7 as Kao Group Health Day to coincide with WHO World Health Day. Every year the company distributes the theme and the Director's message for the year to all employees, including those at sites outside Japan. The message is also sent to employees' families, with the aim of promoting health and supporting the enriched lives and health of people around the world.

In 2024, on the occasion of the Kao Group Health Day, Toru Nishiguchi, Representative Director and Senior Managing Executive Officer, made a health resolution to the people of the world.

 Kao | Kao Group Health Day (2024)
<https://www.kao.co.jp/genki/healthday/2024/>



My Health Resolution

Working with a smile

Toru Nishiguchi
Representative Director, Senior
Managing Executive Officer
Kao Corporation

In Japan, we held various events to coincide with Health Day. Initiatives included the My Health Resolution, in which each employee sets their own health targets; the *Waku Waku Walk Challenge*, a social contribution walking event that donates a total of 1 million yen in proportion to the number of steps taken; and the Gift for your Health campaign, in which employees send eye masks to their loved ones with messages wishing them good health. These activities created opportunities for employees to think about their own health and that of their loved ones.

Health Resolution



The Health Resolution is a program in which each employee sets a health target. It was rolled out at 34 locations, with 3,368 resolutions made. There were also 470 resolutions made on the website version.

Gift for your Health

Kao has also formed the Health Day Consortium, a community that carries out health promotion initiatives in the workplace and is working with other companies on health-related activities, such as sharing examples of initiatives and disseminating health information. On April 5th, the first Health Day Forum was held, with around 330 people in attendance. The results of the post-event questionnaire showed that 97% of participants understood the purpose of the Health Day activities. We are promoting activities to disseminate the importance of health and productivity management and the Health Day initiatives to a wide range of society, and to expand the scope of health and productivity management.



The first Health Day Forum took place. It was held in a hybrid format combining real and online elements, and around 330 people participated.

Initiatives to support mental health

Region: Japan

Corresponding strategy: (2)

Kao protects the mental health of each and every employee through stress checks and various training programs, while also supporting the improvement of each employee's mental health management capabilities.

Job stress assessments

We conduct annual stress checks for all employees with the aim of preventing mental health problems. In FY2024, 97.3% of all employees participated. Based on the results, we carry out early follow-up by occupational physicians and nursing staff, and also work to improve the workplace environment as necessary, promoting the creation of a workplace environment where employees can work with vitality.

Mental health courses

We support the improvement of stress management skills through mental health training so that each employee can manage their own health autonomously. In line care training, we provide a basic e-learning course for all managers, and in FY2024, 3,367 people participated. The post-training questionnaire showed that the overall comprehension rate was 95%, and the course supported the acquisition of skills in the roles of managers and how to deal with members. In addition, an advanced course was held by an external lecturer on the theme of "communication skills to revitalize the workplace inside and out." There were 2,588 participants, mainly managers. We worked to improve our members' ability to deepen their dialogue and communication with their colleagues at work. In addition, we held a self-care training program for all employees, with 30-minute training sessions held every other month on five themes (a total of 10 times), with a total of 3,268 employees participating. By providing each employee with the opportunity to learn stress management methods that suit them, we are supporting the reinforcing of employees' stress management skills.

Lifestyle habit improvement initiatives

Region: Japan

Corresponding strategies: (3) (5)

We held two challenge events aimed at helping employees enjoy losing weight in the lead-up to their health check-ups.

(1) Weight-loss challenge

This is an event aimed at losing 2 kg or more. We support healthy weight loss through the distribution of videos by external instructors on how to make exercise, nutrition and rest your allies, and through advice on how to build a body that is easy to lose weight in, using walk monitoring. In FY2024, 868 of the 2,388 participants achieved their goals.

(2) Pre-health check-up challenge

This is an initiative for employees aged 35 and over who, based on the results of their health check-up in FY2023, have a BMI of 25 or more or a waist circumference that meets the criteria (85 cm or more for men, 90 cm or more for women), and who aim to lose weight in the month before their health check-up. Using Kao's independently developed "One Month Program," we provide personalized advice tailored to the type of participant. In FY2024, 325 people participated and 89 people achieved their goals.



