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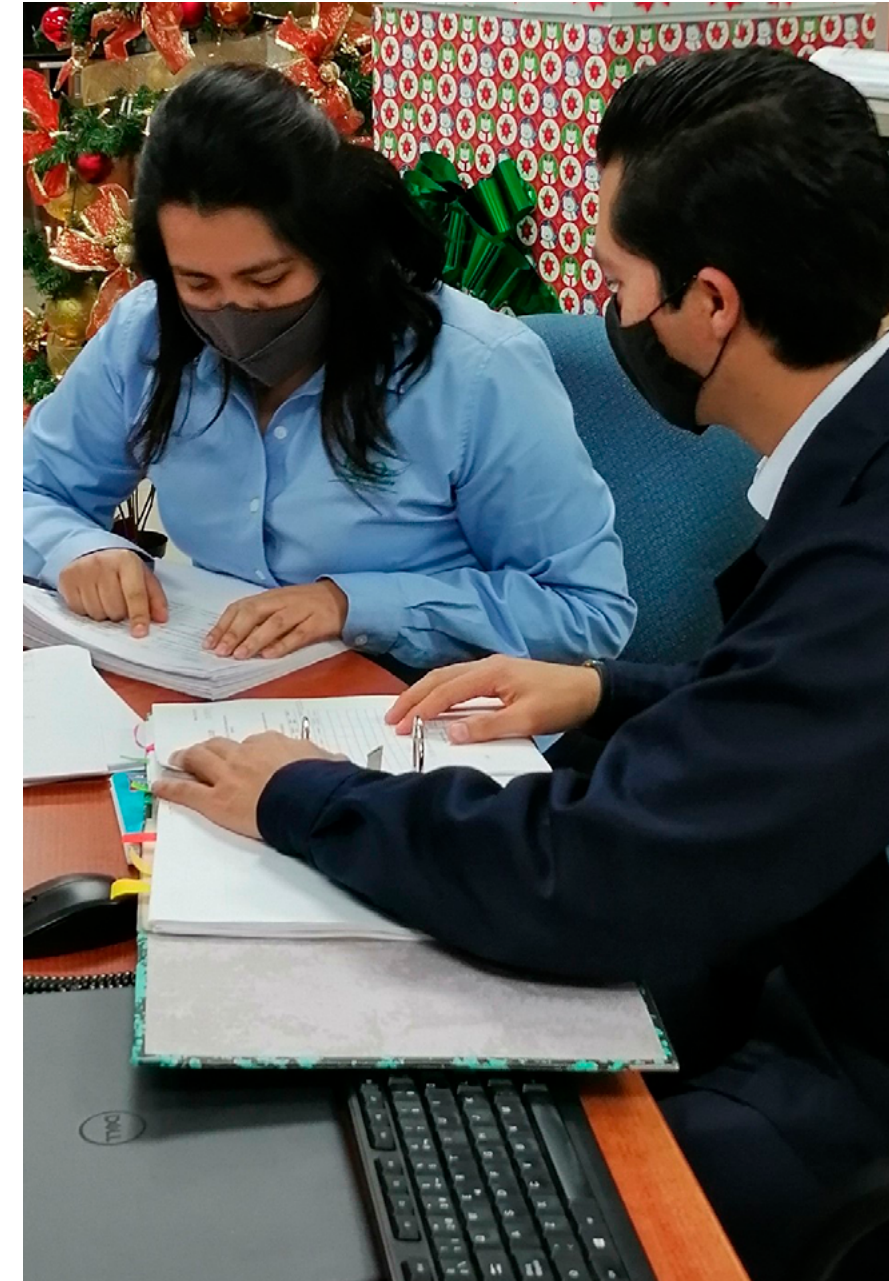
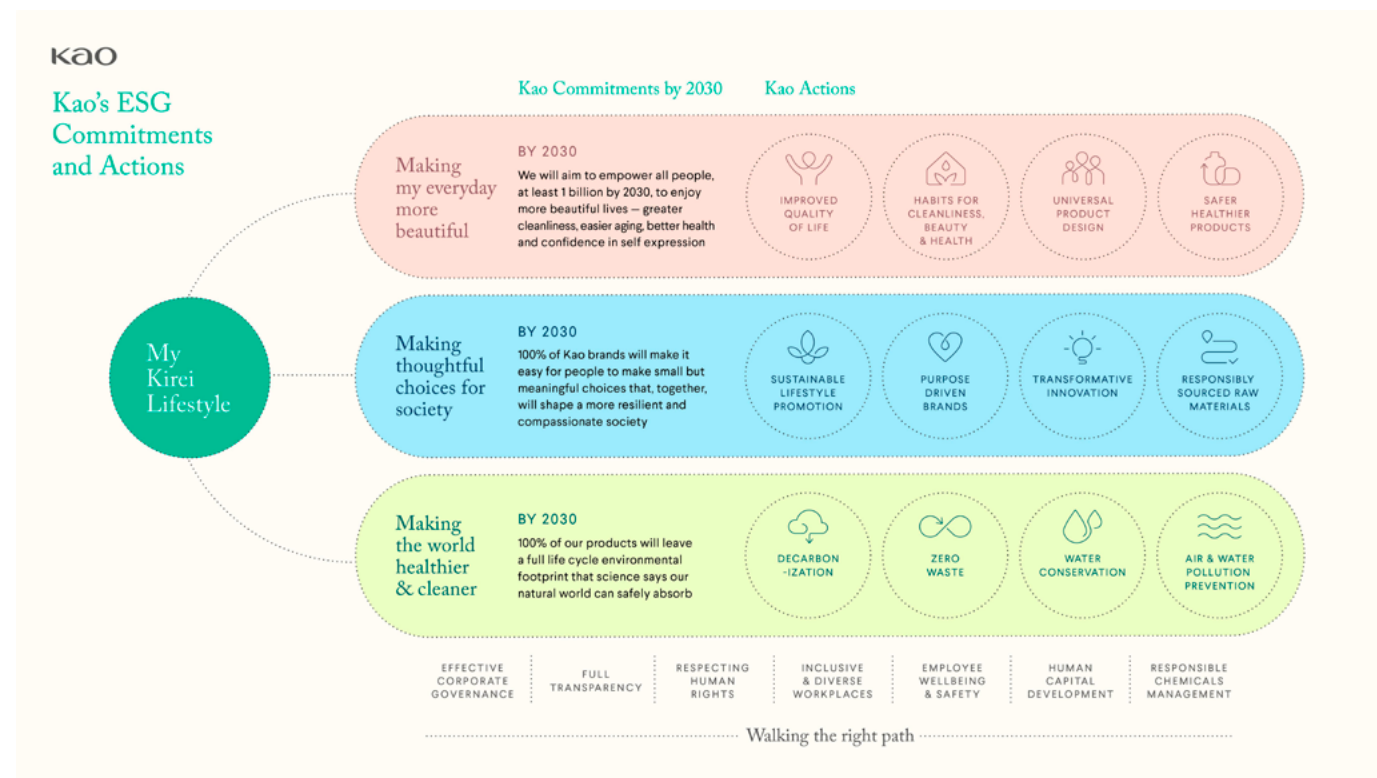


