

**Measures for Employing Persons with Disabilities  
of Company that Provides Daily Necessity Products Concerning  
"Cleanliness", "Beauty", and "Health" All over the World**

Prepared in: Fiscal 2007

▪ **Name of Business Establishment:**

Kao Corporation

▪ **Location:**

Chuo Ward, Tokyo

▪ **Contents of Business :**

Development manufacture and sales of bathroom necessity products, cosmetics, industrial chemical products, etc.

▪ **Number of Employees:**

7,046 (the number of full-time employees)

▪ **Number of Persons with Disabilities Employed:**

102

Disability	Number	Work Assigned
Visually disability	2	
Hearing Impairment	27	
Physical disability	37	
Internal disability	20	
Intellectual disability	16 (11)	
Mental disability	0	

The number in ( ) is the internal number for an exempted company, "Kao Peony".

## **1. Overview of the Business Establishment and State of Employment of Person with Disabilities**

### **(1) Overview of Business Establishment**

Kao Corp. was founded in 1887. Since the company released cosmetic soap in 1890, the company has been engaged in manufacture and sales of detergents, and fat and fatty oil products. Currently, in addition to the bathroom necessity products which holds the top share in the Japanese market, the company is engaged in development, manufacture, and sales of products from cosmetics to industrial chemical products. The markets to which the company is supplying its products include those not only in Japan but also those in Asia, America, and Europe. The number of its employees is 30,000 including those of companies which are financially consolidated to the company.

### **(2) History of Measure for Employing Persons with Disabilities**

As to the employment of persons with disabilities, Kao Corp. started to take measures for actively hiring persons with disabilities in every business establishment of the company, taking the opportunity at which the then-Law for the Promotion of the Employment of the Handicapped was revised in 1976 and private companies were obliged to employ persons with disabilities.

With the growth of awareness of the social responsibilities and compliance with laws of companies in late 1990s, Kao Corp. decided to push hiring persons with disabilities more closely following the company's planning with the efforts of the whole company, aiming at achieving the legal minimal employment rate. The company has hired around ten of those in a fiscal year at most and could achieve the legal minimal employment rate in 1999. After that, the company has been maintaining the legal employment rate until today. Because the company's business establishments, manufacturing plants, and the research centers are distributed at nine locations throughout Japan, applications for the company's job offers for persons with disabilities in each district have been accepted relatively successfully.

Because the employment of persons with disabilities in Kao Corp. is on condition that the persons are assigned to the company's ordinary work places and work, the persons with disabilities who were hired included many persons with physical disabilities including mainly those with arm or leg disabilities, those with hearing impairment, and those with internal disabilities. Therefore, employment of persons with intellectual disability has been not always progressed. Because of this, Kao that holds up "Equal Partnership" as its corporate philosophy decided to progress a plan for presenting opportunities to work to

persons with intellectual disability who can not exert their abilities fully in the ordinary work places, as described later, The result of tackling development of job areas suitable for persons with disabilities was realized by establishing a company, "Kao Peony" in the company's "Sumida office" in Sumida Ward, Tokyo in October 2005. Kao Peony has employed 11 persons with intellectual disability since April 2006, the next year, and was designated as the special subsidiary at the same time.

## **2. Policy of Employing Persons with Disabilities**

### **(1) "Equal Partnership" as Corporate Philosophy**

In Kao Corp., all the activities of the company must be operated following the company's action guidelines to realize the spirit of "Kao's Way" which is the company's philosophy.

The company's action guidelines include 11 items and expressly describe therein "Respect Employee's Individual Human Rights and Diversity, and Maximize Their Potation as much as possible". This "respecting the diversity" leads to no discrimination between being with disabilities and without disabilities and to push the employment of persons with disabilities can be said to be following the specific action principle of Kao.

### **(2) Basic Policy on Employing Persons with Disabilities**

#### **(A) Basic Policy**

"The company supports the independence of persons with disabilities as members of society to create a society where all people with and without disabilities work and live together."

Concerning the employment of persons with disabilities, Kao Corp. makes efforts from the following two viewpoints to embodying the employment throughout its group including its affiliated companies, based on the above basic policy.

