

Employee Wellbeing & Safety: Wellbeing

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
- 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 (Absenteeism) - Increasing number of employees unable to perform adequately due to unidentified complaints of illness (Presenteeism)	Overall health	(1) Foster a healthy workplace culture	Metrics	Targets	2025 results	Kao Group Health Day (1)	- Cost reductions through reassessment of health-related investments - Cost reduction through reducing the number of employees eligible for specific health guidance - Healthcare cost savings through the reduction of severe chronic disease cases
			Score for “Vitality” in our employee engagement survey (perfect score: 100) (1)	70 2030	62	Director's Message (1)	
			Degree of GENKI* (Rate of affirmative answers in the job stress assessment) (1) (2) (3) (4) * 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.	80.0% 2025	80.1%	Health Resolution (1)	
	Mental health care	(2) Improve mental health through support focused on connections with organizations and people	High stress level (Male) (2) (4)	8.6% 2025	9.3%	Job stress assessments (2)	
			High stress level (Female) (2) (4)	7.7% 2025	9.2%	Line care training (2)	
						Mental wellness seminar (2)	
Opportunities	Physical health	(3) Promote autonomous self-care	Smoking rate (Male) (3)	21% 2025	23.6%	Weight-loss challenge (3)	Environmental and social impact - Contribution to the healthy and enriched lives of employees and their families, partner companies, and society - Health value awareness activities for external stakeholders - Provision of health value to internal and external stakeholders
Smoking rate (Female) (3)			13% 2025	13.7%			
BMI level over 25 (Male) (3) (4)			26% 2025	28.5%			
BMI level over 25 (Female) (3) (4)			14% 2025	18.4%			
(4) Occupational health foundation activities		Average number of lost long-term work days (days/people) (4) *Starting from Japan	105 2030	236	Managing workplace hazards and employee health risks (4)		
		Average rate of employees with lost long-term work days (per 1,000 employees) (4) *Starting from Japan	12.0 2030	25.2			
Social health		(5) Externally deploy good practices	Promoting health value to external stakeholders (5)	—	850,000 cases	Supporting the Health of Employees, Their Families, and Communities (5)	
						Health Day Consortium (5)	

* 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 (Wellbeing).

■ 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 (Absenteeism)
- Increasing number of employees unable to perform adequately due to unidentified complaints of illness (Presenteeism)

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 aimed at “maximizing employee vitality” to support the Kao Group's continuous growth. We communicate our health and productivity management policy both internally and externally through the Kao Group Health Declaration and we 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.

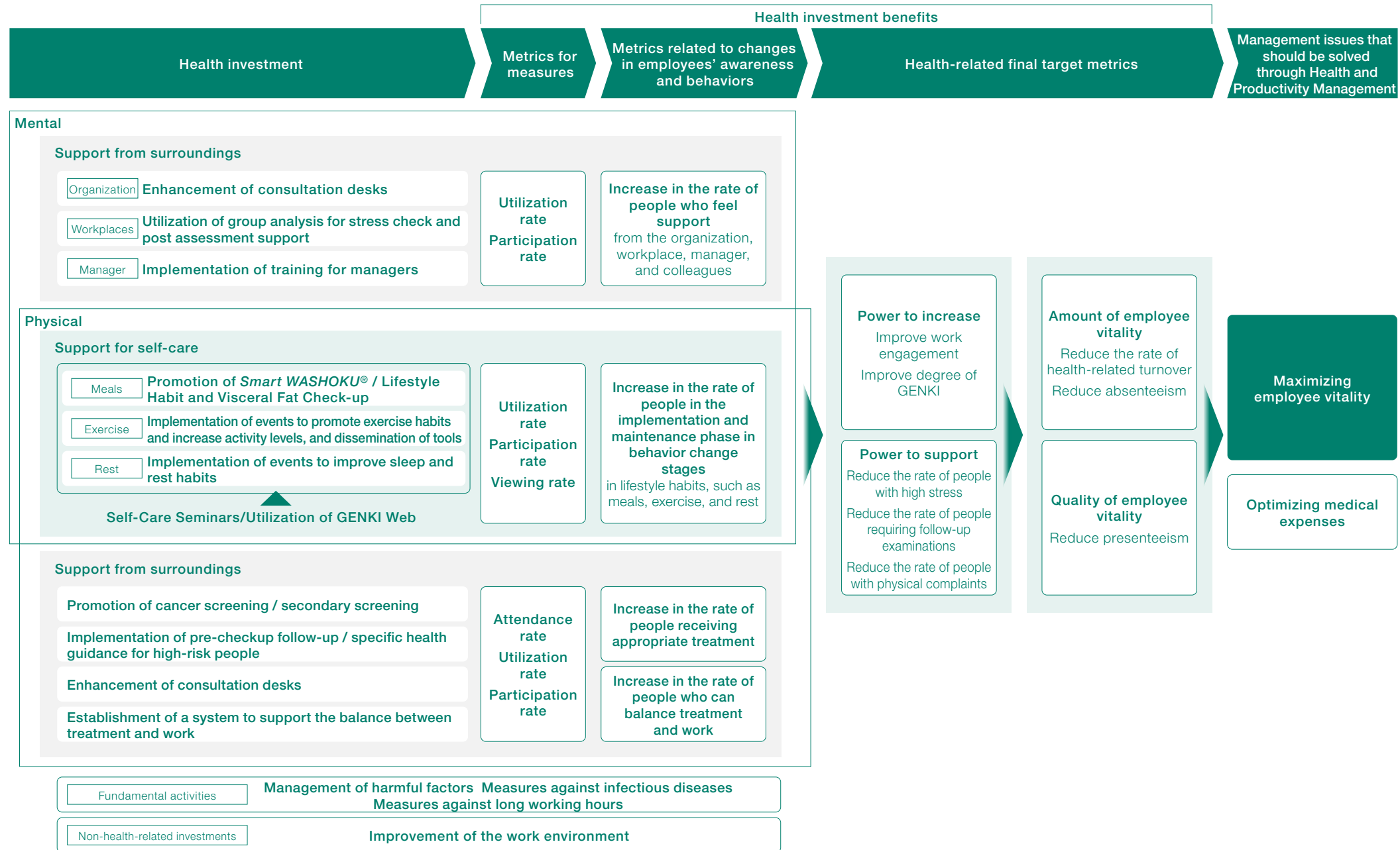
Kao Group Health Declaration

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.



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) Foster a healthy workplace culture

We foster a healthy workplace culture with the aim of “maximizing employee vitality” under the Mid-term Plan 2027 (K27).

