KIKO
MILANO

ESG Report

2025

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Introduction

Letter to Stakeholders

> “2025 has been a year of strengthening our foundations.”
>
> **Simone Dominici**

KIKO has grown significantly in markets, in stores, in people, and in organizational complexity. Growth that we are proud of and take seriously. It demands the kind of continuous, granular oversight that fast-scaling global organizations cannot afford to defer. Over the past year, we remained focused on building robust internal processes and structures to better understand where we stand, where we are making progress, and where further work is still needed.

In 2025, we continued our journey towards Corporate Sustainability Reporting Directive (CSRD) alignment, not as a compliance checkbox, but as a transformative pathway reshaping how we collect, validate, and report data across our business. In parallel, we are strengthening our internal ESG governance by assigning clearer ownership and building accountability frameworks that make our reporting meaningful.

People remain at the heart of everything we do, within our organization and across the communities we engage with. **Our workforce grew to 8,316 people across markets, and 60% of them are under 30**. With **women making up 94% of our global workforce**, we recognize the responsibility that comes with fostering an inclusive environment where talent can grow and thrive. **Our commitment to inclusion extends beyond our organization to the people who choose our products every day**. In 2025, this commitment was reflected in the launch of our new “Love Fusion 24H Moisture Radiant Foundation”, marking the introduction, for the first time, of 49 shades designed to better reflect the diversity of skin tones and meet the needs of an increasingly global community of customers.

This same commitment guided our investments in people throughout the year. We continued to strengthen **learning opportunities and well-being programmes** for our employees, while expanding our impact through partnerships supporting **women, people with disabilities, vulnerable communities and cancer research**. In Italy, we have supported eight research projects through Fondazione Veronesi since 2022. Across 2024 and 2025, our programmes supporting women facing vulnerability and violence, including psychological support and accommodation in AiBi mother-child communities, reached a total of 450 women. Our long-standing partnerships also include Solidarité Femmes and Agefiph in France, and the Al Jalila Foundation in the UAE.

At the same time, on the environmental front our priority remains measuring and understanding **our carbon footprint**, calculating Scope 1, 2, and 3 greenhouse gas emissions. Consistent with 2024, **Scope 3 emissions** represent most of our total footprint, a reality that reflects where our impact lies within the value chain and where the most meaningful actions need to take place. On packaging, we have achieved the goal for 100% of our paper packaging sourced from responsibly treated forests: a standard we continue to maintain.

Beyond our own operations, **we continued to strengthen governance across our value chain**. In 2025, 100% of our business partners have received and signed our **Code of Conduct**. In addition, 221 key suppliers have been assessed through **EcoVadis**, comprising 85 direct and 136 indirect suppliers, with an average overall score of 67.2, which is 7 points above the industry benchmark. This provides us with a solid baseline from which to drive continuous improvement together with our partners.

Finally, our approach is driven by a firm commitment to **product quality, where safety and performance** remain our highest priorities. In 2025, we continued to strengthen the clinical evaluation frameworks that underpin every formula we bring to market. We also set a higher standard for ingredient sourcing: 100% of the MICA used in our products comes from RMI-accredited suppliers, a commitment we will continue to pursue. At the same time, we updated our “Prohibited and Restricted Ingredients List” grounding its criteria in internationally recognized frameworks (e.g. EU Cosmetics Regulation 1223/2009, REACH, CITES, Nagoya Protocol) and shared the updated guidelines with all bulk suppliers as part of their qualification process.

Looking ahead to 2026 and beyond, the foundations we have built this year will become increasingly visible in our results, in our reporting and in the choices we make every day. We recognize that **this is a long-term journey, and we are committed to pursuing it with the rigor, and transparency it demands**.

Simone Dominici
CEO

About this report

Since 2023, KIKO's ESG Report has served as a tool for dialogue and transparency with all stakeholders, providing a clear and comprehensive account of the Group's activities, commitments, and results across environmental, social and governance dimensions.

This report covers the period January 1 - December 31, 2025, and has been prepared **with reference to the Global Reporting Initiative Sustainability Reporting Standards** (GRI Standards), as reflected in the GRI Content Index included in the Appendix.

The content is informed by a materiality assessment conducted in 2023 as an initial exercise, as detailed in Chapter 1.3, which identified the topics that reflect the organization's most significant impacts on the economy, environment, and people. Looking ahead, KIKO is committed to developing a Double Materiality Assessment (DMA) in compliance with Corporate Sustainability Reporting Directive (CSRD).

With respect to specific data boundaries, energy consumption, greenhouse gas emissions and economic data cover the full scope of the Group, which encompasses **KIKO S.p.A. headquartered in Italy and its fully integrated subsidiaries[(1)]** (hereinafter also referred to as "KIKO Milano", "KIKO" or the "Group"). Waste management and health & safety data are reported for the Italian entities of the Group only. Headcount figures are reported at Group level; however, related breakdowns and other HR related data are provided exclusively for the Italian entities.

To ensure comparability over time on the Group's performance, data relating to the previous financial year are included, where available, except for HR data which reflects an extension of GRI content coverage for the current reporting period. Furthermore, in line with the principle of transparency, the use of estimates has been limited and, where applied, is based on the best available methodologies and is clearly disclosed.

KIKO reaffirms its commitment to publishing the annual ESG Report, ensuring ongoing accountability and progress tracking, through continuous improvement in data accuracy, reporting methodologies, and overall transparency.

The 2025 ESG Report was approved by the Board of Directors on July 23, 2026.

For further information or comments on this report, please visit our website at kikocosmetics.com or contact us at ESG@kikocosmetics.com.

[(1)] As of December 31, 2025, the fully consolidated subsidiaries included within the reporting scope are the following: Kiko Cosmetics Ireland Limited (Ireland), Kiko LUX S.A. (Luxembourg), Kiko UK Ltd. (United Kingdom), Kiko Germany GmbH (Germany), Kiko Swiss S.A. (Switzerland), Kiko France S.A.S.U. (France), Kiko Portugal Unipessoal LDA (Portugal), Kiko Belgique SA (Belgium) , Kiko Nederland B.V. (Netherlands), Kiko Retail Andorra S.l.u. (Andorra), Kiko Retail Espana S.l. (Spain), Kiko Cos Retail Mexico (Mexico), Kiko Cosmetics Brasil Ltda (Brazil), Kiko USA Inc. (United States), Kiko Livigno S.r.l. (Italy), KIKO SpA (Italy), Kiko IMEA FZE (United Arab Emirates), Kiko Middle East FZ-LLC (United Arab Emirates), Kiko Trading Co. Limited (China), Kiko Asia Limited (Hong Kong), Kiko Bahrain W.L.L. (Bahrain), Kiko Cosmetics Kuwait LLC (Kuwait), Kiko Cosmetics Muscat LLC (Oman).