CORPORATE GOVERNANCE

5. CORPORATE GOVERNANCE

Kao Group is firmly committed to strengthening not only its financial strategies, but also its non-financial initiatives and strategies. This is why the corporate strategy at global level - and therefore also to be implemented in all group companies - is based on ESG (Environment, Society and Governance) criteria.

With regard to Governance, given its growing importance, KCE devotes all its efforts to improving 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.





FIGHTING CORRUPTION

KCE is committed to fighting corruption in all its forms, including extortion and bribery, and to developing specific policies in this area.

KCE adopts all the regulations set out in the Kao anti-bribery guidelines, which specify the rules and obligations regarding the protocol for entertainment and gifts, as well as the guidelines for preventing corruption, including the assessment of risks in this area during the process of selecting agents and distributors and renewing their contracts.

On 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 form of bribery in connection with business operations.

Kao Group's Money Laundering Prevention Policy was developed and formalised in 2021. KCE has adopted this policy, adding the legislation in force in the countries of its subsidiaries.

The policy defines the mandatory assessment of the identity and legitimacy of customers and suppliers before entering into business relationships, as well as the minimization of cash receipts and payments by giving preference to bank transfer.



INTEGRITY LINE

The ethics channel provides staff with a communication tool to report conducts that go against the company's code of conduct through an anonymous phone call.

This service is accessible 24 hours a day, every day of the year and is provided by an independent company, which protects and guarantees the anonymity of those people who wish to report to the organisation something they consider inappropriate or unethical, in accordance with KCE's policy, principles and values (discrimination on grounds of race, religion, age, etc., sexual harassment, unfair labour practices, conflict of interest, disclosure of confidential information, destruction or falsification of information, etc.).