Initiatives to support women's health

Region: Japan

Corresponding strategy: (4)

Kao is implementing a variety of initiatives to support the health issues faced by female employees and create a working environment where they can work with peace of mind. As part of these initiatives, we have set up a Women's Health Consultation Service, and we are accepting consultations by email, with our occupational physicians responding to them in a considerate manner. With the consent of the person seeking advice, we work in cooperation with the relevant in-house counseling rooms to provide ongoing support from familiar occupational health staff. The number of consultations in FY2024 was 9.

In addition, to deepen understanding of women's health, we publish an in-house magazine called Kao Women's News once every three months.

In addition, a video was distributed by an occupational physician on the topic of "recommendations for gynecological cancer screening." The rate of breast cancer screening increased from 73.2% (2022) to 77.3% (2024), and the rate of cervical cancer screening rose from 64.8% (2022) to 69.5% (2024).

We also provide information on menopause, and continue to support each and every employee in creating a healthy and comfortable working environment.

Furthermore, 2,847 people participated in e-learning for managers in FY2024, and the post-implementation questionnaire showed a high level of understanding at 99%. Understanding of women's health is deepening throughout the organization.

We are also providing support for childcare by setting up nursing rooms in the workplace, among other measures.

Through these initiatives, Kao will create an environment in which female employees can work long-term while facing their own health with peace of mind.

[Kao Women's News]



Support for the health of employees and their families

Region: Japan

Corresponding strategies: (3) (5) (6)

The Kao Group is actively promoting the Genki Project, which provides its expertise in employee health promotion to local governments, companies, senior citizen facilities and other external organizations. We provide the GENKI-well service, which contributes to the realization of healthy bodies and GENKI well-being lifestyles for employees and their families, as well as for people in the local community and the workplace.

<GENKI-well Services>

Lifestyle Habit and Visceral Fat 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.

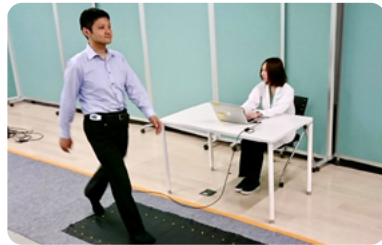
- Number of sites: Held at 10 workplaces and 8 branch offices.
- Number of participants: Approximately 1,700 people total



Gait Measurement Session 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.

- Number of implementation sites: 4 worksites
- Number of participants: Approximately 650 people total
- Number of Hoco Touch units rented: 8,665 people (86 spot locations)



GENKI-well

Smart WASHOKU®

We are continuing our initiatives to make employees and their families more aware of *Smart WASHOKU®*, a dietary method developed by Kao that leads to less visceral fat accumulation while ensuring sufficient nourishment. We hold regular online and in-person cooking classes, and offer *Smart WASHOKU* lunches at the employee cafeterias. In addition, we are supporting dietary improvements at our Kayaba, Sumida, and KCMK locations by distributing recipe cards.



Running classes for employees and their families

In March 2024, the Kao track and field team, Employee Health Care, and GENKI Project jointly held a running class at a track and field stadium in Tokyo, with a total of 77 employees and their children participating.

Together with the runners who competed in the New Year Ekiden, we held running events and sprinting classes for elementary school students. We had a great time learning the tricks of the trade and experiencing the speed of the runners.



Practical Program for Preventing Obesity at a public lecture by the Japan Society for the Study of Obesity

Region: Japan

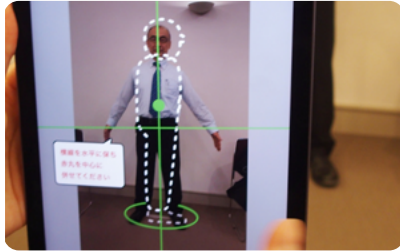
Corresponding strategies: (3) (5) (6)

At the 45th Japan Society for the Study of Obesity Public Lecture (hosted by the Japan Association for the Prevention of Obesity), Kao's GENKI Project implemented an Obesity Prevention Practice Program. In this program, we used *NAiBO®-eye*, a device developed by Kao that can quickly measure visceral fat (as a rough guide) by simply taking a photo

with a smartphone, to measure the visceral fat of the participants.