1. Who we are

1.1 2025 at a glance

Environmental

132,005 GJ
total energy consumption

81.35 tCO_2e
Corporate Carbon Footprint

137 GJ/M€
energy intensity

84 tCO_2/M€
carbon intensity

54.5 t
of total waste generated in Italy
(-46% vs 2024)

Social

94%
female employees worldwide

60%
of employees aged under 30 worldwide

505
psychological counselling sessions provided in 2025

8,316
employees at Group level

75%
permanent contracts worldwide

4th consecutive year of partnership with Ai.Bi. in support of women in vulnerable situations

450 women reached through wellbeing and empowerment programmes since 2024

Governance

28 companies
into KIKO Group

78 countries
in which KIKO operates

26 Global Policies
approved by the Board

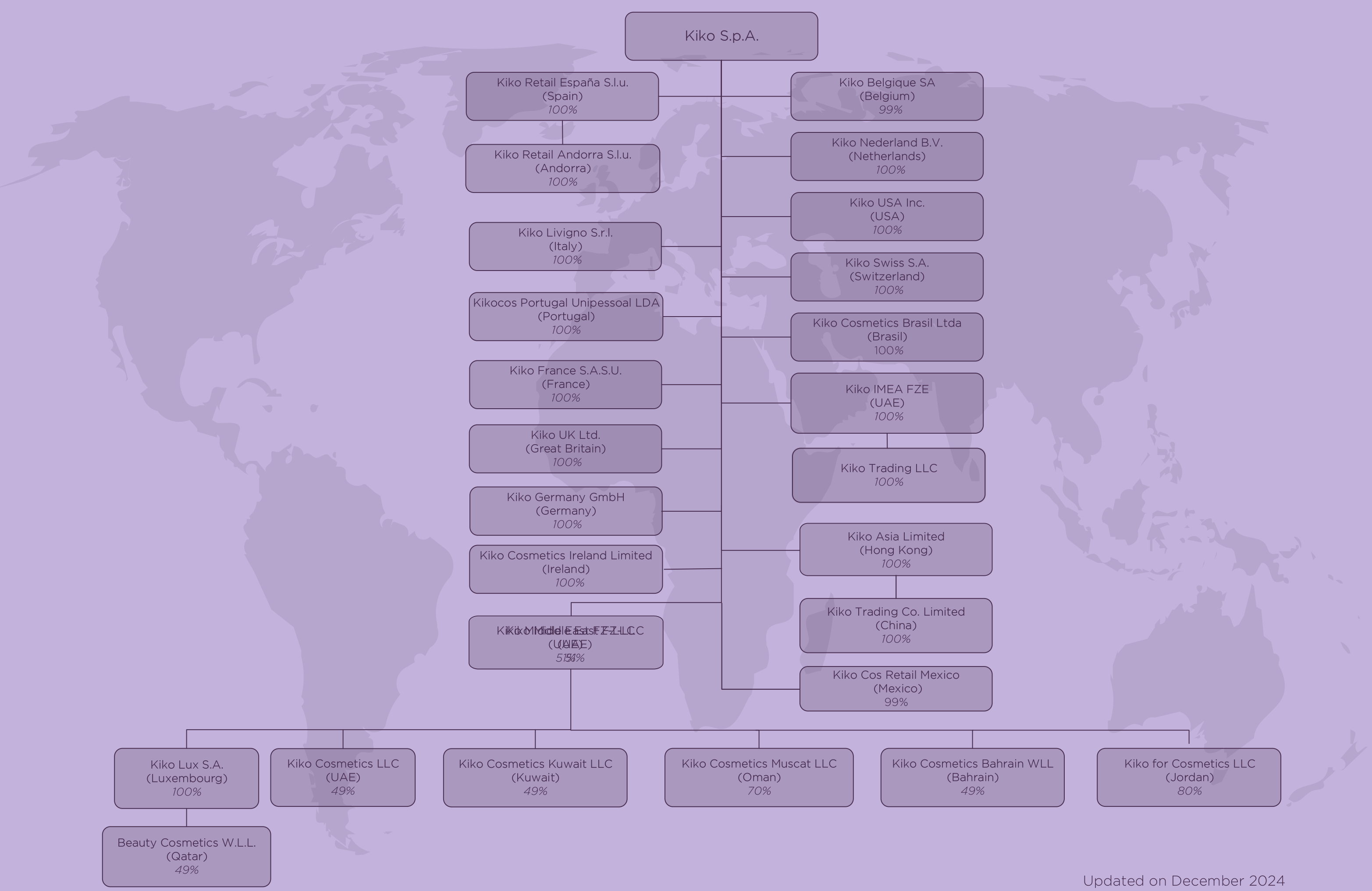
1,389 stores
(+10% vs 2024)

221 suppliers assessed through EcoVadis in 2025

100% of Business Partners covered by Code of Conduct

1.2 Our business model & brand identity

The KIKO Group is composed of 28 companies, with KIKO S.p.A. as parent company. The following organizational chart illustrates the Group's corporate structure as of December 31, 2025..



The KIKO Group operates in the cosmetics sector across **78 countries**, distributing its products exclusively through directly operated stores (DOS), franchises, and e-commerce channels, both directly operated through kikocosmetics.com and through marketplaces.

Specifically, the Group focuses on six cosmetics categories: **color cosmetics, skincare, haircare, fragrances, suncare and accessories**.

COLOUR COSMETICS Face makeup, eye makeup, lip products, and nail products.	**SKINCARE** Products dedicated to facial, body, and hand care.	**HAIRCARE** Products for hair care, from cleansing to styling.
FRAGRANCES Eau fraiche, eau de toilette, eau de parfum, parfum, and eau de cologne.	**SUNCARE** Sunscreens, after-sun products, and self-tanners.	**ACCESSORIES** Face, eyes and hands accessories, brushes and travel bottles.

As of 31 December 2025, KIKO Group operated with **1,389 stores worldwide**, of which 975 DOS, 396 franchised stores, and 18 wholesale stores (WHS), representing an **increase of 132 stores** compared to December 2024.

KIKO applies a **rigorous evaluation framework to the selection of franchise partners globally**, based on six parameters: retail expertise, real estate expertise and networking, cosmetics import and distribution regulatory and quality standards, financial solidity, legal compliance, and partner reputation.

KIKO's main markets are European countries, particularly **Italy, France, Spain and Portugal, and the Middle East, particularly the United Arab Emirates**.