#### **1. To fulfill the company's social responsibility**

- Compliance with the laws (maintaining the employment rate)
- Realization of normalization
- Respect for diversity (sex, race, nationality, etc.)

#### **2. To actively provide opportunities to work**

- Employment at ordinary work places

##### **(Image of the Person)**

- A person who works equally to persons without disabilities and has motivation to improve his/her ability to achieve his/her duties
- A person who has high technicality or high aptitudes
- A person who can exert his/her ability in an ordinary work place
- Employment in the Special Subsidiary

For the persons with disabilities for whom it is difficult to work in ordinary work places, the company provides opportunities to work through the special subsidiary.

(Image of the Person)

- A person who can fully carry out simple work
- A person who can work with others
- A person who respects his/her own pace

(B) Manner to Progress Employment of Persons with Disabilities

Kao Corp. and its group companies progress employment of persons with disabilities as follows.

- 1) From the viewpoint of the whole Kao group, the companies progress employment of persons with disabilities.
- 2) The companies complete the work place environment where employees with disabilities feel comfortable to work and that is worth working for them.
- 3) Each of the group companies determines its policy of employment that matches the state of the company based on the Kao's "Basic Policy on Employing Persons with Disabilities" and progress the employment.

### **3. Current State of Persons with Disabilities in Kao Corp.**

#### **(1) State of Kao Corp.**

In Kao Corp. itself, the number of employed persons with disabilities is 92 as of June 2007. Counting the number by disabled portion, persons with arm and leg disability are most (42%), followed by persons with hearing impairment (29%) and persons with internal disabilities (21%), and these three types of persons with disabilities account for more than 90%. Because the persons with disabilities who can be employed are those who can exert their ability in the ordinary work places, the number of persons with visual disability or intellectual disabilities is a few. The job areas that can be taken by the persons with disabilities are the office work sector (17 persons), the sales sector (5 persons), the research and development sector (14 persons), and the manufacture sector (49) and many of the persons are assigned to the manufacture sector and the office work sector.

Because the persons with disabilities employed by Kao Corp. do not need to develop special job areas, the company basically does not utilize the public support system in terms of hiring, assignment, and employment administration of the persons.

#### **(2) Inviting applications and employment**

Hiring of persons with disabilities is conducted mainly by the Human Capital Development Department with the support of each business establishment. The timing of hiring is basically at the beginning of a fiscal year when new graduates are hired. A few of those are hired during a fiscal year. Hiring activity is conducted with a limit on the number of persons with disabilities to be hired being separate from the ordinary hiring to promote employment of persons with disabilities. with the purpose of seeking broadly the applicants, Kao Corp. currently utilizes invitation of applications on the company's webpage and magazines which are specialized in offering job opportunities to persons with disabilities, etc. However, the company intends to consider a new method of inviting applications from now on.

#### **(3) Work Conditions such as Salary**

The work conditions including the work hours for a person with disability are same as those of an ordinarily hired person. Assignment to work places is also conducted based on the aptitude of the person with disabilities and is basically same as that of an ordinarily hired person.

However, as to the work place environment, the company is making efforts to complete a work place environment where persons with disabilities feel comfortable to work and that is worth working for them such that they can fully exert their abilities. More specifically, the company has taken following measures for improving the work places for the persons with hearing impairment or with leg disability who need special measures in terms of communication and equipment.

#### 1) Persons with Hearing Impairment

- Startup and operation of "Mimikomi Board" (an in-house billboard aiming at communication among the persons with hearing impairment) by volunteers.
- Distribution of "Kao Video News" and the contents of messages of the top management, on the Intranet.
- Utilization of e-mail on portable telephones.

#### 2) Persons with Leg Disability

- Permission to commute by car and consideration of parking lots
- Installation of toilets and elevators that admit wheel chairs
- Installation of entrance slope and hand rails

In addition, in the business establishments where persons with disabilities are assigned, a consultation system is provided aiming at establishing the work place environment where they can work without difficulty and fixing them in the respective work place, by assigning working life consultants in charge of them.

The company produced "Guidebook on Employing Persons with Disabilities" to clarify the company's policy on employing persons with disabilities and to educate the points of employment management of the members with disabilities. The guidebook is distributed mainly to the heads of departments and managers.