Through this initiative, which makes it possible to measure the size of visceral fat, which is usually difficult to measure, the participants commented, “I’m glad I was able to find out the size of my visceral fat. I want to use this as a chance to improve my lifestyle.”

Measurement sessions using *NAiBO*®-eye are also suitable for large-scale health promotion in local communities and workplaces, and are expected to be a tool that motivates participants to aim for a healthy lifestyle.



Employees’
opinions

Creating opportunities for behavior change



Yuki Ishida
Employee Health Care, Human
Capital Strategy,
Kao Corporation

With a variety of ways of working and lifestyles, the actual state of each employee’s health initiatives (health awareness) is diverse.

With the Kao Group Health Day as the focus, we provide an opportunity for people to think about their own health, make a Health Resolution, and encourage them to make autonomous changes in their behavior.

In addition to walking, the walking event also promotes participation from new angles, such as a competition between donation recipients, and by using the Hoco Touch (pedometer with a built-in accelerometer) developed by Kao. The Hoco Touch visualizes not only the number of steps taken, but also the quality of walking and the amount of activity. We would like to see participants gain further awareness and make autonomous changes in their behavior.

We also have high hopes that all employees will realize that mental and physical health are linked to the mental health of their loved ones.

Through various health promotion activities, we will continue to provide opportunities for our valued employees to lead vibrant lives while feeling the vitality of change and the joy of experiencing it, both in the present and future.



Stakeholder engagement

Expectations for the possibilities of health support pioneered by Kao

Yoshiko Sano

Registered Dietitian,
Comprehensive Health Check-up
Promotion Center,
Japan Anti-Tuberculosis Association

Evaluation of Kao's initiatives

Currently, as a member of the prefectural health project support and evaluation committee, I give advice on the development of health projects that take the PDCA cycle into account. As a result, I have many opportunities to interact with the people in charge of projects at local governments and the professionals at corporate health insurance associations through health guidance training sessions, and I have come to realize that even for the same project, the issues are diverse depending on the scale of the local government and the characteristics of the region, and that even for companies in the same industry, health issues are not uniform.

In today's society, with the aim of promoting health and productivity management, there is a push to visualize health management using data. The Data Health Plan is being recommended as a way to achieve this in a concrete way, but in workplaces with limited human resources and budgets, this is causing a capacity overload. The KDB (National Health Insurance Database) system has been put in place, and we have been able to reach the health issues of residents, but the next urgent task for local governments is to implement and evaluate efficient and effective health projects in line with this.

Kao provides a variety of health support tailored to the health issues of different regions and workplaces. In this context, we are focusing on and evaluating the Health Promotion Program in Collaboration with Private Companies in Fukushima Prefecture, a collaborative project with stakeholders, and the 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 in Toyota City, Aichi Prefecture. For local governments whose mission is

to "increase the number of elderly people who can live independently," there is a definite need for support for projects targeting the elderly in the local community with the keyword Vitality. In light of this, we hope to continue utilizing Kao's health promotion solutions to establish a collaborative method between companies and local governments, as well as to disseminate further examples.

Expectations for Kao

Every year, when you receive the results of your health check-up, you must have questions like "Why is my HbA1c level so high when my BMI is less than 25.0 kg/m?" "Why do they keep telling me my liver function is poor even though I don't drink alcohol?" "My diet and exercise habits haven't changed, but my test results have worsened." "I've been dieting, but I can't lose any weight." However, because there is no place to resolve these issues, most people end up doing nothing about them. As the initial interview early points were introduced in the fourth-term specific health guidance, responding to such questions is an excellent opportunity to motivate people to improve their lifestyles, and we believe that using the results of health check-ups is an important indicator in supporting people to "view their health issues as their own." We would like Kao to consider enhancing this "thorough follow-up after health check-ups" item.

We believe that the following initiatives, which are designed to increase the number of people in the action change stage of the behavior change model, will have a synergistic effect: providing health information and making visceral fat visible; promoting the spread of *Smart WASHOKU*; and promoting and making visible the recording of walking quality and activity levels. We are looking forward to seeing the results.