Being KIKO

Being KIKO means sharing an ambitious vision: to become Europe's favorite beauty brand and a major global player, spreading **Italian beauty culture around the world**.

Our approach is grounded in art and colour, core elements of our DNA, which inspire us to create **accessible, innovative, and high-quality products**.

BELIEF
We believe that colour, art and creativity have the power to transform our daily lives.

PURPOSE
We do not simply sell beauty products; we work to increase people's self-confidence, promoting the free expression of individuality.

MISSION
We make the Italian Art of Beauty accessible to all, designing high-quality cosmetics that help people express their true personality, guided by expert beauty advisors.

VALUES
Democratizing beauty with accessible, high-quality products; we are part of and create excellence and joyful experiences through our products.

Being KIKO, in short, means spreading the Art of Italian Beauty throughout the world, offering everyone the opportunity to feel more confident, creative, and free to be themselves.

The Unified Commerce Project

Since 2022, KIKO has been developing an ambitious **Unified Commerce** strategy aimed at offering customers a consistent and integrated shopping experience across all brand touchpoints. Built on an **omnichannel approach**, the project pursues four core pillars:

- Optimising and integrating **online service and physical stores**;
- Improving **delivery**;
- Efficient management of **warehouses and stocks**;
- Strengthening **personal data protection** measures, in line with current regulations.

Central to this strategy is the loyalty programme **"KIKO ME"**, designed to further personalize the customer experience. The programme is active across several markets including Italy, France, Belgium, Spain, Portugal, Andorra, Germany, Switzerland, the United States and the main countries of the Middle East. The pr ogramme is structured across **three tiers**: **Stylish**, **Artistic and Creative**, based on points accumulated over a 12-month period, and is accessible both online and in-store via a **personal QR code**.

By 2024, the platform rollout was well underway, progressively connecting all company channels and systems and laying the foundation for greater scalability and operational efficiency.

In 2025, the project reached full operational maturity, with significant advances across multiple fronts. KIK O completed a major technological transformation, achieving omnichannel integration between its direct eCommerce sites and over **850 directly operated physical stores across all countries in which operates, with 26 active eCommerce sites**. As part of this transformation, the PIM (Product Information Management) system was optimised for centralised product data management, alongside the centralisation of feed management across all marketing and advertising channels and the automation of technical error resolution.

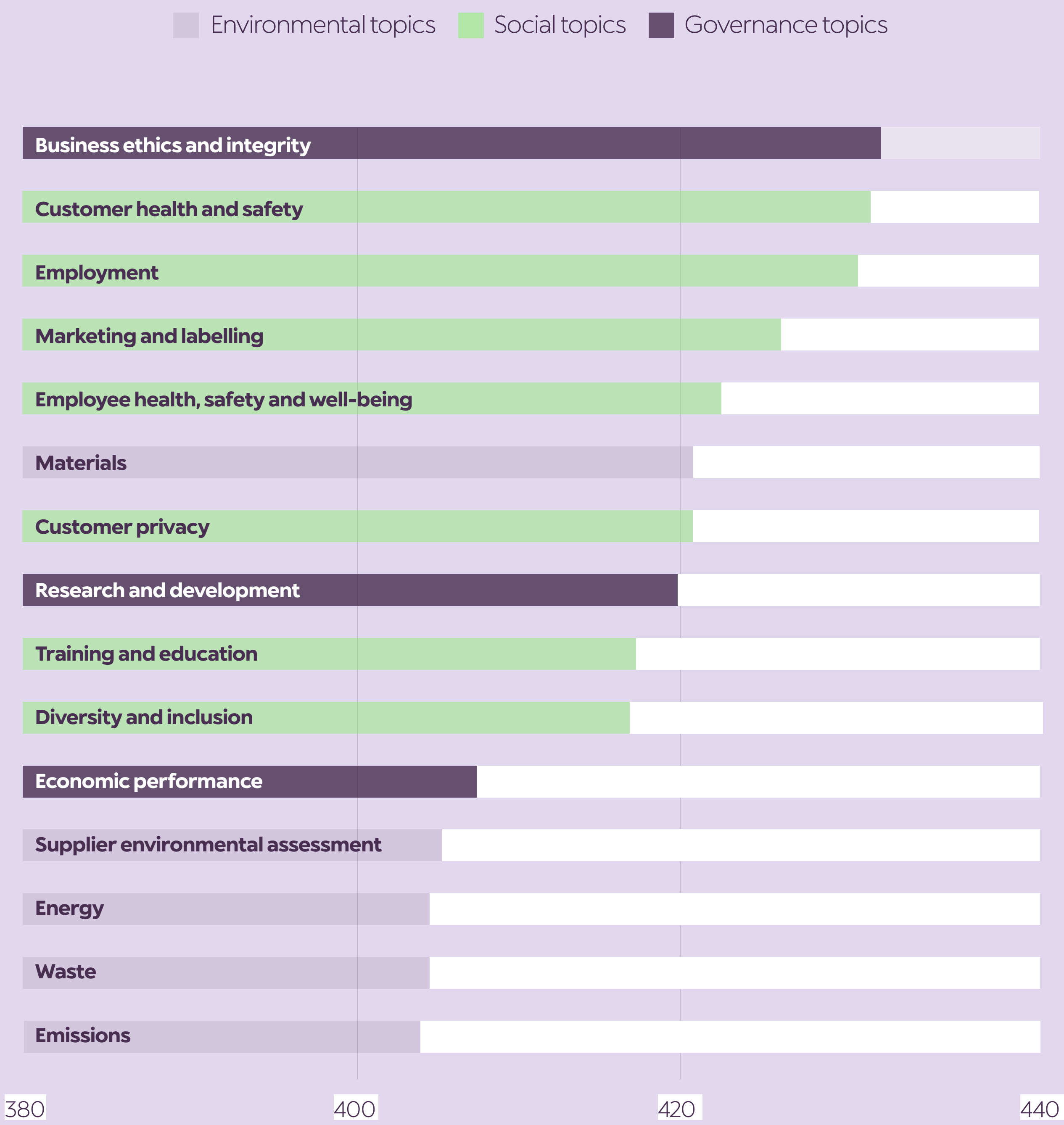
1.3 Materiality assessment

In 2023, **KIKO conducted its materiality assessment**, aimed at identifying environmental, social, and governance (ESG) topics that reflect the organization's most significant impacts on the economy, environment, and people. The process was structured around the following steps:

1. **Organizational context analysis and stakeholder mapping:** The assessment began with a comprehensive mapping of relevant internal and external stakeholder groups, complemented by an analysis of sector trends, evolving regulatory requirements and alignment with the Group's broader business strategy.
2. **Identification of actual and potential impacts:** An initial list of potentially material topics was developed and subsequently mapped against impacts on the environment and people.
3. **Impact significance assessment:** The significance of each identified impact was evaluated through quantitative surveys administered to key internal and external stakeholders.
   Overall, the survey collected 616 responses:
   - 581 from management and company employees;
   - 35 from external stakeholders, mainly suppliers, institutions, and customers.
4. **Validation of material topics:** The consolidated findings were analysed to identify and prioritize 15 material topics, associated with positive and negative impacts[2].
   The topics with the highest scores were Business ethics and integrity, Customer health and safety, and Employment.

