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CORPORATE GOVERNANCE

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Kao's ESG vision is based on the concept that the company's activities must be designed with the aim of contributing to the well-being of all people, trying to achieve sustainable growth and social development, all without renouncing protection of the planet.

Regarding Governance, given its growing importance, KCE dedicates all its efforts to improve the effectiveness of corporate governance, in line with its values and corporate philosophy, by analysing the corporate governance system whenever necessary, conducting business in a fair and honest manner, as well as acting in accordance with laws and ethics and responding to society's expectations.

Specifically, the actions related to good governance are effective corporate governance and full transparency. These actions are two essential pillars of the motto Walking the right path.

Contribution to the SDGs

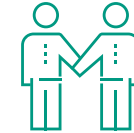


FIGHTING CORRUPTION

KCE is committed to fighting corruption in all its forms, including extortion and bribery, and to developing specific policies in this area. In the area of anti-corruption and bribery and conflict of interest, in accordance with Kao's anti-corruption guidance, KCE will maintain a firm stance against bribery by not offering or receiving any of its forms in connection with business operations. The company understands bribery as payments in cash, gifts, entertainment or other benefits with the intention of promoting favourable business treatment.

All those who make up Kao Group are expected to act in the best interest of the company and, with this premise, will avoid any activity that harms or may reasonably harm their ability to objectively perform their duties and responsibilities.

In this sense, the team is obliged to obtain approvals, make notifications and present reports in cases where there is a real, apparent or potential conflict of interest.



INTEGRITY LINE

To ensure that all employees can report and consult on issues related to compliance with regulations when necessary, internal and external ethical channels have been established in each group company. It is the responsibility of executives and managers to assume leadership in compliance with the BCG, being an example for the entire workforce, as well as communicating the business conduct guidelines to all staff.

The main objective of the ethical channel is to enable the staff to have a communication instrument to report through an anonymous call those behaviours that go against compliance with the company's code of ethics.