Employee Wellbeing & Safety: Safety

GRI 403-6

We are committed to thorough occupational health and safety management so that all people working at Kao, including those from subcontractors at manufacturing sites, can work safely and with peace of mind. We protect our employees from accidents and disasters that may occur during business activities, leading to high employee vitality and consistent business activities.

Risks	Strategy		Metrics, targets and results			Initiatives	Financial impact
<ul style="list-style-type: none">• Suspension of operations or damage to corporate value due to serious accidents or occupational illnesses• Legal issues and litigation risks arising from workplace accidents	Occupational safety and health	(1) Eradicate occupational accidents	Metrics	Targets	2024 results	Improving safety awareness with the award system for no accidents that cause lost work days (1)	<ul style="list-style-type: none">• Improved labor productivity and lower labor costs• Rationalized medical expenses
			Lost-time Frequency Rate (per million hours worked) (1)	0.15 2030	0.83		
			Deaths and loss-of-function accidents (1)	Zero each year	0		
		(2) Prevent traffic accidents while on duty	Percentage of bases recognized for no accidents that cause lost work days (1)	–	31%	Sharing safety messages globally (1)	
Work-related traffic accidents 100%-negligence accidents causing bodily injury (2)			Zero 2030	4			
Opportunities <ul style="list-style-type: none">• Improve resilience by revitalizing employees and workplaces through a safe and secure working environment and by retaining human resources		(3) Create a pleasant working environment				Assessing risk for chemical substances (3)	<ul style="list-style-type: none">• Contribution to the healthy and fulfilling lives of our employees and their families, subcontractors and society• Sound regional healthcare finances
		(4) Promote occupational health and safety for subcontractors at manufacturing sites				Making a comfortable work environment for employees (3)	

Walking the Right Path

Effective Corporate Governance

Full Transparency

Respecting Human Rights

Human Capital Development

Inclusive & Diverse Workplaces

> Employee Wellbeing & Safety

Responsible Chemicals Management

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

Strategy

In the quest to reduce risks and create opportunities for employee wellbeing and safety (safety), we are implementing strategies that are unique to Kao, are effective, and contribute to business growth and solving social issues.

■ Social issues

For Kao to remain a sustainable and competitive entity, we must have a firm grasp of social issues. Understanding social issues will not only mitigate business risks for Kao, but will also be an important starting point for identifying new business opportunities that will drive growth. Kao recognizes the following social issues related to this theme.

- Health concerns and an increase in workplace accidents among an aging workforce
- Growing focus by investors and the government on revitalizing human resources
- Workplace accidents and incidents caused by inadequate working conditions

■ Risks and opportunities

In this business environment, which includes the social issues outlined above, Kao is facing various risks but also identifying new business opportunities. Identifying these risks and opportunities is an important process in formulating corporate strategies and measures. The main risks and opportunities identified by Kao in this theme are as follows.

Risks

- Suspension of operations or damage to corporate value due to serious accidents or occupational illnesses
- Legal issues and litigation risks arising from occupational accidents

Opportunities



- Improving resilience by revitalizing employees and workplaces through a safe and secure working environment and by retaining human resources

■ Strategy

In response to the identified risks and opportunities, Kao has formulated the following strategies. We are creating a safe working environment where employees can work with peace of mind by introducing an ISO management system that goes beyond the basics of occupational safety, improving the workplace environment through a comprehensive approach that includes subcontractors at manufacturing sites, and integrating the expertise we have accumulated globally in occupational health and safety management with a system that allows each plant to manage itself autonomously. This will strengthen maximization of employee power and potential set out in the Mid-term Plan K27.

(1) Eradicate occupational accidents

We aim to eliminate occupational accidents by identifying risk factors at each workplace and thoroughly implementing preventive measures through a precise approach tailored to the characteristics of each employee's work. This will help to maximize the power and potential of employees and lead to the realization of the Mid-term Plan K27.





Related initiatives:  Improving safety awareness with the award system for no accidents that cause lost work days,  Sharing safety messages globally

(2) Prevent work-related traffic accidents

Raise employee awareness through traffic safety education and other means, and promote the development of a safe transportation environment, thereby reducing the risk of work-related traffic accidents.