Related initiative: [P284](#) 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: [P285](#) 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: [P286](#) Lifestyle habit improvement initiatives, [P288](#) Support for the health of employees and their families

(4) Occupational health foundation activities

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: [P287](#) Initiatives to support women's health

(5) Externally deploy good practices

We will widely communicate good examples of our company's initiatives to the outside company through initiatives such as Health Day Consortium and contribute to the promotion of health in society and among consumers.

Related initiatives: [P284](#) Kao Group Health Day to nurture the health of employees and society, [P288](#) Support for the health of employees and their families

Health White Paper

We compile a Health White Paper to organize and visualize the initiatives implemented and their outcomes in our annual health and productivity management activities, and we use it to review our efforts.

Impact generated by implementing the strategies

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

Financial impact

- Cost reductions through reassessment of health-related investments
- Cost reduction through reducing the number of employees eligible for specific health guidance
- Healthcare cost savings through the reduction of severe chronic disease cases

Environmental and social impact

- Contribution to the healthy and enriched lives of employees and their families, partner companies, and society
- Health value awareness activities for external stakeholders: approximately 850,000 cases

Strategic resilience

Kao strives to enhance employees' awareness of self-care and to foster employees who can take autonomous action when experiencing mental or physical health issues. In addition, as a company, we fully support employees who proactively work to maintain and improve their health. 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 set targets for metrics related to particularly important risks and opportunities, and by monitoring their achievement, we continuously improve through the PDCA cycle and steadily promote our initiatives.

Targets and progress

Strategy	Metrics	Results					Mid- to long-term targets	
		2021	2022	2023	2024	2025	Target value	Year
(1)	Score for “Vitality” in our employee engagement survey (perfect score: 100)	–	–	59	61	62	70	2030

Important metrics for Kao Health 2025

Strategy	Metrics	Results					Targets 2025
		2021	2022	2023	2024	2025	
(1) (2) (3) (4)	Degree of GENKI (Rate of affirmative answers in the job stress assessment) (Male)	77.8%	76.6%	78.2%	78.0%	79.0%	80.0%
(1) (2) (3) (4)	Degree of GENKI (Rate of affirmative answers in the job stress assessment) (Female)	77.2%	78.1%	79.3%	80.5%	81.0%	80.0%
(2) (4)	High stress level (Male)	9.5%	10.2%	9.6%	10.0%	9.3%	8.6%
(2) (4)	High stress level (Female)	8.5%	9.2%	8.5%	9.1%	9.2%	7.7%
(3) (4)	BMI level over 25 (Male)	27.3%	27.6%	27.4%	27.9%	28.5%	26.0%
(3) (4)	BMI level over 25 (Female)	15.0%	14.7%	15.5%	16.4%	18.4%	14.0%
(3) (4)	Smoking rate (Male)	24.8%	27.6%	27.4%	27.9%	23.6%	21.0%
(3) (4)	Smoking rate (Female)	15.0%	14.7%	15.5%	16.4%	13.7%	13.0%

Metrics for KLP

Strategy	Metrics	Results					Mid- to long-term targets	
		2021	2022	2023	2024	2025	Target value	Year
(1) (2) (3) (4) (5)	Average number of long-term absence days (days/people) * Starting from Japan	197 days	182 days	195 days	220 days	236 days	105 days	2030
(1) (2) (3) (4) (5)	Long-term absence rate per 1,000 employees * Starting from Japan	23.2	28.7	25.6	27.2	25.2	12.0*	2030

* Target value changed to per-thousand rate

The score for “Vitality,” which targets 2030, has been improving year by year.

Additionally, the “Average number of long-term absence days”—a key KLP indicator—continued to lengthen, while the “Long-term absence rate” has shown a slight trend toward improvement.

Regarding the key targets of Kao Health 2025, the “Degree of GENKI” was achieved only for women; while men did not meet the target, they are on the path to improvement.

Although the “High-stress level” did not meet the target, it remains lower than the average of other companies used as benchmarks.

The “BMI level over 25” has worsened for both men and women; while an aging workforce is thought to be one contributing factor, further measures are necessary.

The “Smoking rate” did not meet the target for either men or women, but is showing a trend of improvement.

Based on the above situation, we need to focus even more on supporting employees on long-term absence and those who are obese going forward.

Key health metrics for kao group employees in Japan

		2021	2022	2023	2024	2025
Percentage of employees undergoing periodic health check-ups		100%	100%	100%	100%	100%
Percentage of employees with abnormal findings who underwent follow-up examinations		92.6%	96.0%	97.1%	97.5%	97.6%
Percentage of employees at high risk of diabetes who continue treatment		87.7%	87.1%	81.4%	83.5%	79.0%
Specific health guidance implementation rate (age 40 or older)		71.2%	75.2%	73.4%	74.8%	—
Percentage of employees who skip breakfast three or more times a week	Male	24.2%	24.8%	25.6%	25.2%	24.9%
Percentage of employees who have engaged in at least 30 minutes of exercise, two or more times a week, for one year or longer		31.5%	32.5%	34.3%	34.8%	34.7%
Percentage of employees who engage in walking or equivalent physical activity for at least one hour per day		46.4%	49.0%	54.5%	55.0%	55.8%
Percentage of employees who obtain sufficient rest through sleep		76.7%	76.7%	74.5%	73.0%	73.3%
Percentage of employees who smoke		24.8%	24.8%	24.7%	23.9%	23.6%
Percentage of employees who drink alcohol every day		—	—	—	17.4%	16.4%
Percentage of employees with a BMI of 25 or higher		27.3%	27.6%	27.4%	27.9%	28.5%
Percentage of employees engaged in improving their lifestyle habits		28.3%	28.8%	29.0%	28.8%	29.6%
Percentage of employees who are at risk of developing metabolic syndrome (age 35 or older)		33.8%	33.0%	33.2%	32.3%	32.4%
Percentage of employees receiving specific health guidance (age 40 or older)		18.9%	18.2%	17.6%	17.4%	17.2%
Percentage of employees who skip breakfast three or more times a week	Female	23.5%	24.6%	25.2%	25.0%	24.6%
Percentage of employees who have engaged in at least 30 minutes of exercise, two or more times a week, for one year or longer		15.9%	16.1%	16.8%	16.8%	17.4%
Percentage of employees who engage in walking or equivalent physical activity for at least one hour per day		50.8%	51.7%	55.2%	55.4%	56.5%
Percentage of employees who obtain sufficient rest through sleep		70.2%	68.9%	64.8%	64.5%	63.9%
Percentage of employees who smoke		15.6%	15.0%	15.0%	13.6%	13.7%
Percentage of employees who drink alcohol every day		—	—	—	11.6%	11.4%
Percentage of employees with a BMI of 25 or higher		14.7%	15.5%	16.4%	17.0%	18.4%
Percentage of employees engaged in improving their lifestyle habits		22.4%	22.9%	22.0%	22.1%	23.0%
Percentage of employees who are at risk of developing metabolic syndrome (age 35 or older)		8.2%	8.5%	8.9%	9.1%	9.6%
Percentage of employees receiving specific health guidance (age 40 or older)		8.1%	7.8%	8.0%	8.2%	8.3%

