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**Develop and Offer Safe and High Quality Products and Services, and Strive for the Resolution of Social Issues**



## 1. We shall always strive to develop and provide socially beneficial and high quality products and services that place emphasis on the health and safety of our consumers and customers to realize sustainable economic growth and to resolve social issues.

- We shall establish basic policies for product quality management activities and shall strive to improve the quality, safety and reliability of our products and services on the basis of *Yoki-Monozukuri*, which is defined in the Kao Way as a strong commitment by all members to provide products and brands that can provide satisfaction for consumers and customers while at the same time contributing to social sustainability.
- We are committed to thorough safety assessment, product quality testing, and quality management activities, paying particular attention to human safety as a top priority. We shall always strive to actively collect and confirm information about the safety and quality of products and materials from consumers, customers, retailers, the media, academic societies, literature, research papers, the government and industry groups. The aim is to continuously implement necessary measures to improve the safety and quality of our products.
- We shall earnestly attempt to apply the latest technology and expertise of the highest level possible at all stages of the product lifecycle, including development, production, distribution, usage, storage, and disposal of our products in order to promote human safety. We shall not bring any product to the market until confirming that at each stage, a product has achieved the standard, safety or otherwise, designated by the company.
- To ensure product quality, we shall implement all processes necessary to provide our products in strict compliance with established standards and procedures, including those relating to selection of raw materials, quality verification, quality control in the manufacturing process, inspection, and distribution. At the same time, we are committed to continual improvement in quality control.
- We shall endeavor to respond to diversified consumer and customer needs and the progress of globalization to heighten the degree of consumer and customer satisfaction around the world.
- We shall respect both, international rules and diverse cultures, and we shall develop our business activities with a balance of global and local perspectives so that we can contribute to the development of the economy and culture in each country/region. We shall also respect and seek to understand the beliefs and value systems of nationals and local residents.
- We shall strive to provide high quality and useful products and services at reasonable prices. We shall follow and carry out the Five Principles for Product Development, which advocates: 1) usefulness and value to society; 2) creativity and originality; 3) effective cost performance; 4) thorough market and consumer research, and 5) compatibility with the features of distribution channels (whether product related information can be appropriately communicated through the distribution channels). We shall also strive to reduce costs. Furthermore we shall strive to develop products that are user-friendly and environmentally friendly by considering the perspective of universal design.



## 2. We shall actively use our intellectual property, including through cooperation with third parties.

- We shall actively use our intellectual property in product development and work with third parties through open innovation and other ways in order to resolve social issues and contribute to social development.



### **3. We shall strive to provide consumers and customers with appropriate information so that they may choose products properly and use them safely, securely and comfortably.**

- We shall provide appropriate instructions regarding the features and proper use of products from the consumer's and customer's points of view. Such instructions should be labeled or placed together with the products.
- To prevent the misuse and improper use of a product that may, due to its nature, cause serious injury or damage to consumers and customers or their property if used improperly, we shall issue a cautionary statement on and/or inside the product packaging. Cautionary statements shall act as a warning to advise the consumers and customers of possible injury or damage that may occur through misuse or improper use, explain how to avoid such injury or damage and provide first-aid or other appropriate information.
- If a product is likely to undergo a sudden change in properties when mixed with other products or chemicals, we shall provide precautionary statements (such as "Danger! Do not mix!"), as well as appropriate instructions for the safe handling of the product to consumers and customers, accurately and in a timely manner.
- If it is found that an indication on a product could cause a misunderstanding or is inappropriate, we shall promptly revise such indication.
- In the event of an accident or a potential accident involving our product, we shall promptly adopt preventative measures, investigate the cause and implement appropriate preventive measures to avoid recurrence of the accident, as well as provide precise and timely information.

### **4. We shall advertise honestly and sensibly.**

- When advertising our products, we shall strive to make sure that the information is not misleading and does not infringe upon any laws or regulations or the rights of third parties.
- We shall strive to explain the benefits of our products to consumers and customers in a manner that is easy to understand, using creative and appropriate expressions, with specifics based on fact so as not to provide misleading information.
- We shall substantiate our claims on products and services with appropriate evidence and shall not defame our competitors or their products nor use any expressions in our advertising that may lead to social discrimination.
- We shall strive to avoid advertising in media, including broadcast media, magazines and digital media, whose content is highly likely to undermine public order and morality or have a negative impact on society. If such problems do occur in Kao-sponsored broadcast content, we shall request rectification. However in doing so, we shall respect the editorial rights of media bodies, and shall not interfere in their work unjustly.
- When using the "Kao" corporate logo or corporate name, we shall abide by the Corporate/Business Brand Design Manual. When using brand names, we shall comply with legal, internal and other standards.

### **5. We shall provide honest and prompt responses to consumer and customer inquiries and suggestions. We shall sincerely reflect the voices of consumers and customers to improve and develop products and services.**

- We shall earnestly attempt to understand suggestions from the consumers' and customers' standpoint and we shall accept responsibility to resolve any valid requests fairly.
- We shall strive to achieve consumer and customer satisfaction in terms of product quality and by quickly, accurately and considerately responding to consumer and customer inquiries.