(3) Create a pleasant working environment

Comply with the work environment standards and laws of each country, and conduct work environment management and chemical substance risk assessments. In this way, we will improve the work environment company-wide, and create a work environment where employees can work comfortably and with peace of mind.

Related initiatives:  Improving safety awareness with the award system for no accidents that cause lost work days,  Sharing safety messages globally,  Risk assessments for chemical substances,  creating a pleasant working environment for employees

(4) Promote occupational health and safety for subcontractors at manufacturing sites

Apply Kao's occupational health and safety standards to subcontractors at manufacturing sites, and promote occupational health and safety not only for our own employees but also for all people working at Kao. Create a safe and sustainable supply chain through a comprehensive approach that includes subcontractors.

Related initiative:  Sharing safety messages globally

Targets and progress

Strategy	Metrics	Results					Mid- to long-term targets	
		2020	2021	2022	2023	2024	Target value	Year
(1)	Lost Time Frequency Rate (per million hours worked)	0.53	0.64	0.65	0.71	0.83	0.15*1	2030
(1)	Average number of lost long-term work days (days/people) * Starting from Japan	146	197	182	195	220	105	2030
(1)	Ratio of employees who have lost long-term work days per 1,000 employees * Starting from Japan	18.5*2	23.2*2	28.7*2	25.6*2	27.2*2	0.12	2030

*1 Change of metrics and target value

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

Each occupational safety target was set by backcasting from the goal of being at the global top level by 2030, and we have almost achieved our goal of cutting the number of deaths and loss of function accidents to zero as planned. However, the other targets have not been achieved or are delayed, as the number of accidents has not been reduced as planned. Therefore, the targets for occupational safety that have been delayed (lost time accident frequency rate and total accident frequency rate) were reviewed again in 2025 and reset. We will also aim to achieve this goal by implementing various initiatives for employee safety, as described later.

Metrics and results

Strategy	Metrics	Results		
		2022	2023	2024
(4)	Percentage of bases recognized for no accidents that cause lost work days	33%	35%	31%

We aim to have no accidents with lost work days and to continue to increase the number of sites that are eligible for awards, but the number is not increasing as we would like. We will continue to work to further improve safety awareness.

Impact generated by implementing the strategies

We believe that the aforementioned strategies will have the following financial, environmental and social impacts.

Financial impact

- Improved labor productivity and lower labor costs
- Rationalized medical expenses

Environmental and social impact

- Contribution to the healthy and fulfilling lives of employees and their families, subcontractors, and society.
- Sound regional healthcare finances

Strategic resilience

We are promoting initiatives to create a safe and comfortable working environment, and are preparing for the increase in health and safety risks due to the aging of our employees. These strategies will enable us to minimize the risk of occupational accidents and illness while maintaining the vitality of our employees, and to ensure business continuity and maintain corporate value.

Metrics and targets

To improve the effectiveness of our strategies, we have established performance metrics related to risks and opportunities, and we regularly monitor progress. We have set targets for the metrics related to particularly important risks and opportunities, and are steadily promoting initiatives by utilizing the PDCA cycle to check the status of achievement of these targets.

2024 targets and performance (Kao Group)

Item	Indicator	Boundary		2021	2022	2023	2024	
				Results	Results	Results	Target	Results
Occupational accidents	Death / loss of function*1 (persons)	Including both regular employees and temporary workers (Kao Group) <input checked="" type="checkbox"/>		0	1	0	0	0
		Breakdown	Japan	0	1	0	–	0
			Asia	0	0	0	–	0
			Americas	0	0	0	–	0
			Europe	0	0	0	–	0
		Subcontractors (Kao Group) <input checked="" type="checkbox"/>		1	0	0	0	0
		Breakdown	Japan	0	0	0	–	0
			Asia	1	0	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) <input checked="" type="checkbox"/>		0.64	0.65	0.71	0.27 or less	0.83
		Breakdown	Japan	0.46	0.51	0.58	–	0.63
			Asia	0.38	0.33	0.27	–	0.20
			Americas	4.40	1.91	2.49	–	3.24
			Europe	1.50	2.26	2.25	–	2.75
		Including both regular employees and temporary workers (Reference: Member companies of Japan Chemical Industry Association)		0.41	0.43	0.47	–	–
		Subcontractors (Kao Group) <input checked="" type="checkbox"/>		0.23	0.77	0.63	0.16 or less	0.47
		Breakdown	Japan	0.38	1.28	0.80	–	0.63
			Asia	0.14	0.12	0.29	–	0.00
			Americas	0.00	6.20	3.11	–	1.93
			Europe	0.00	3.57	1.18	–	5.27
		Subcontractors (Reference: Member companies of Japan Chemical Industry Association)		0.64	0.60	0.73	–	–