To offer a wider-ranging overview of company sustainability, KIKO has developed a risk management process that also incorporates the material topics identified in the wake of this process.

The results of the materiality assessment served of a guide for the definition of targeted strategies for effectively managing externalities



This materiality assessment represented an initial exercise aimed at identifying and understanding KIKO's material topics. Looking ahead, **KIKO is committed to developing a Double Materiality Assessment (DMA) in compliance with the requirements of the European Sustainability Reporting Standards (ESRS)**, as requested by the Corporate Sustainability Reporting Directive (CSRD).

[2] For the full list of positive and negative impact, please refer to the "List of material topics and impacts" paragraph in the Appendi.

1.4 Dialogue with stakeholder

KIKO engages its key stakeholders through **structured and ongoing dialogue, aimed at understanding their expectations and strengthening relationships** connected to the Company's activities.

Dialogue with **customers, employees, business partners, suppliers and local communities** enables the Company to build open and lasting relationships, translating into local initiatives, collaborative projects and concrete actions in the areas where the brand operates.

Listening to stakeholder feedback and expectations supports continuous improvement, contributes to the development of new products and services, and helps the Company respond to market changes while maintaining alignment between business decisions and stakeholder expectations(3).

Stakeholders	Involvement
Employees	Training and development programmes, performance evaluation, regular meetings, and feedback.
Customers	Surveys, online reviews, social media and loyalty programmes, audits, and dedicated meetings.
Suppliers	Ongoing engagement through contracts, regular meetings, and quality audits.
Local communities	Consultation and meetings with community representatives.
Financial institutions	Ongoing relations with banks and investors through financial reports and meetings.
Trade associations	Active participation in trade associations sharing best practices and influencing sector policies.
Media and press	Public relations through press releases, media events, and interviews.

(3) For the full list of stakeholders engagement activities, please refer to the "Stakeholders engagement activities in 2025" paragraph in the Appendix

1.5 Our ESG manifesto

In 2021, KIKO launched **"KIKO Cares", bringing together its environmental, social, and governance initiatives under a single strategic framework**.
In 2022, this evolved into a corporate ESG manifesto, defining KIKO's strategic priorities and responsibilities across three pillars:

- **KIKO Cares for its Environmental Impact**: we strive to monitor and understand our environmental impact with the aim of optimizing our use of natural resources, including water, energy, raw materials (such as cosmetic ingredients), and packaging material.
- **KIKO Cares for its Social Impact**: we are committed to investing in social and wellbeing initiatives aimed at supporting the people involved in our operations and the communities where we operate.
- **KIKO Cares for its Governance**: we are committed to operate with integrity, transparency, and innovation.

The company's ESG Manifesto was conceived with a **global approach**: all countries in which KIKO operates, including its headquarters and directly operated stores, are involved in implementing the principles and objectives defined in the ESG Plan. **For each of the three strategic pillars, KIKO has defined specific targets to be achieved**, confirming a forward-looking and long-term vision.

As part of our ongoing commitment to transparency and continuous improvement, KIKO conducted an **internal review of its sustainability targets in 2025**, in collaboration with relevant internal stakeholders.
This process allowed us to reassess and refine our commitments, ensuring they remain aligned with the Company's current strategic direction, regulatory landscape, and operational capabilities.

Looking ahead, **KIKO's ESG strategy will be subject to a further, more comprehensive revision following the deployment of the company's first Corporate Sustainability Reporting Directive (CSRD) double materiality assessment**. The results of this exercise will inform a renewed strategic framework, ensuring that KIKO's priorities, targets, and disclosures remain up to date with the ESG topics that matter most to the business and its stakeholders, while remaining aligned with evolving compliance requirements.

KIKO's commitments are grounded in what we can measure, act on, and report transparently. We are committed to making beauty accessible to everyone and we take seriously the responsibility that comes with scaling-up: on the ingredients we source, the packaging we produce, the communities we operate in, and the greenhouse gas emissions we generate. We are building toward a more responsible business, step by step, with targets we can be held accountable to.

KIKO Cares for its Environmental Impact

Objective	Target	Progress
Increase the use of energy from renewable sources with Guarantees of Origin (GO)	By 2030, ≥90% renewable electricity through Guarantees of Origin across all EU markets in directly operated stores (DOs)[4]	**Ongoing** · In 2025: 100% of electricity consumption covered by GO renewable electricity certificates, for energy contracts in DOs in Italy, Netherlands, Belgium, France, Spain, Portugal, Germany
Implement a Climate Change Management & Efficiency Strategy	Define a Carbon Management Plan by 2026	**Ongoing** · Corporate Carbon Footprint assessed in 2024 and 2025
Improve the traceability and resource use transparency for our products (packaging and ingredients)	10% PCR plastic in 100% of KIKO product packaging by 2030, in line with the requirements of the PPWR Directive	**Ongoing** · In 2025, we have inserted a minimum of 10% PCR plastic in 18% of KIKO core product range[5]
	100% certified and responsibly managed forest-sourced paper by 2030, through to supplier documentation and scope verification	**Achieved and target maintain**
	100% MICA for our ingredients must be from members of RMI accredited suppliers (and other raw materials at risk for child labor) by 2030	**Achieved and target maintain**

KIKO Cares for its Social Impact

Objective	Target	Progress
Promote ESG skills and knowledge across our people	Guarantee training on ESG topics for 100% of HQ employees by 2027	· **Ongoing**
Guarantee inclusion in the workplace and across communities	· Define internal D&I policies and corporate guidelines by 2027 · Definition of an inclusivity project in Italian schools for the Milano-Cortina Winter Olympics 2026	· **Ongoing** · **Achieved**
Support women and cancer research through dedicated projects	Reach 1000+ women by 2030 (baseline 2024)	· **In progress:** psychological support and accommodation in AiBi mother-child communities, reaching a total of 450 women since 2024
	Support 20+ research projects by 2030 (baseline 2022)	**Ongoing:** Supported 8 research projects since 2022

(4) Directly Operated Stores (DOs) currently consider all standalone stores (city centers), while in outlets stores, airport, train stations and shopping mall shops are currently excluded.

