LETTER FROM THE PRESIDENT OF KCE



In 2022,
Kao Chemicals
Europe has
accelerated the
design of green
products through
sustainable
production
processes

Dear readers,

I am pleased to report, once again, on the performance of Kao Chemicals Europe in terms of non-financial information for 2022. It has been, without a doubt, another difficult year, which we have managed to successfully overcome thanks to the effort and integrity of all the people who make up our organization and the collaboration of our stakeholders.

The financial year 2022 has continued to be marked by the instability of supplies, the unpredictable fluctuation of the prices of raw materials, electricity, natural gas and transport, together with a contraction of the European economies as a result of Russia's war against Ukraine.

In this context, Kao is more committed than ever to sustainability, in which our goal is to deliver results by offering specific proposals with ESG perspectives in the chemical business.

"Sustainability as the only path", this is the clear message of Mr. Yoshihiro Hasebe, President and CEO of Kao Corporation. All companies in the Kao Group must do our utmost to create a sustainable future for future generations.

In 2022, Kao Chemicals Europe has accelerated the design of green products through sustainable production processes, reinforcing our commitment to the Kao Group's mission of working with passion to contribute to the well-being of all people and the care of the planet.

The essential aspects which this report deals with focus on the areas of Ethics and compliance, Climate Change and Energy Efficiency, Circular Economy and Waste Management, Pollution Reduction, Occupational Health and Safety and Contingency Plan for emergencies or natural disasters.

I invite you to read this report¹ on our progress in sustainability during 2022.

Daisuke Hamada, President of KCE