*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)

Item	Indicator	Boundary		2021	2022	2023	2024	
				Results	Results	Results	Target	Results
Occupational accidents	Total accident frequency rate*3	Including both regular employees and temporary workers (Kao Group)		1.82	1.75	1.82	0.81 or less	2.09
		Breakdown	Japan	1.73	1.84	1.89	–	2.13
			Asia	0.95	0.65	0.61	–	0.47
			Americas	8.00	3.19	2.49	–	4.57
			Europe	2.44	3.20	2.25	–	4.90
		Subcontractors (Kao Group)		1.07	1.39	1.41	0.47 or less	1.20
		Breakdown	Japan	1.78	2.85	2.60	–	1.88
			Asia	0.55	0.18	0.44	–	0.41
			Americas	0.00	6.20	4.66	–	1.93
			Europe	2.50	4.76	1.18	–	5.27
	Severity rate*4	Including both regular employees and temporary workers (Kao Group)		0.01	0.11	0.02	–	0.02
		Breakdown	Japan	0.01	0.15	0.01	–	0.01
			Asia	0.01	0.00	0.00	–	0.00
			Americas	0.12	0.07	0.10	–	0.06
			Europe	0.02	0.03	0.08	–	0.09
		Including both regular employees and temporary workers (Reference: Member companies of Japan Chemical Industry Association)		0.01	0.07	0.04	–	–
		Subcontractors (Kao Group)		0.30	0.02	0.02	–	0.02
		Breakdown	Japan	0.03	0.04	0.03	–	0.04
			Asia	0.52	0.00	0.01	–	0.00
			Americas	0.00	0.08	0.02	–	0.02
			Europe	0.00	0.26	0.01	–	0.05
		Subcontractors (Reference: Member companies of Japan Chemical Industry Association)		0.15	0.04	0.22	–	–
Traffic accidents	Number of employees who experienced lost work days due to occupational illness (persons)	Including both regular employees and temporary workers (Kao Group) <input checked="" type="checkbox"/>		0	0	0	0	2
		Breakdown	Japan	0	0	0	–	1
			Asia	0	0	0	–	0
			Americas	0	0	0	–	0
			Europe	0	0	0	–	1
	100% negligence accidents causing bodily injury (no. of accidents)	Sales and logistics (Japan)		3	5	3	0	4
	Accidents other than 0% negligence accidents per 100 vehicles*5			4.63	5.01	5.90	7.3 or less	5.60

*3 Total accident frequency rate: Number of persons injured in occupational accidents (including accidents without lost work days) per million hours worked
*4 Severity rate: Number of lost days / total working hours × 1000
*5 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 2025 (Kao Group)

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 are implementing activities based on the backcasting of accident and disaster prevention. The target values for occupational accidents and traffic accidents have been revised based on actual results. The target for traffic accidents is only for Japan.

Item	Scope	Indicator	2025 target
Occupational accidents	Including both regular employees and temporary workers	Death/loss of function*1 (persons)	0
		Lost time frequency rate*2	0.57 or less
		Total accident frequency rate*3	1.47 or less
	Subcontractor employees	Death/loss of function*1 (persons)	0
		Lost time frequency rate*2	0.26 or less
		Total accident frequency rate*3	0.67 or less
	Including both regular employees and temporary workers	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*4	5.0 or less

*1 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

*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)

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

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

Governance


Under the Board of Directors' supervision, the Corporate Strategy Division is the lead division in charge, and the Senior Executive Officer in charge of overseeing the division is responsible for the project. The Responsible Care Promotion Committee, chaired by the Managing Executive Officer in charge of the Corporate Strategy Division, meets once a year to formulate policies related to employee safety, plan for the next fiscal year, evaluate performance, and consider improvement measures. Matters decided by the committee are reported to the Internal Control Committee and reflected in company-wide improvement activities.