(5) Excluding collections.

KIKO Cares for its Governance

Objective	Target	Progress
Enhance Supply Chain Monitoring	Submit Code of Conduct to 100% of Business Partners by 2025	· **Achieved**
	Evaluation request based on ESG parameters for all company suppliers by 2029	· **Ongoing**
	By 2030: ≥90% of direct strategic suppliers and ≥90% of indirect suppliers (POP, Utilities & Logistics) assessed via EcoVadis[6], covering ≥80% of spend across the three categories.	· **Ongoing**
Strengthen ESG governance, performance monitoring and transparent communication	Formalization of ESG Committee with regular meeting cadence and oversight on the ESG strategy and progress against targets by 2026	· **Ongoing**

[6] Jaggaer internal ESG assessment only where EcoVadis is not applicable.

2. Our environmental performance

2.1 Energy Management

As the energy transition accelerates globally, KIKO recognizes the strategic importance of responsible energy management, reflected primarily by the **monitoring of our energy consumption**.

Since 2022, KIKO has been progressively transitioning toward electricity supplies backed by Renewable Guarantees of Origin (GOs), expanding coverage across its markets year by year.

Since 2022, KIKO has progressively increased the volume of electricity covered by Renewable Guarantees of Origin (GOs) across its markets. These certificates cover a large proportion of the electricity used at KIKO's **directly operated sites (DOs)[7]**. In 2025, electricity backed by GOs rose to 22,325 MWh, up from 17,160 MWh in 2024, as KIKO extended its renewable-backed supply.

GRI 302-1 Energy consumption within the organization[8]

	2024		2025	
	Total	**Total in GJ**	**Total**	**Total in GJ**
Fuel consumption from non-renewable sources		7,470		11,696
Natural gas	27,086 m³	931	5,530 m³	219
Gasoline used for fleet vehicles	222,955 litres	6,539	234,737 litres	7,543
Diesel used for fleet vehicles	–	–	110,323 litres	3,934
Electricity consumption	22,778 MWh	82,001	33,419 MWh	120,309
Purchased electricity from non-renewable sources	5,618 MWh	20,226	11,094 MWh	39,938
Purchased electricity from renewable sources (Guarantee of Origin or Renewable Energy Certificate)	17,160 MWh	61,775	22,325 MWh	80,370

[7] DOS includes all sites for which direct data (either energy consumption or Guarantees of Origin) were available, as well as all standalone stores. All other sites are excluded from the results reported in the table on this page.

[8] Energy figures of natural gas consumption for 2024 have been restated compared to those published in the 2024 ESG Report, following a reconciliation with the Corporate Carbon Footprint calculation methodology.

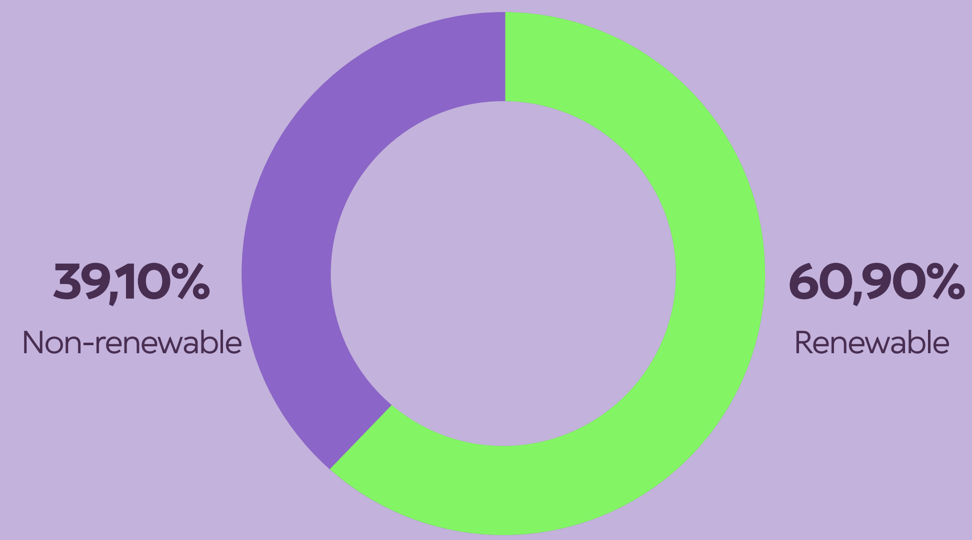
302-3 Energy Intensity Ratio[9]

	Unit of measure	**2024**	**2025**
Energy intensity ratio	GJ/revenues(M€)	99.3	137

In line with the company's business, **KIKO's operations are predominantly electrified** with 91% of the company's total consumption related to purchased electricity, 9% from gasoline and diesel used in the company's fleet, and less than 10,08% related to natural gas for heating purposes.

In 2025, KIKO has started installing energy meters on the main electrical switchboards to monitor energy consumption through primary data sources rather than relying exclusively on utility bills. **A total of 90 energy meters were installed.** The initiative currently applies only to new store openings, refit projects, and relocations, and therefore does not yet cover the entire KIKO store network. The implementation roadmap is still under discussion, starting in 2026, with the information backed by the analysis to identify potential inefficiencies and over-consumptions patterns.

2025 Energy Consumption by Energy Source (%)



[9] To calculate the energy intensity revenues in M€ has been chosen (900 M€ for 2024; 932M€ for 2025).

2.2 Corporate carbon footprint

KIKO reports its available greenhouse gas emissions data, together with the methodologies, assumptions, and reporting boundaries used for the calculation, as part of its broader commitment to understanding and reducing its environmental impact.

Starting from 2024, KIKO began to **disclose the Group's full GHG emissions inventory**, expanding its reporting beyond Scope 1 and Scope 2 emissions to also include Scope 3 emissions, which are particularly relevant given the company's business model.

In 2025, KIKO's corporate carbon footprint has been calculated on the same 2024 perimeter with a **continuous process of progressively refining its emissions calculation methodologies**, with the aim of ensuring increasingly accurate and transparent data. Given the KIKO usage of Guarantees of Origin (GOs), Scope 2 emissions have been calculated with the location and market-based methodologies. The market-based approach reflects the impact of KIKO's progressive transition to renewable energy sources.