### **(4) Measures for Persons Who Were Disabled during Their Employment**

The rate of the persons disabled during employment is 34% and account for about one third. This is because this rate includes not only the employees who were disabled after entering the company due to injury in, for example, traffic accidents, diseases, or workers' accidents but also the employees who had been disabled before they entered the company and for whom the company recognized their disability after they entered the company. For the persons disabled during employment, though no standard system is provided to support their reinstatement to the work places after their treatments, the company

considers their reinstatement and continuance of their employment as major preconditions. To do this, in each work place, various support measures are taken including "rehabilitation working" in which the working hours are adjusted for each person disabled during employment corresponding to the state of his/her disability, and completion of work place environment.

In addition, because the half-day paid holiday system is admitted in Kao, the persons with internal disabilities, etc., who need to visit hospitals on a week day also uses this system. The Human Capital Development Department always intends to actively cope with the cases where the persons disabled during employment make another demand concerning the establishment of the work place environment where they can work without difficulty.

#### **(5) Support for Wasa Welfare Plant**

Wakayama Plant of Kao Corp. continues its support for Wasa Welfare Plant founded in 1993 by "Medical Corporation Sumiya" which is a local welfare facility, through lending of machinery and equipment, dispatching of technical instructors, and order placing operation of work such as filling and packing of Kao's products for more than ten years as a part of the social contribution to the local community of the Wakayama plant. Wakayama Prefectural Government located in the same area also participates in this project and this project utilizes the grant from the National Government. This project is known as a successful model of employment of persons with disabilities and is also called "Wakayama Scheme" in which the local community, the company, and the government act jointly.

The number of persons with disabilities working in the welfare plant is currently more than 20 and the plant provides opportunities to work to many persons with disabilities including those with severe physical disabilities.

#### **4. Special Subsidiary "Kao Peony"**

##### **(1) Details of Foundation**

Along with the policy on employing persons with disabilities that opportunities should be provided through the special subsidiary for even persons with disabilities for whom it is difficult to be employed in ordinary work places, Kao Corp. founded "Kao Peony Co., Ltd." which was capitalized 100% by Kao Corp., in October 2005 in a corner of "Kao Sumida Office" located in Sumida Ward, Tokyo. As a result of inviting candidate names for the new company within Kao Corp., "Peony" was selected as the name of the new company, that is a name of the flower "Peony". The origin of Peony can be traced back to the fact that Peony was used in the design of wrapping paper sheets which were used when Kao Corp. first released soap. Therefore, Peony is a symbolic name of Kao Corp.

##### **(2) Contents of Work for Persons with Disability**

The work area that the person with disabilities is in charge of is a packing work to make sets of the cosmetics and family-use products of Kao that count up to about 30 types. 16 persons with intellectual disability are currently employed. They line in front of a belt conveyer and conduct one after another folding sacks of plastic boxes, folding partitions and packing products into folded boxes.

This work is a part of the manufacturing process in the business establishment of Kao Corp. that is consigned to Kao Peony. Because the persons with intellectual disability were planned to be in charge of the work in Peony, Peony first estimated their productivity as about 50% of the ordinary lines. However, the persons with disabilities who entered Peony took serious attitude toward the work as they sat at the conveyer several minutes before the time to start the work, and they also exerted concentration that can match that of the ordinary persons. Their skill for the work was also improved day by day and has currently reached the level which is almost that of the ordinary lines.

In the 16 persons, those who are recognized as being with serious disability by the job opportunity center for persons with disabilities are eight. Two of them are also with physical disability. A person whose right hand is paralyzed and who cannot use it freely holds a box with the disabled right hand and continues the box packing work and, thereby, can move the right hand gradually and concentrates in the work everyday with joy.



The full view of the belt conveyer



Box packing work



Products packed in boxes

**(3) Employment Management (Hiring method, work hours, salary, social insurances, commuting, training, assignment, etc.)**

As to hiring persons with disabilities, Peony progressed the hiring with the support of an NPO corporation, "WEL'S Shin Kiba" that is engaged in support for finding jobs of persons with disabilities. Because WEL'S Shin Kiba has partnership with local job-finding support institutions in 11 wards in Tokyo, Peony decided to obtain the full support from WEL'S Shin Kiba in selecting the candidates to be hired.