Investment in major health promotion initiatives

	Year	Category	Cases	Yen (tax excluded)
Improvement of lifestyle habits	2025	<i>Hoco Touch</i> usage fee		6,651,034
		Gait and visceral fat measurement		10,998,969
		<i>Smart WASHOKU</i> ® seminar		2,615,253
GENKI Web	2025	Meal analysis		1,800,000
		RenoBody		600,000
		Fee for system usage		5,663,000
GENKI point	2025	Items	7,282	18,126,643
		Donation to Heart Pocket Club	1,212	121,200
Subsidization in each worksite and area (Health Insurance Union PE-Aid)	2024	Health promotion business activities	138	7,997,000

Final health metrics in the Health and Productivity Management Strategy MAP

	Male					Female				
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2021	FY2022	FY2023	FY2024	FY2025
Degree of GENKI (being energetic, lively, bright)	77.8	76.6	78.2	78.0	79.0	77.2	78.1	79.3	80.5	81.0
Work engagement level	69.8	66.6	67.9	68.0	70.4	74.3	72.9	74.3	74.9	76.1
Absenteeism	5.1	6.2	8.5	6.4	6.2	6.1	8.9	10.9	8.1	7.0
Presenteeism	21.4	22.3	22.8	18.0	17.2	23.4	24.2	24.4	18.7	18.8
Job satisfaction	68.0	66.7	67.7	67.5	70.3	67.2	65.7	67.6	67.6	69.6
Life satisfaction	85.5	85.8	86.3	86.4	86.3	86.4	87.2	87.1	86.7	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 2025	2025 results	2025 Participant satisfaction level
Pre-health check-up weight-loss challenge (One Month Program)	1,569 participants (Lost 2 kg or more: 54.2%)	80%
Stop Smoking Challenge	25 participants (Of whom 8 were successful)	–
Quitting smoking online	7 participants	–
Video distribution of What You Should Know About Tobacco	408 viewers	–
Let's Health Resolution	4,009 resolutions	–
<i>Waku Waku</i> Eco Walk! Challenge	2,840 participants (Walking × Eco activities achievement rate: 20%)	78%
Gift for Your Health	1,470 participants	96%
Video distribution of Shoulder and Lower Back Pain	5,443 participants	86%
Video distribution of Women's Health—Understanding Menstruation	1,791 viewers	98%
Video distribution of Women's Health—Learning About Menopause	1,078 viewers	97%
<i>Relax & Recharge</i>	3,981 participants	95%
e-learning for managers on Women's Health	3,472 participants	88%
Year-end and New Year Weight Maintenance Challenge	2359 participants (Achieved target rate: 53.6%)	92%
Online <i>Smart WASHOKU</i> ® Cooking Class	407 participants	94%
Women's Health News	Published in January, April, July and October	–
GENKI <i>Mori Mori</i> Bulletin	3 Issues, published	–

Health promotion activities at each kao office (Japan) (Events, seminars, campaigns, etc.)

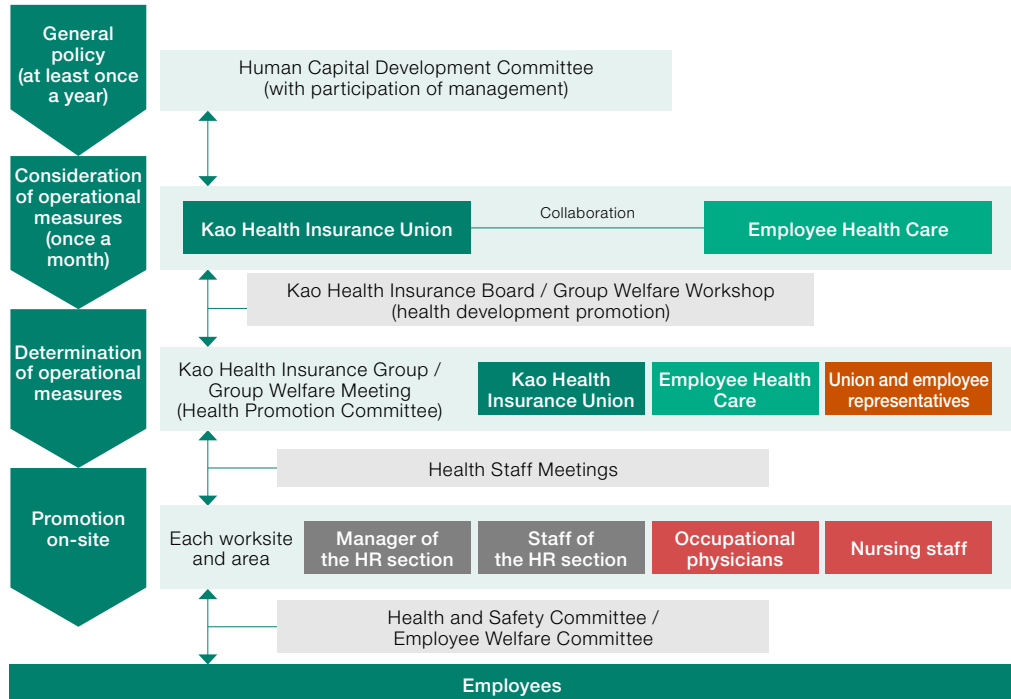
Content of activities in 2025	2025 results
Related to lifestyle-related diseases: Visceral fat measurement, gait measurement, health resolution, walking events, etc.	94 programs were held with a total of 16,549 participants.
Smoking cessation: Lectures, Stop Smoking Challenge, Smoking cessation quiz, etc.	7 programs were held with a total of 1,311 participants.
For women: Women's health seminars, Menopause seminars, etc.	9 programs were held with a total of 1,124 participants.
Mental: Occupational physician lectures, sleep seminars, incivility training, etc.	15 programs were held with a total of 1,882 participants.
Senior Health: Slip-and-fall prevention seminars, physical fitness measurement, gait measurement, heatstroke prevention measures, etc.	7 programs were held with a total of 1,107 participants.
Cancer: Occupational physician lectures	3 programs were held with a total of 871 participants.

