

LETTER FROM THE PRESIDENT

2-22



Dear readers

I am pleased to report on the performance of Kao Chemicals Europe in terms of non-financial information for 2024, a year marked by significant changes and challenges globally. Although it has been in general another difficult year, we have managed to successfully overcome it thanks to the efforts of everyone in our organisation in close collaboration with our stakeholders.

Throughout 2024, the global economy has faced many challenges. High inflation and rising energy and food prices have affected people's daily lives. In addition, rising interest rates have caused concerns about slowing economic growth, adding pressure on businesses and households.

In this demanding scenario, KCE is more committed than ever to sustainability, aiming to achieve results by presenting specific proposals with ESG perspectives in the chemical industry.

Transforming into a much greener company is an essential initiative for KCE as a forward-thinking company that cares about society and the planet. We aim to strengthen strategies to reduce environmental impact, promote the adoption of renewable energies and implement energy-saving technologies. In addition, in product development, we prioritise sustainability in design and manufacturing processes, advancing the circular economy. These initiatives will not only enhance KCE's reputation as an environmentally conscious company but also contribute to long-term profitability.

The essential aspects covered in this report focus on the areas of Ethics and Compliance, Climate Change and Energy Efficiency, Circular Economy and Waste Management, Pollution Reduction, Occupational Health and Safety, People and Human Rights.

I invite you to read this report¹ on our progress on sustainability in 2024.

Hiromitsu Hoshikawa.
President of KCE

¹ For enquiries about this report, please contact: corpcom@kao.es