For the 16 candidates for hiring who were selected by WEL'S Shin Kiba, Peony divided them into three groups and conducted practical job training at their work places for each group for five days in November 2005. As a result, the candidates were finally narrowed to 11 persons. Peony conducted trial employment for them for three months from January 2006 and, as a result, Peony could formally hire all of the 11 candidates as contract-based employees since April.

The persons with disabilities are treated as one-year contract-based employees. However, all of them become formal employees the one year later. Even though contract-based

employees can receive a bonus twice a year and Peony also provides social insurances such as a health insurance and a welfare pension. The paid holiday system is also applied to them. Therefore, there is almost no difference substantially between them and the formal employees in terms of the treatment.

Though their working hours are from 8:30 a. m. to 5:00 p. m. (including a lunch break for one hour), they take a break for 15 minutes in every 1.5 to 2 hours because they are engaged in the work with the belt conveyer. Many of them live close to the business establishment and even the one who lives away from it can enjoy the convenience that the one can commute by train in one hour from Nakano Ward. As a result, no problem has arisen in terms of their commuting.

For some time in its starting up, for the 11 persons with disabilities, four instructors (two were dispatched from Kao Corp. and two were ex-employees of Kao Corp.) were assigned. These four instructors also had experiences of instructing persons with intellectual disabilities in the production lines in Kao Corp. The experiences and efforts of these instructors significantly contributed to the actual performance of improvement of the productivity that was more excellent than the first estimation.

Because the work by the persons with intellectual disability has been started up successfully, a plan is being progressed to increase the persons with disabilities to establish a system constituted of 20 persons in total.

#### **(4) Utilization of Public Support Systems and Local Employment Support Networks**

Each special subsidiary is generally in a financially critical state and the support by its parent company through work consignment is indispensable. In addition to its parent company, the subsidiary utilizes public support systems such as a grant. In the case of Peony: Peony utilizes the practical job training and trial employment based on the duty trial method of the Job Opportunity Center for Persons with Disability; in addition, in terms of fee-related grants, Peony has applied for grant for assignment of supporters for fulfillment of duties for the instructors; and Peony is also planning to apply for grant for development of employment of designated employment-seekers.

For some time in its starting up, Peony received dispatch of job coaches from the Job Opportunity Center for Persons with Disability. However, the continuous support by the job coaches were not necessary in the early stage because the employees who were in charge of instruction had a lot of experiences in instructing persons with intellectual

disability.

A company which employs persons with disability for the first time has anxiety about facing various problems that the company has never experienced such as, in addition to the instruction method to persons with disabilities, worries concerning the employment management, the manner to support them as to their daily life, the response to the case of unsuccessful working. Such a company can not start employment of persons with intellectual disability without the mechanism for solving these problems.

Especially in the case where a company has many persons with intellectual disability to be employed partnerships with public or private support institutions that have know-how of supporting in terms of life and work of the persons with intellectual disability in the local community is necessary because it is difficult for the company by itself to cope with these problems. Success or failure in the employment of persons with intellectual disability is also said to depend on establishment of the networks with the local support institutions. In the case of Kao Corp., Kao Corp. has tackled this problem through the partnership with the NPO corporation, "WIL'S Shin Kiba" and obtained the result of employing the persons with disabilities.

#### **(5) Employing Persons with Disabilities as Kao Group**

Kao Corp. also demands each of its group affiliated companies to tackle employing persons with disabilities corresponding to the state of the company based on "the Basic Policy on Employing Persons with Disabilities" and to make efforts to comply with the legal employment rate based on its own policy even though being on its own. However, the affiliated companies include companies in which the work areas are limited and it is difficult to assign person with disabilities and the employment of persons with disabilities has progressed not exceeding a certain level. Though each company is holding up the ideal of achieving the legal employment rate by itself, Kao group including the special subsidiary, "Kao Peony" is planning to discuss "the group application" in order to achieve the target of achieving the legal employment rate by the whole group.