Governance

The formulation of health policy is deliberated on and approved by the Human Capital Development 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 directors in charge, human capital managers and employee representatives, as well as at informal gatherings that include employee representatives. During the implementation stage of the formulated measures, Manager of the HR section and Staff of the HR section 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 (Wellbeing) is managed through the CAPDo cycle (Check → Action → Plan → Do), which enables us to visualize the current state and implement prompt corrective actions.

Check

Evaluation of health data and various KPI results

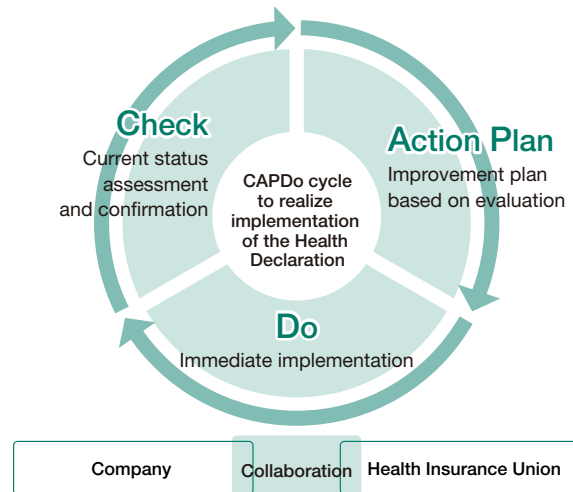
Action Plan (Improvement Plan)

Corrective measures and updated activity plans are considered at the Health Staff Meeting and Group Welfare Meeting based on the results of activities. Set key targets based on the Mid-term Health Plan

Do (Execution)

Please see the initiatives (P284-289).

CAPDo cycle



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) Foster a healthy workplace culture	Kao Group Health Day	Director's Message	Kao Group Health Declaration
Mental health care	(2) Improve mental health through support focused on connections with organizations and people	Job stress assessments	Line care training	Mental wellness seminar
Physical health	(3) Promote autonomous self-care	Pre-health check-up weight-loss challenge	Smoking cessation initiatives	Women's health
	(4) Occupational health foundation activities	Health promotion videos and information distribution	e-learning for managers	Managing workplace hazards and employee health risks
Social health	(5) Externally deploy good practices	Health Day Consortium	Supporting the Health of Employees, Their Families, and Communities	

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

Region: Global

Corresponding strategies: (1) (2) (3) (5)

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. Through these initiatives, we share the message that our commitment extends beyond promoting the health of each employee to supporting the health of employees' families and the wellbeing of people around the world.

In 2025, on the occasion of Kao Group Health Day, Representative Director, President and CEO Yoshihiro Hasebe delivered a health resolution titled "Work starts with well-being," reaffirming the importance of health to employees and people around the world.

 Kao | Introduction to the Kao Group's Health and Productivity Management
<https://www.kao.co.jp/genki/kenkoukeiei/introduction/>



My Health Resolution Work starts with well-being

Yoshihiro Hasebe
Representative Director
President and
Chief Executive Officer

In Japan, to coincide with Kao Group Health Day, we held various events designed to encourage employees to take proactive steps towards improving their health. These included a Health Resolution, in which each employee sets personal health targets; the *Waku Waku* Eco Walk! Challenge, a walking event that aims to achieve step targets along with four pre-selected eco-friendly actions; and Gift for Your Health, an initiative in which employees send Kao products to their loved ones with messages wishing them good health.

Through these activities, we create opportunities for employees to reflect not only on their own health but also on the health of their families and those close to them.

Health Resolution



The Health Resolution is a program in which each employee sets a health target. It was conducted at 26 locations nationwide, resulting in 2,385 resolutions, while 1,624 resolutions were made on the website version, for a total of 4,009 resolutions (104% year-on-year).

Health Day Consortium

To expand workplace health promotion initiatives, Kao has established the Health Day Consortium, a collaborative platform through which companies work together. Through this consortium, we collaborate with other companies to share best practices and disseminate information related to health.

On April 4, 2025, we held the second Health Day Forum in a hybrid format combining in-person and online participation, with a total of 591 participants (243 in person and 348 online).

In the post-event survey, 98% of participants responded that they understood the purpose of the Health Day initiative.

Through these activities, Kao aims to widely communicate the importance of health and productivity management and the Health Day initiative to society, thereby expanding the reach of health and productivity management.



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 mental health courses, 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 FY2025, 98% of all employees participated, an increase of 0.7 percentage points from the previous year. 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, contributing to the creation of a workplace environment where employees can work with vitality.

Mental health courses

We provide support through training so that each employee can manage their own health autonomously. To encourage broader participation and support, we have made certain training programs mandatory starting in FY2025.

The training consists of two pillars: (1) line care training and (2) mental wellness seminar (self-care training).

(1) Line care training

This training aims to deepen understanding of mental health and line care, enabling managers to prevent or detect presenteeism among team members and those around them at an early stage, and to contribute to creating a better workplace environment.

[Basic course]

This course supports understanding of managerial roles and the acquisition of skills for responding to team members. It is conducted via e-learning for all managers, and participation has been mandatory since FY2025. In FY2025, 1,690 managers completed

the course, with a participation rate of 81.9% and a comprehension rate of 92.6% (based on the post-training questionnaire).

[Advanced course]

This course was held as a special event within the company-wide Dialogue Festival. In 2025, an external lecturer (a psychiatrist and occupational physician) was invited to conduct the session under the theme: “Connect, Expand, and Thrive through Dialogue –Dialogue with Those Who Matter, Dialogue with Yourself.” A total of 951 managers participated, deepening dialogue with team members and colleagues, while strengthening their ability to apply line care in daily management and enhancing their own stress management capabilities.

(2) Mental wellness seminar

The mental wellness seminar aims to deepen understanding of mental health and self-care, thereby preventing presenteeism and maximizing the vitality of each employee.

[Mental wellness seminar (basic)]

Participation has been mandatory since FY2025, and the seminar is conducted via e-learning for all employees. In FY2025, 18,074 employees completed the course, with a participation rate of 79.7% and a comprehension rate of 97% (based on the post-training questionnaire). By making the course mandatory, we expanded opportunities for many employees to participate and acquire fundamental self-care skills.

[Mental wellness seminar (optional course)]

In addition to the mandatory training, we offered 30-minute video-based sessions for all employees, covering four themes (eight sessions in total) throughout the year. Through a variety of themes, we provided opportunities to learn stress management approaches suited to individual needs and supported the enhancement of employees’ stress coping skills. Participation was voluntary, and a total of 3,458 employees attended.

