

SIGWATCH | NGO CAMPAIGNING INSIGHTS & ANALYSIS



PROVIDING A GLOBAL PICTURE OF ESG RISK FOR
A JAPANESE CONSUMER GOODS GIANT

Kao, the Procter & Gamble of Japan, uses SIGWATCH intelligence to support its ESG strategy and identify the issues and risks that could tarnish its reputation.

BACKGROUND

Kao Corporation (Kao) is a multi-billion-Yen consumer packaged goods company that competes with Unilever and Procter & Gamble. It manufactures a wide range of personal care, household and cosmetics products under more than 20 brands including John Frieda, Molton Brown, Kanebo, and Bioré.

The company was founded in 1887 and employs more than 33,600 people. Although Japan is Kao's largest market by far, representing 65% of sales, it also sells to consumers in Asia, the Americas, and Europe.

BUSINESS REQUIREMENT

In 2019, Kao announced its shift to "ESG-driven management" and unveiled a new ESG strategy, embodied in The Kirei Lifestyle Plan. This is the idea of living a beautiful life inside and out, in which *"making your own life clean and beautiful never compromises the beauty and cleanliness of the world around you."* For the past three years, Kao has been using SIGWATCH data to support this initiative.



SOLUTION AT A GLANCE

SIGWATCH NGO campaign tracking data is used primarily by Kao's ESG strategy department, to analyse ESG issues and trends and share key insights with internal stakeholders.

SOLUTION IN ACTION

The ESG strategy department relies on SIGWATCH, which it uses alongside social media monitoring, for ESG intelligence.

SIGWATCH's data-driven insights help Kao understand how the organisation is being targeted by NGOs, as an indication of how its ESG activities are being received and to show where it can make improvements. SIGWATCH data also provides early warning of rising issues that could impact Kao's business, enabling it to take remedial action.

RESULTS

Global outlook

Through SIGWATCH, Kao gets a clear picture of issues and trends beyond its domestic market. According to Morimasa Hirosue, who heads up the ESG strategy department, **"Our company is based in Japan. Most employees are Japanese and we don't really know what is happening around the world. SIGWATCH gives us visibility of the global ESG issues and trends we need to have on our radar."**

Morimasa particularly appreciates the ability to visualise trends. SIGWATCH graphs and charts can be shared with internal stakeholders to show the level of NGO campaigning action on specific topics, from palm oil to animal welfare, and to highlight issues that are gaining momentum.



Intelligence to inform business strategy

SIGWATCH data helps inform Kao's approach to its business, even down to which ingredients are used or eliminated. It also shapes some of the company's strategic policies on broad issues like supply chains and human rights.

Thanks to SIGWATCH intelligence, Kao is aware of global issues that could tarnish its reputation and can change its behaviour to minimise risk. For example, in recent years NGOs have taken Kao to task, along with many other leading companies, over marine plastic pollution.

Today, in response to this criticism, the company is working hard to reduce the amount of plastic used in its product containers and packaging, with the ultimate aim of achieving 100% recyclable packaging.

As Morimasa summarises, *"With SIGWATCH we can clearly see the issues NGOs are attacking us on today, and the emerging issues that they could be targeting us on in the future. This enables us to change direction, plan ahead and, ultimately, protect our reputation from risk."*



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