2025 Corporate Carbon Footprint[10]
GRI 305-1 Direct (Scope 1) GHG emissions
GRI 305-2 Energy indirect (Scope 2) GHG emissions
GRI 305-3 Other indirect (Scope 3) GHG emissions

	2024	2025
Total GHG emissions (market-based)	46,078 tCO_2eq	81,353 tCO_2eq
Total GHG emissions (location-based)	48,462 tCO_2eq	83,207 tCO_2eq
Direct (Scope 1) GHG emissions	569 tCO_2eq	1,070 tCO_2eq
Energy indirect (Scope 2) GHG emissions – [market-based] [11]	1,852 tCO_2eq	4,340 tCO_2eq
Energy indirect (Scope 2) GHG emissions – [location-based]	4,236 tCO_2eq	6,194 tCO_2eq
Other indirect (Scope 3) GHG emissions[12]	43,657 tCO_2eq	75,942 tCO_2eq

(10) The emissions factors used were sourced from Ecoinvent Database 3.11 for conversion factors across all activities and electricity consumption data, and from the CEDA Database 2025 for Capital Goods (CAPEX) and Services (OPEX) to evaluate the emissions of the spend-based data.

(11) A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). The observed divergence between location-based and market-based Scope 2 emissions reflects an evolution in both data management practices and underlying calculation assumptions. During the reporting period, methodologies for estimating energy consumption were further refined, alongside an update of the emission factors applied.

(12) Scope 3: Purchased goods and services, capital goods, fuel and energy related activities, upstream transportation, waste, business travels, downstream transportation, employee commuting, upstream leased assets, use of sold products, products end of life, and franchises were included in the calculation.

GRI 305-4 GHG emission intensity[13]

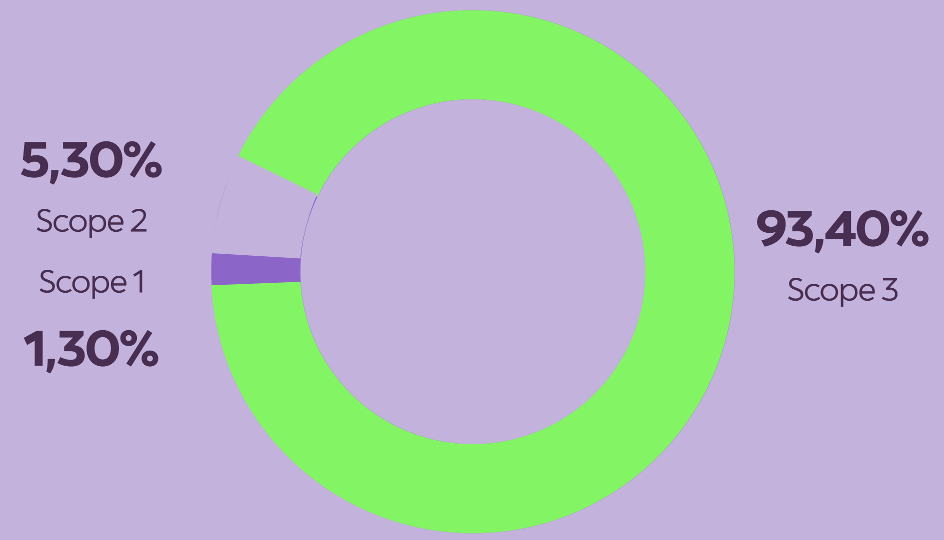
	Unit of measure	2024	2025
GHG emission Intensity ratio (Market-based)	tCO_2eq/revenues (M€)	51	84

In 2025, KIKO prioritized the measurement of its corporate carbon footprint before the definition of a decarbonization plan in the upcoming months. This deliberate approach reflects KIKO's commitment to building a solid, data-driven foundation: by deepening its understanding of emissions across the value chain, the company aims to identify its key hotspots with greater confidence before determining which levers to act on and, consequently, which decarbonization actions to pursue.

The increase in carbon corporate footprint recorded in 2025 compared to 2024 primarily reflects a significant **improvement in the quality and coverage of primary data collected, combined with a progressive refinement of the calculation methodology**. Further refinements and improvements in data quality and coverage are expected moving forward.

KIKO plans to develop a preliminary decarbonization plan using recognized climate target-setting guidance, including consideration of SBTi criteria; the plan has not yet been submitted to or validated by SBTi, it will provide a structured roadmap for **progressively reducing KIKO's value chain-related GHG emissions**, ensuring that every commitment made is developed using the best available company data and with reference to recognized international frameworks.

2025 GHG Emissions by Scope (Market-Based)



(13) GHG Emission Intensity = Total greenhouse gas (GHG) emissions (tCO_2e) divided by net revenue (€ million).

2.3 Waste Management

The organization implements actions to prevent waste generation and manage significant waste-related impacts across its operations and value chain, following the **waste hierarchy principles**[14]. In 2025, key measures including optimized inventory management, reducing product obsolescence, expiration, and damage within its own activities have been performed. Cosmetic waste (finished products) generated due to expiration, damage, or unsold inventory is systematically monitored with the aim of reducing it.

The group generates both hazardous and non-hazardous waste, currently monitored through primary data within the Italian perimeter (headquarter office, Italian stores and the CEVA logistics warehouse).

In 2025, a data collection system was established within this perimeter to track the destination of waste collected and the treatment options applied, recovery and disposal (waste to energy incineration).

Waste generated by the organization in its own activities is managed by authorized third-party waste management operators, licensed environmental intermediaries and treatment facilities responsible for the collection, transport, recovery, and disposal of waste from headquarters, retail stores, and the distribution warehouse. The organization ensures that these providers operate in compliance with contractual requirements and applicable environmental legislation, verified through a due diligence process conducted during supplier qualification, which includes the assessment of required authorizations, permits, and certifications.

Furthermore, starting from Italy in early 2026, KIKO will begin introducing non-thermal blue paper receipts in selected stores, as a first step towards reducing one of the main waste streams at point of sale.

Waste Monitoring and Data[15]

In 2025, to comply with the RENTRI (National Electronic Waste Tracking Register), **KIKO updated its waste management processes** accordingly. RENTRI requires the use of a digital loading and unloading register in which the information contained in the Waste Identification Forms must be recorded. The hazardous waste management process was redefined and waste separation became a responsibility shared across all employees. The updated procedure was communicated company-wide and a dedicated **online training session** was delivered. A subsequent feedback collection session enabled the group to implement targeted actions addressing the main operational challenges, such as the proper handling and storage of waste, and to monitor improvements in compliance and on-site behaviors.

Ongoing compliance is monitored through the review of documentation provided by the waste management intermediaries, including waste identification forms (e.g., CER codes), transport records, and treatment certificates indicating final recovery or disposal operations. In addition, periodic checks are performed to ensure alignment between contracted services and actual waste handling practices.