Lifestyle habit improvement initiatives

Region: Japan

Corresponding strategies: (3)

Kao implements various initiatives to encourage each employee to reflect on their own health condition and proactively work to improve their lifestyle habits.

Pre-health check-up weight-loss challenge

We held the pre-health check-up weight-loss challenge, an initiative aimed at helping employees enjoy losing weight in the lead-up to their health check-ups, in accordance with each individual’s check-up schedule. In FY2025, we introduced two courses: the standard course and the premium course.

This initiative targets Kao Group employees with a BMI of 25 or higher and aims to help them lose 2.0 kg or more during the one-month period prior to their health check-up. From March to August 2025, the program was implemented in line with each employee’s scheduled check-up. Participants challenged themselves to lose weight while experiencing two health solution programs independently developed by Kao.

[Standard course]

Using Kao’s independently developed “One Month Program,” we provided personalized advice tailored to each participant’s type. A total of 1,381 employees participated, of whom 450 achieved a weight loss of 2.0 kg or more.



[Premium course]

In addition to the content from the standard course, this course incorporated the use of a dedicated app independently developed by Kao, enabling participants to photograph themselves with a smartphone to assess visceral fat levels and metabolic status.

A total of 188 employees participated, of whom 57 achieved a weight loss of 2.0 kg or more.

For FY2025, 507 of the 1,569 participants achieved their weight-loss goals.

Smoking cessation initiatives

Kao implements various initiatives to promote smoking cessation and prevent smoking initiation.

(1) Distribution of awareness-raising videos to prevent smoking initiation

To prevent smoking initiation among younger employees and promote smoking cessation, we distributed an awareness video to all employees within their first three years of employment (1,122 employees).

(2) Support emails to smokers

We sent informational emails to 3,954 employees who smoke, introducing online smoking cessation programs, smoking cessation support (including clinics and subsidies for cessation aids), and counseling services provided.

(3) Smoking cessation challenge

Starting on World No Tobacco Day, we held a seven-day smoking cessation challenge. During this period, encouragement emails were sent by nursing staff. A total of 25 employees participated, and 8 successfully quit smoking.

Initiatives to support women's health

Region: Japan

Corresponding strategy: (4)

Kao is continuously implementing initiatives to support the various health challenges faced by female employees and to create a working environment where they can continue to work with peace of mind. In FY2025, we implemented the following three measures.

(1) Establishment of a Women's Health Consultation Service

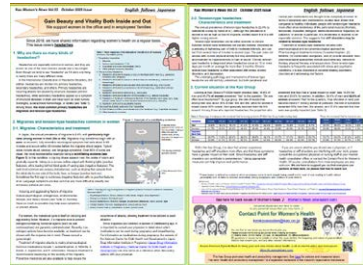
To enable female employees to consult about health-related concerns with ease, we have

established a Women's Health Consultation Service. Consultations are accepted by email, and occupational physicians provide thoughtful responses. When necessary, and 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.

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

(2) Publication of the in-house magazine Kao Women's News

To promote understanding of women's health, we publish the in-house magazine Kao Women's News, written by occupational physicians, once every three months. The magazine covers a variety of topics and provides employees with opportunities to gain accurate knowledge.



[Kao Women's News]

(3) E-learning for managers and distribution of videos on the theme of women's health

We conduct annual e-learning programs for managers to promote understanding of women's health, clarify their roles, and learn appropriate managerial responses. In 2025, the theme was Gender Differences in Health, covering not only women's health but also health issues specific to both men and women.

In 2025, 3,472 managers completed the course, with a participation rate of 77%, an increase of 11 percentage points from the previous year. The comprehension rate was 97% (based on the post-training questionnaire).

In addition, we are participating in the Ministry of Economy, Trade and Industry's "Project to Verify the Effectiveness of Women's Health Measures" using the same program content (limited to consenting participants).

We distribute videos on the theme of Women's Health, created by occupational physicians.

In 2025, we distributed videos on menstruation and menopause. The menstruation video attracted 1,791 viewers and achieved a 98% satisfaction rate, while the menopause video attracted 1,078 viewers and also achieved a 98% satisfaction rate (based on post-viewing questionnaires).

Support for the health of employees and their families

Region: Japan

Corresponding strategies: (3) (5)

Kao Group actively promotes health and wellness for its employees and their families, and also shares best practices from these initiatives with the wider community.

<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.

- Held at 12 worksites and 5 branch offices.
- Number of internal participants:
Approximately 1,607 people in total

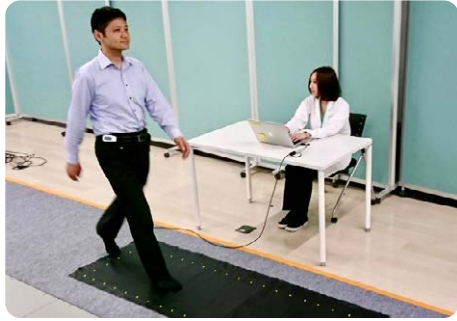


GENKI-well

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: 6 worksites, 2 branches
- Number of internal participants: 863 people in total
- Number of *Hoco Touch*® units rented internally: 8,677 people (36 spot locations)



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. To support employees' health through everyday meals, we hold regular online and in-person cooking classes and offer *Smart WASHOKU*® lunches at employee cafeterias. In 2025, we expanded the number of meals provided, serving approximately 277,000 meals over the year.

Starting in 2025, we also launched a new online cooking class program for employees nationwide, which includes the delivery of carefully selected vegetables. We held three online sessions, with a total of 192 employees and their family members participating. In addition, we held one in-person cooking class with 40 participants. These initiatives also included 27 participants from outside the company.

Participants shared positive feedback, such as, “It was enjoyable to cook together while listening to clear explanations about healthy menu options,” and “I was able to learn and cook in a fun and engaging way.”



Managing workplace hazards and employee health risks

Region: Japan

Corresponding strategies: (4)

Hazardous factors refer to elements that adversely affect employee health, such as chemical substances, dust, radiation, extreme heat or cold, pathogens, work conditions (e.g., handling heavy loads or using vibrating tools), and night shifts.

These factors do not merely have an impact on their own; rather, they manifest as health risks when combined with the work environment, job duties, frequency of work, and exposure conditions.

To further strengthen employee health support, Kao has launched initiatives to utilize and evaluate this information and is conducting company-wide reviews.

Through these efforts, we aim to reduce exposure to harmful factors and prevent health problems before they occur.