 Responsible Care (RC) activities
https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/our_foudations2025-e-02.pdf

Risk and opportunity management

■ Policies

In implementing its Employee Wellbeing & Safety (Safety), Kao has established the following policies as guidelines for its daily operations and decision-making. For details, please see the website.

-  • Basic Principle and Basic Policies on Environment and Safety
<https://www.kao.com/global/en/sustainability/klp/policy/environment-safety-policy/>
- Kao Group Responsible Care Policy
<https://www.kao.com/global/en/sustainability/klp/policy/responsible-care-policy/>

■ Management process

The status of our initiatives to address the risks and opportunities associated with Employee Wellbeing & Safety (Safety) is managed through the following processes: planning, implementation, evaluation of results, and corrective action. We are working to make steady improvements in each.

P (Planning)

Responsible Care (RC) activities

D (Implementation)

Please see our initiatives (P253-255)

C (Evaluation of results)

Supervision (August), self-inspection (July, December)

A (Correction)

Self-inspection (November), discussion of divisional targets (December)

■ Initiatives

Kao is engaged in a variety of initiatives aimed at Employee Wellbeing & Safety (Safety) . These initiatives are based on the aforementioned strategies, and are being promoted in collaboration with each other to achieve our targets. Here, we will introduce some of the important initiatives from among the many we are engaged in.

Category		Initiatives		
Occupational safety and health	(1) Eradicate occupational accidents	Promoting activities to prevent occupational accidents	Sharing safety messages globally	Holding regular meetings with sales companies
	(2) Prevent work-related traffic accidents	Traffic safety education	Holding regular meetings with sales companies	
	(3) Create a pleasant working environment	Improving safety awareness with the award system for no accidents that cause lost work days	Assessing risk for chemical substances	Health and Safety Committee
	(4) Promote occupational health and safety for subcontractors at manufacturing sites	Awards for subcontractors at manufacturing site	Holding regular meetings with subcontractors at manufacturing sites	

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

Region: Global

Corresponding strategies: (1) (3)

Kao has introduced a system of awards for no accidents that cause lost work days to raise employee safety awareness and prevent occupational accidents in the workplace. In 2016, the scope of this system was expanded from plants in Japan to plants outside Japan as well. In addition, in 2021, we reinforced our initiatives by adding sales companies and logistics companies in Japan, where there are many occupational accidents, to the list of companies eligible for safety awards (awards for no accidents that cause lost work days and awards for traffic safety).

In 2024, two domestic plants, four overseas plants, and seven logistics bases received awards in recognition of their record of zero accidents. However, of the 32 manufacturing sites, only 11 had been accident-free for more than three years as of the end of 2024—fewer than half — and none had been accident-free for more than 10 years. In addition, none of the sales companies achieved zero accidents during 2024.

Based on these issues, we will work to further improve safety awareness by promoting these initiatives.

Award criteria

Stage	Plant		Sales and Logistics Number of years with no accidents	
	Number of years with no accidents	Time with no accidents	100 people or more	Fewer than 100 people
1	3	—	3	5
2	5	5.4 million hours	5	10
3	7	8.1 million hours	7	15
4	10	12.2 million hours	10	25
5	15	18.3 million hours	15	—
6	25	30 million hours	25	—

Award system for no accidents that cause lost work time (Plant, 2024)

Country	Company / Plant	Stage
Japan	Kawasaki Plant	3
Thailand	Kao Industrial (Thailand)	
Indonesia	Kao Indonesia (Cikarang Plant)	
Japan	Tochigi Plant	2
Indonesia	Kao Indonesia (Karawang Plant)	
Vietnam	Kao Vietnam	1

Award system for no accidents that cause lost work days (Sales companies and logistics companies 2024.)