The **HSE function** coordinates both ordinary and extraordinary disposal activities for hazardous waste generated by stores and KIKO headquarters across the Italian territory, identifies improvement opportunities, and promotes the collection of waste management data from stores nationwide. Waste pickups generated by **CEVA** are managed independently through a dedicated intermediary coordinated directly by the logistics function; HSE subsequently oversees the transmission of the required waste identification forms.

At store level, area and store managers oversee the correct implementation of waste disposal procedures through operational checks, verifying proper waste segregation, accurate completion of loading and unloading registers, and correct filing of waste identification forms. In 2025, a new dedicated training initiative known as the "waste help desk" was introduced to strengthen expertise and awareness across the retail network. Lastly, each year KIKO submits the **Environmental Declaration Form (MUD)**, in compliance with Italian Law No. 70/1994.

In 2025, the organization generated a total of approximately 54.5 tons of waste, of which 23.5 tons (around 44%) consisted of hazardous waste, while 31 tons (around 56%) was classified as non-hazardous waste.

GRI 306-3 Waste generated[16]

	Unit of measure	2024	2025
Hazardous waste	tons	37.5	23.5
Non-hazardous waste	tons	63.1	31
Total weight of waste generated	**tons**	**100.6**	**54.5**

(14) As enshrined in EU Directive 2008/98/EC on waste.

(15) Primary data on waste generation is systematically collected for Italian retail stores and the distribution warehouse, including waste quantities and classification by CER codes.

(16) For GRI 306-3, 306-4 and 306-5: Waste figures for 2024 have been restated compared to those published in the 2024 ESG Report, following improvements to waste management data collection and classification practices introduced in 2025 in connection with the adoption of the RENTRI digital register.

GRI 306-4 Waste diverted from disposal

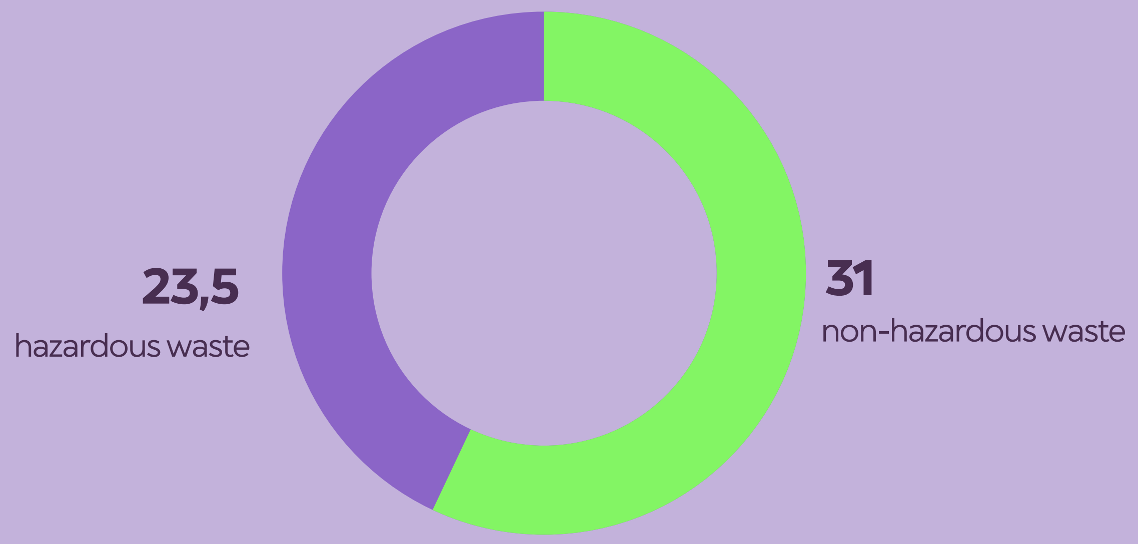
	Unit of measure	2024	2025
Hazardous waste recycled (off-site)	tons	33	17
Non-hazardous waste recycled (off-site)	tons	62	30
Total weight of waste diverted from disposal	**tons**	**95**	**47**

GRI 306-5 Waste directed to disposal

	Unit of measure	2024	2025
Hazardous waste incinerated with energy recovery	tons	4.5	6
Non-hazardous waste incinerated with energy recovery	tons	1	1
Total weight of waste directed to disposal	**tons**	**5.5**	**7**

The decrease in waste generated in 2025 compared with 2024 reflects changes in the timing of CEVA disposal operations and may also reflect improvements in waste management practices; further monitoring is needed to confirm the relative contribution of each factor. While In 2025, a slight increase was recorded in waste categories directed to disposal, across both stores and headquarters, located in Italy.

Waste generated in Italy (Tons)



3. Our People & Culture

People are at the heart of KIKO. In 2025, the Group continued to invest in its workforce, strengthening its culture and deepening its commitment to the people who contribute every day to the KIKO community.

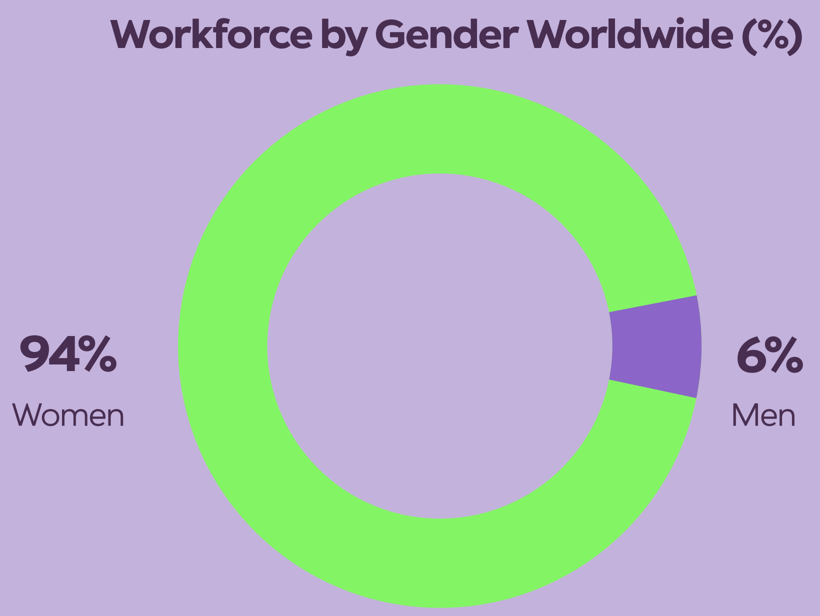
In 2025, KIKO's workforce was composed of **8,316 employees**.