Kao USA's employee healthcare initiatives

Region: Americas

Corresponding strategies: (2)(3)(4)

Kao USA healthcare strategy in 2025 has focused on combatting rising health insurance costs, with a focus on employee wellness and the importance of flexible benefits that cater to diverse employee needs. Kao USA recognizes the value of comprehensive benefits packages to attract and retain talent in a competitive job market. Our healthcare strategy is designed to foster a culture of holistic wellbeing, recognizing that healthy, engaged employees are the foundation of organizational success. We integrate physical, mental, financial, and social wellness into our benefits programs, ensuring equitable access to resources, personalized support, and opportunities for growth. By aligning wellness initiatives with our core values and business objectives, we aim to enhance employee satisfaction, reduce burnout, and drive sustainable performance for both individuals and the company.

2025 Highlights

In 2025, Kao USA continued to offer comprehensive and comparatively low-cost employee healthcare. We supported a variety of wellness related services through the benefits plan and hosted onsite and virtual well-being initiatives, as follows.

- Free, onsite preventive flu shots
- ComPsych Employee Assistance Program
- Calm Mindfulness App available to all employees in the Americas region
- Fidelity Financial Wellness Resources
- MetLife Voluntary Health Screening Benefits
- Medical Plan covered Preventive Wellness Exams and Services
- United Healthcare Wellness Rewards
- Maven Clinic Fertility and Family Building Support
- Benefit meetings and presentations to help employees make informed coverage decisions

Employees'
opinions

Committed to helping
employees achieve healthier
lifestyles



Jill Adler
VP REO, Human Capital
Development, Americas Region
Kao USA

In today's fast-paced and stressful world, it's essential to prioritize well-being to lead healthy, fulfilling and balanced lives.

Employee well-being is a critical component of a healthy organization. Here at Kao USA, the health and well-being of our employees is a top priority.

We remain committed to offering meaningful benefits, policies, resources and tools employees and their families need to achieve healthier lifestyles and improved personal well-being—a Kirei lifestyle.

From the fertility benefits added in 2024 to new legal services coverage and identity theft protection introduced in 2025, employees continue to value our proactive approach to offering innovative benefits that address their diverse and changing needs. As economic pressures increased in 2025, we saw employees embrace and appreciate the comprehensive support provided by our Employee Assistance Program and Fidelity Financial Wellness resources.

Even in a challenging environment—one shaped by rising healthcare costs and the need for greater flexibility—we will continue to assess our benefits thoughtfully, ensuring our offerings support employees' personal well-being, higher productivity and overall job satisfaction.

Employees'
opinions

Supporting
“Working with Vitality”
Mental Health Support



Hanae Masubuchi
Counseling room,
Tochigi Plant & District SC
Kao Corporation

We are implementing various mental health initiatives to ensure that each employee can work with vitality.

Through seminars on incivility for managers, awareness has deepened that incivility is a familiar and relevant issue in the workplace. As a result, we were able to expand the program to conduct seminars at the workplace unit level.

Participants expressed expectations that sharing a common understanding across the workplace would lead to improvements in the work environment.

In addition, a program involving the cultivation of cherry tomatoes generated positive feedback, with participants noting increased internal communication, stress relief, and opportunities for refreshment. Sharing the experience of working towards a common goal—both among employees and with their families—proved to be a meaningful outcome.

Moving forward, we will continue to provide initiatives through various approaches to enhance work engagement as part of our mental health efforts.



Stakeholder engagement

Expectations for Kao's mental health support beyond internal corporate practices

Sayo Ohba

Certified Public Psychologist, Clinical Psychologist, Career Consultant,
Representative Partner,
Mental Support & Consulting Tokyo LLC

Evaluation of Kao's initiatives

Currently, as a clinical psychologist and certified public psychologist, I provide mental health support to various companies as an external resource. As mental health measures do not produce immediate results through a single initiative, I believe that structuring each initiative and ensuring continuity are essential. I have been involved in Kao's mental health support for over 20 years, including in my previous position, and one aspect that has consistently stood out is that Kao recognized the importance of mental health at an early stage and, while collaborating with external partners, has enabled in-house staff to take the lead in structuring initiatives and sustaining them with a clear awareness of the PDCA cycle.

With regard to initiatives in FY2025, I believe they can be evaluated in three key areas. First, following on from the previous fiscal year, Kao planned and implemented five self-care training sessions throughout the year to enhance employees' self-care capabilities. In implementing these sessions, up-to-date knowledge that can be immediately applied to improve employees' mental health, such as "self-compassion," reflecting insights from positive mental health, was provided by external experts. Second, at the mental health measures meetings, in-house staff involved in promoting mental well-being gathered to not only share the results of consultation activities both inside and outside the workplace, but also to engage in ongoing dialogue through case discussions on

roles and collaboration among in-house staff in supporting employees' mental health. Third, Kao's initiatives in external collaboration and communication to society were noteworthy. The activities of the Health Day Consortium were presented jointly with participating companies at the 32nd Annual Conference of the Japanese Society for Occupational Mental Health, generating strong interest among many occupational health and human resources professionals beyond the consortium participants.

In this way, Kao has steadily advanced its mental health measures by effectively utilizing external resources while ensuring that in-house staff take the lead. Furthermore, I believe it is commendable that these efforts are not confined within a single company but are extended to society through external collaboration.

Expectations for Kao

As a clear front-runner in employee health promotion, particularly in the area of mental health, Kao is expected to continue steadily building practical mental health support initiatives while responding to changes in society. To this end, continuous support and education for in-house staff, as well as opportunities for dialogue among them, are essential. In addition, by further strengthening the dissemination of its initiatives to society, I hope that Kao will play a leading role in advancing the PDCA cycle of mental health across Japanese society as a whole.

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
• 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	2025 results	Improving safety awareness with the award system for no accidents that cause lost work days (1)	• Improved labor productivity and lower labor costs • Rationalized medical expenses
			Lost-time Frequency Rate (per million hours worked) (1)	0.15 2030	0.68		
			Deaths and loss-of-function accidents (1)	0 each year	0		
		Percentage of bases recognized for no accidents that cause lost work days (1)	–	30%	Sharing safety messages globally (1)		
(2) Prevent traffic accidents while on duty		Work-related traffic accidents 100%-negligence accidents causing bodily injury (2)	0 2030	0			
Opportunities • Improve resilience by revitalizing employees and workplaces through a safe and secure working environment and by retaining human resources		(3) Pleasant working environment for employees				Risk assessments for chemical substances (3)	• Contribution to the healthy and fulfilling lives of our employees and their families, subcontractors and society
		(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.

- Workplace accidents and incidents caused by inadequate working conditions
- Health concerns and an increase in workplace accidents among an aging workforce
- Increase in occupational accidents involving falls while walking and recoil movements, such as lower back pain, that may occur during daily activities
- Growing focus by investors and the government on revitalizing human resources

■ 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, 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.

