

**In a challenging year,
we reaffirmed our
commitment to
sustainability, moving
towards becoming a more
responsible, efficient and
future-ready company.**

Katsunori Yamaguchi
President & CEO




Letter from the chairman

Contributing to create a sustainable society

Dear readers,

It is my pleasure to present the non-financial report for the 2025 financial year, a year which, once again, has been characterised by a complex global environment and a prolonged economic slowdown in Europe. Despite these circumstances, I would like to express my appreciation and gratitude to everyone at Kao Chemicals Europe for their commitment, professionalism and adaptability, as well as to our stakeholders for their continued support. Throughout 2025, the European economy has continued to face an uncertain outlook. Although inflation has shown some signs of easing in certain countries, volatility in energy and food prices, coupled with high interest rates for much of the year, has continued to affect households and businesses. In this challenging environment, we have maintained a responsible, long-term outlook, reinforcing our strategic priorities and moving forward with determination on the commitments that guide our business.

Sustainability remains a key priority for KCE. Our objective is clear: to evolve into a more efficient and responsible company, aligned with the environmental and social challenges facing the chemical sector. Throughout the financial year, we have driven initiatives to reduce our environmental footprint, accelerate the adoption of renewable energy, and incorporate technologies that improve energy efficiency. In the field of product development, sustainability continues to guide our design and manufacturing decisions, contributing to the advancement of the circular economy and the improvement of the environmental performance of our solutions. We are also continuing to work on preparations for compliance with the European Deforestation Regulation (EUDR). Although its implementation has been postponed

once again, we are continuing to make progress on the internal processes necessary to ensure a robust and responsible adaptation when it comes into force. This report outlines the progress made in 2025 in areas that are key to our organisation: ethics and compliance, climate change and energy efficiency, the circular economy and waste management, pollution reduction, health and safety at work, and people and human rights. All of these reflect our commitment to continuing to build a company that is more sustainable, more resilient and more committed to its community. I invite you to find out more about the progress we have made and the steps we are taking to continue improving our sustainability performance.

About this report

KAO Chemicals Europe

2025 at a glance

KCE, our business model

Corporate structure

Governance

Our commitment
to the environment

Our people

Commitment to Society

Tax information

Annex