Contents

Editorial Policy 3

Our ESG Vision and Strategy

CEO Message 5
Message from Senior Vice President of ESG 8
ESG Highlights 9
Special Feature: Building a Sustainable Palm Oil Supply Chain 24
Corporate Philosophy 38
Kao's Value Creation 39
Strategy 44
Metrics and Targets 52
Governance 62
Risk and Opportunity Management 67

Our Progress

Making My Everyday More Beautiful

Improved Quality of Life 80
Habits for Cleanliness, Beauty & Health 86
Universal Product Design 92
Safer Healthier Products 100

Making Thoughtful Choices for Society

Sustainable Lifestyle Promotion 107
Purpose Driven Brands 113
Transformative Innovation 123
Responsibly Sourced Raw Materials 130

Making the World Healthier & Cleaner

Decarbonization 143
Zero Waste 161
Water Conservation 173
Air & Water Pollution Prevention 190
Product Lifecycle and Environmental Impact 198
Environmental Accounting 200

Walking the Right Path

Effective Corporate Governance 201
Full Transparency 218
Respecting Human Rights 225
Human Capital Development 237
Inclusive & Diverse Workplaces 261
Employee Wellbeing & Safety 276
Responsible Chemicals Management 301

Appendix

Kirei Lifestyle Plan KPI definitions 315
Contributions to SDGs 322
External Evaluations 323
Independent Assurance Report 324
GRI Content Index 326
UNGP Reporting Framework Index 333
TCFD Index 335
SASB Index 336

"Our Foundations" is published on the Sustainability section of the Kao website.

https://www.kao.com/global/en/sustainability/pdf/foundations/

Environment

- Biodiversity

Social

- Communication with Consumers
- Process Safety and Disaster Prevention
- Corporate Citizenship Activities

Governance

- Corporate Governance
- Risk and Crisis Management
- Responsible Care Activities
- Product Quality Management
- Information Security
- Digital Transformation (DX)
- Intellectual Property
- Tax Strategies