Company	Region / Office	Stage
Kao Transport & Logistics	Nagoya West LC	2 (10 years)
	Kawagoe LC	2 (5 years)
	Inazawa LC	
	Aomori LC	
	Koushoku LC	1 (5 years)
	Yonago LC	
	Chigasaki C	1 (3 years)

Sharing safety messages globally

Region: Global

Corresponding strategies: (1) (3) (4)

With the aim of raising safety awareness globally, since 2017 Kao has been producing safety posters featuring the company president. These posters display the safety slogan translated into local languages at our worksites outside Japan, and these are being rolled out at worksites inside and outside Japan. Starting in 2018, safety poster slogans

were collected and selected globally as a way to encourage employees to take the initiative in raising awareness of safety activities. In 2024, the slogan proposed by Kao Specialties Americas was selected as the best entry, and safety posters using this slogan were distributed and displayed at Kao affiliates both inside and outside Japan.

Going forward, we will continue to promote activities aimed at raising safety awareness on a global scale, and will work to foster a corporate culture in which all employees think of safety as the top priority.



The safety poster featuring the President & CEO was deployed in 12 different local languages. Left to right: Japanese, English, Thai, Chinese (Simplified).

Risk assessments for chemical substances

Region: Global
Corresponding strategy: (3)

Kao handles a wide variety of chemical substances at its manufacturing plants, and there is a non-zero risk of impact on the human body or pollution of the natural environment. Therefore, Kao evaluates the impact of chemical substances on people and the environment, and takes measures to minimize risk. When making changes to facilities or raw materials within our plants, we have a process in place to assess the impact of chemical substances beforehand. These initiatives are carried out in accordance with the policies of GFC (Global Framework on Chemicals - For a Planet Free of Harm from Chemicals and Waste), an international chemical substance

management framework. Through this, we aim to eliminate occupational accidents and reduce environmental impact.

Going forward, we will also work to expand the range of substances subject to risk assessment, and strive to ensure even higher levels of safety and environmental protection.

Creating a pleasant working environment for employees

Region: Global
Corresponding strategy: (3)

Kao is committed to ensuring that all workplaces are comfortable and safe environments for employees. To ensure compliance with the working environment standards and related laws and regulations of each country, we regularly measure the working environment in order to maintain and improve it.

These activities not only protect the health and safety of our employees, but also help to reduce the number of occupational accidents. We will continue to strengthen our compliance and review our environmental management processes so as to further improve the workplace environment.



Regular safety patrols with partner companies
(Quimi-Kao, S.A. de C.V., Mexico)

Employees'
opinions

Safety initiatives that take advantage of diversity



Naoto Kato
Manager in charge of Equipment Technology,
Safety, and the Environment
Regional Service Center, Toyohashi Plant
Kao Corporation

In 2024, the Toyohashi office received the JCIA Safety Excellence Award from the Japan Chemical Industry Association in 2024. This award is the result of the strong performance of our safety initiatives, so I would like to express my sincere gratitude to everyone involved.

One of this office's features is that people from diverse backgrounds, including subcontractors' employees, work together as one. We are making the most of this diversity and promoting various measures to raise the safety awareness of all employees.

For example, the plant manager personally communicates with employees and subcontractors every morning in front of the office as part of the "Welcome to a Safe Workplace" initiative, and we also carry out regular safety patrols with subcontractors. There is also a system for recognizing the good conduct of employees and subcontractors alike. These activities have been carried out continuously as an essential part of improving safety across the Toyohashi Plant as a whole.

Going forward, we will keep striving to further deepen our safety culture, with the aim of creating a workplace environment where all employees can work with peace of mind.

Employees'
opinions

Creating a sustained safety culture



Eric Danowski
EH&S Specialist
Kao Collins, Inc.

Julie DelRosario
EH&S Specialist
Kao Collins, Inc.

Reflecting on the past six years, our employees have grown into those who truly care about their safety and those around them. Changing how employees think and work does not come overnight. When production competes with safety, an employee most of the time will choose to be more productive. Fixing this means getting employees actively engaged in safety. At Kao Collins, we work with different departments, levels, and committees to engage as many employees as possible. Departments get representation on policy changes that might affect them and with that engagement, employees are more likely to accept policy changes. The implementation of our new software platform to track and identify safety conditions has allowed us to be proactive in creating safe work environments. We continue to expand employee engagement and use of new technologies to make Kao Collins a safe and pleasant working environment.