To reduce non-job-specific accidents, we conduct detailed analyses of their causes and ensure the thorough implementation and effectiveness review of countermeasures. At the same time, we promote and strengthen the horizontal deployment of reduction initiatives across divisions and implement preventive measures.

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) Pleasant working environment for employees

Comply with the work environment standards and laws of each country and region, 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,  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

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

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 continuously improving through the PDCA cycle while checking the status of achievement of these targets.

Targets and progress

Strategy	Metrics	Results					Mid- to long-term targets	
		2021	2022	2023	2024	2025	Target value	Year
(1)	Lost Time Frequency Rate (per million hours worked)	0.65	0.65	0.71	0.83	0.68	0.15	2030

We have set our occupational safety indicators by backcasting from our goal of achieving global top-level performance by 2030. In 2025, while we maintained zero deaths and loss-of-function

accidents, we did not meet our targets for the lost-time accident frequency rate or the total accident frequency rate. The accident frequency rates have shown a temporary deterioration in recent years; although they improved in 2025, they have yet to reach our target levels.

A key factor behind this is the occurrence of lifestyle-related accidents — such as slips, trips, and falls and recoil movements — which account for approximately half of all incidents. In response, we are implementing facility-level measures, including the removal of floor-level differences and improvements in visibility, alongside initiatives to review working postures and to prevent locomotive syndrome through muscle-strength maintenance.

In light of this, we reassessed the validity of our occupational safety targets in 2025. The review took into account changes in the risk profile and the introduction of target-setting tailored to each work category, and we have restructured our indicator framework to enable more effective improvement management.

Going forward, to improve the lost-time accident frequency rate, we will prioritize both facility-based and management-based measures aimed at reducing the most frequent risks — slips, trips, and falls and recoil movements — including the removal of floor-level differences, the redesign of work flow lines, and targeted training on these risks. Education and training will be positioned as a complement to these measures. In parallel, we quantitatively monitor progress on indicators such as the implementation of recurrence-prevention measures and the completion rate of corrective actions. These results are regularly reviewed by the Responsible Care Promotion Committee, which ensures that necessary corrective actions are taken promptly and that continuous improvement is achieved.

Metrics and results

Strategy	Metrics	Results			
		2022	2023	2024	2025
(1)	Percentage of bases recognized for no accidents that cause lost work days	33%	35%	31%	30%

We aim to expand the number of sites eligible for awards through continued accident-free operations; however, as of 2025, only approximately 30% of sites have qualified, and variation across sites remains evident. We recognize that this gap is driven by differences in risk profiles across sites and in the thoroughness with which recurrence-prevention measures are implemented, compounded by the continued occurrence of accidents at certain sites. Going forward, we will horizontally deploy the practices of sites that have maintained accident-free operations, while reinforcing root-cause analysis and corrective actions at sites where accidents have occurred, and we will drive improvement through quantitative monitoring.

2025 targets and performance (Kao Group)

Item	Indicator	Boundary		2022	2023	2024	2025	
				Results	Results	Results	Target	Results
Occupational accidents	Death / loss of function*1 (persons)	Including both regular employees and temporary workers (Kao Group)		1	0	0	0	0 ☒
		Breakdown	Japan	1	0	0	–	0
			Asia	0	0	0	–	0
			Americas	0	0	0	–	0
			Europe	0	0	0	–	0
		Subcontractors (Kao Group)		0	0	0	0	0 ☒
		Breakdown	Japan	0	0	0	–	0
			Asia	0	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)		0.65	0.71	0.83	0.57 or less	0.68 ☒
		Breakdown	Japan	0.51	0.58	0.63	–	0.46
			Asia	0.33	0.27	0.20	–	0.51
			Americas	1.91	2.49	3.24	–	1.62
			Europe	2.26	2.25	2.75	–	2.50
		Including both regular employees and temporary workers (Reference: Member companies of Japan Chemical Industry Association)		0.43	0.47	0.47	–	–
		Subcontractors (Kao Group)		0.77	0.63	0.47	0.26 or less	0.58 ☒
		Breakdown	Japan	1.28	0.80	0.63	–	0.71
			Asia	0.12	0.29	0.00	–	0.23
			Americas	6.20	3.11	1.93	–	1.81
			Europe	3.57	1.18	5.27	–	3.07
		Subcontractors (Reference: Member companies of Japan Chemical Industry Association)		0.60	0.73	0.85	–	–

*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		2022	2023	2024	2025	
				Results	Results	Results	Target	Results
Occupational accidents	Total accident frequency rate*3	Including both regular employees and temporary workers (Kao Group)		1.75	1.82	2.09	1.47 or less	2.26
		Breakdown	Japan	1.84	1.89	2.13	–	2.33
			Asia	0.65	0.61	0.47	–	0.66
			Americas	3.19	2.49	4.57	–	3.88
			Europe	3.20	2.25	4.90	–	4.80
		Subcontractors (Kao Group)		1.39	1.41	1.20	0.67 or less	1.45
		Breakdown	Japan	2.85	2.60	1.88	–	2.03
			Asia	0.18	0.44	0.41	–	0.86
			Americas	6.20	4.66	1.93	–	1.81
			Europe	4.76	1.18	5.27	–	3.07
	Severity rate*4	Including both regular employees and temporary workers (Kao Group)		0.11	0.02	0.02	–	0.02
		Breakdown	Japan	0.15	0.01	0.01	–	0.01
			Asia	0.00	0.00	0.00	–	0.00
			Americas	0.07	0.10	0.06	–	0.06
			Europe	0.03	0.08	0.09	–	0.06
		Including both regular employees and temporary workers (Reference: Member companies of Japan Chemical Industry Association)		0.07	0.04	0.05	–	–
		Subcontractors (Kao Group)		0.02	0.02	0.02	–	0.02
		Breakdown	Japan	0.04	0.03	0.04	–	0.04
			Asia	0.00	0.01	0.00	–	0.01
			Americas	0.08	0.02	0.02	–	0.01
			Europe	0.26	0.01	0.05	–	0.03
		Subcontractors (Reference: Member companies of Japan Chemical Industry Association)		0.04	0.22	0.19	–	–
	Number of employees who experienced lost work days due to occupational illness (persons)	Including both regular employees and temporary workers (Kao Group)		0	0	2	0	0 ☒
		Breakdown	Japan	0	0	1	–	0
			Asia	0	0	0	–	0
			Americas	0	0	0	–	0
			Europe	0	0	1	–	0
Traffic accidents	100% negligence accidents causing bodily injury (no. of accidents)	Sales and logistics (Japan)		5	3	4	0	0
	Accidents other than 0% negligence accidents per 100 vehicles*5			5.01	5.90	5.60	5.0 or less	3.72

*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

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.

