

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 definitions315

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