These initiatives are implemented as part of our Responsible Care activities.

- Responsible Care (RC) activities
https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/our_foudations2026-e-02.pdf

P (Planning)

Responsible Care (RC) activities: Previous year results / current year plan

D (Implementation)

Please see our specific initiatives (P297-299)

C (Evaluation of results)

RC secretariat supervision (August), self-inspection (July, December)
RC Promotion Committee (September)

A (Correction)

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

Targets for 2026 (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 in 2025. The target for traffic accidents is only for Japan.

Item	Scope	Indicator	2026 target
Occupational accidents	Regular employees and temporary workers	Death/loss of function*1 (persons)	0
		Lost time frequency rate*2	0.49 or less
		Total accident frequency rate*3	1.26 or less
	Subcontractor employees	Death/loss of function*1 (persons)	0
		Lost time frequency rate*2	0.23 or less
		Total accident frequency rate*3	0.61 or less
	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	4.5 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 Planning 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 Executive Officer in charge of the Corporate Planning 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_foudations2026-e-02.pdf

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.

Strategy		Initiatives		
Occupational safety and health	(1) Eradicate occupational accidents	Improving safety awareness with the award system for no accidents that cause lost work days	Sharing safety messages globally	Holding regular meetings with sales companies to reduce occupational accidents
	(2) Prevent work-related traffic accidents	Traffic safety education	Holding regular meetings with sales companies to reduce work-related traffic accidents	
	(3) Pleasant working environment for employees		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)

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 2025, two domestic plants, seven overseas plants, and 10 logistics bases, and one sales company site received awards in recognition of their record of zero accidents. However, of the 33 manufacturing sites, only 10 had been accident-free for more than three years as of the end of 2025—fewer than half—and none had been accident-free for more than 10 years. 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
6	25	30 million hours	25	–
5	15	18.3 million hours	15	–
4	10	12.2 million hours	10	25
3	7	8.1 million hours	7	15
2	5	5.4 million hours	5	10
1	3	–	3	5

Award system for no accidents that cause lost work days (Plant, 2025)

Stage	Company / Plant	Country
4	Kao Huludao	China
3	Kao Collins	U.S.
	Kao Indonesia Chemicals	Indonesia
2	Sumida Office	Japan
1	Pilipinas Kao	Philippines
	Kao Taiwan	Taiwan
	Kao Paper Manufacturing Fuji	Japan
	Kao Corporation Shanghai	China
	Molton Brown	U.K.

Award system for no accidents that cause lost work days (Sales companies and logistics companies 2025)

Stage	Region / Office	Company
4 (10 years)	Aiko C	Kao Transport & Logistics
3 (7 years)	Atsugi Minami C	
	Kayabacho and Sumida Office	Kao Group Customer Marketing
2 (10 years)	Niigata LC	Kao Transport & Logistics
	Fukuoka LC	
	Sendai Minami LC	
	Iwaki Minami C	
2 (5 years)	Atsugi LC	
	Sarugashima C	
1 (5 years)	Kagoshima LC	
1 (3 years)	Ishikari LC	

Sharing safety messages globally

Region: Global

Corresponding strategies: (1)

With the aim of raising safety awareness globally, since 2017 Kao has been producing safety posters featuring the company president. The safety slogan is translated into local languages at our worksites outside Japan, and the posters are displayed at worksites both 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 2025, the slogan proposed by Kao Indonesia Chemicals 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. Clockwise from top-left: Japanese, English, Chinese (Simplified), Thai.

Risk assessments for chemical substances

Region: Global

Corresponding strategies: (3)

Kao's manufacturing plants handle a wide variety of chemical substances, and there remains a possibility of risks such as impacts 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 these initiatives, 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.

Related initiative: [P301](#) Our Progress > Responsible Chemicals Management

Pleasant working environment for employees

Region: Global

Corresponding strategies: (3)

Kao is committed to ensuring that all workplaces are pleasant and safe working 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.



KSCI members conducting a safety patrol (Kao (Shanghai) Chemical Industries Co., Ltd., China)



Stakeholder engagement

Fostering a safety culture through safety culture diagnostics — building safety in collaboration with external partners

Akira Tose

Vice Director and Professor of Center for Industrial Safety Culture and Sustainable Innovation,
Institute for Social Innovation and Cooperation, Niigata University

Evaluation of Kao's initiatives

Since FY2023, Kao has deployed across its entirety a safety culture diagnostic tool developed and promoted by our laboratory, which visualizes the state of safety culture and safety management at worksites through a 110-item questionnaire. Over the past three years, the initiative has covered major production sites in Japan, as well as a number of large-scale logistics sites, and has also been implemented at sites that chose to participate in Asia and the Americas. In conjunction with the diagnostics, we have visited each site and engaged in dialogue with on-site members. In FY2025, we visited sites in the United States and Mexico and conducted discussions with local staff based on the diagnostic results.

Kao's worksites appear to have a strong awareness of "being seen" and "presenting themselves," as they actively accept visits from local communities. Maintaining worksites that are clean and safe at all times, even when children come to visit, is likely to serve as a source of motivation and pride for on-site personnel. As a company that upholds Kirei, I highly commend Kao for its continued efforts to create workplaces where employees can work with a sense of safety and reassurance.

On the other hand, given the increasing difficulty of securing human resources in manufacturing workplaces in recent years, it is also important for Kao to continue improving its work environment in order to remain an attractive workplace. I understand that the

safety culture diagnostic is being utilized as a common language and shared platform across sites to promote mutual learning. Through these efforts, I hope that an even stronger and more sustainable safety culture will be established.

Expectations for Kao

In FY2024, the Safety Culture Diagnostics Consortium was established as a network of companies utilizing safety culture diagnostics. Kao has also joined this initiative. In the future of safety management, it is essential to learn from other companies, including those in different industries, and to adopt a collaborative approach to addressing shared challenges across organizations.

In addition, it is desirable within Kao to further strengthen mechanisms that enable mutual learning among sites. In particular, initiatives that include sites outside Japan with diverse regional characteristics, as well as the horizontal sharing of best practices and insights across sites, are expected to contribute to enhancing the overall level of safety culture across the company.

Through this consortium and other opportunities, I hope that Kao will continue to actively share the knowledge it has cultivated with external stakeholders, while also flexibly incorporating external experience and expertise, thereby contributing to the further development of a stronger safety culture.