The **94.3% female workforce** is a natural expression of who KIKO is: a brand rooted in the world of beauty, open to and built for everyone who lives and loves it. In terms of contract type, **76% of employees hold a permanent contract**, while 24% are employed on a temporary basis (2,146), a structure that allows the Group to maintain operational flexibility while preserving a stable core team.

From a geographic perspective, KIKO's workforce spans across all its key markets, with **Italy representing the largest share of employees (2,702, equal to 31.8% of the total), followed by Spain, Portugal & LATAM** (1,885) and France (1,771). This broad international presence underlines KIKO's continued expansion as a global beauty brand, with a presence also in Germany, Belgium, UK & Ireland, Netherlands, MEA[17], Switzerland, KHK and the USA.

The distribution between permanent and temporary contracts varies across regions, reflecting local labor market conditions and business models. Italy, France, and Spain, Portugal & LATAM together account for the majority of both permanent and temporary headcount, confirming their role as the Group's core operational markets.

In addition, all KIKO employees in Italy are covered by collective bargaining agreements, representing 100% of the local workforce as of 31 December 2025.



(17) MEA: United Arab Emirates, Giordania, Qatar, Kuwait, Oman and Bahrain.

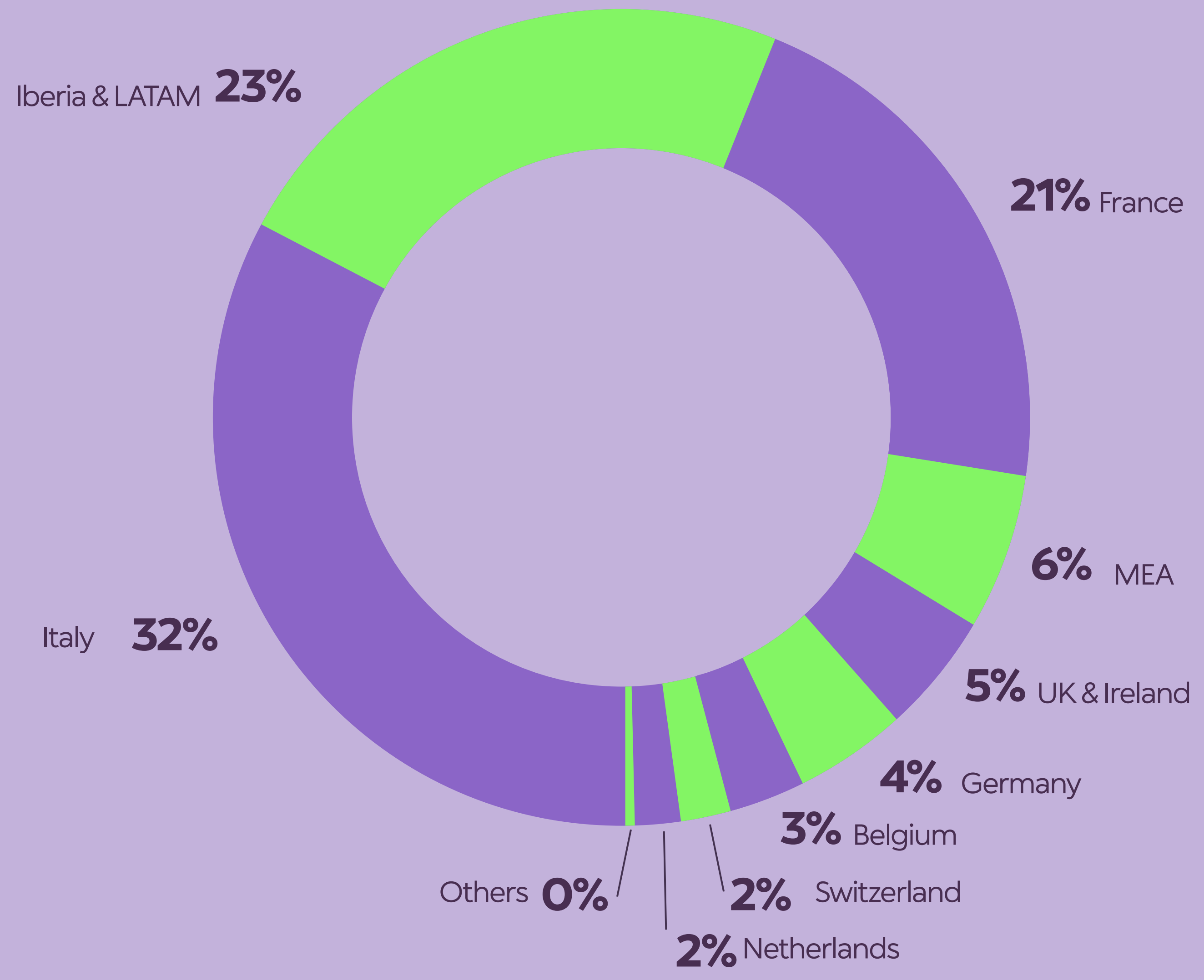
GRI 2-7 Employees

Employees (HC) by employment contract and by gender	As of 31 December 2025	Percentage
Total number of employees	8,316	100%
of which female	7,839	94%
of which male	477	6%
Total number of permanent employees	6,297	76%
of which female	5,891	94%
of which male	406	6%
Total number of temporary employees	2,019	24%
of which female	1,948	96%
of which male	71	4%

Employees (HC) by employment contract and by region	As of 31 December 2025	Percentage
Total number of employees	8,316	100%
Italy	2,702	32%
Switzerland	151	2%
Germany	342	4%
France	1,771	21%
Netherlands	192	2%
Belgium	218	3%
Spain, Portugal & LATAM	1,885	23%
UK & Ireland	457	5%
MEA	538	6%
Hong Kong	39	0%
USA	21	0%
Total number of permanent employees	6,297	76%
Italy	2,079	33%
Switzerland	131	2%
Germany	57	1%
France	1,570	25%
Netherlands	57	1%
Belgium	135	2%
Spain, Portugal & LATAM	1,260	20%
UK & Ireland	411	7%
MEA	537	8%
Hong Kong	39	1%
USA	21	0%

Employees (HC) by employment contract and by region	As of 31 December 2025	Percentage
Total number of temporary employees	2,019	24%
Italy	623	31%
Switzerland	20	1%
Germany	285	14%
France	201	10%
Netherlands	135	7%
Belgium	83	4%
Spain, Portugal & LATAM	625	31%
UK & Ireland	46	2%
MEA	1	0%

Geographical Distribution of Employees (%)



3.1 Celebrating diversity & promoting inclusion

Every person at KIKO is entitled to be treated with respect and equal dignity, regardless of ethnicity, culture, gender, age, religion, sexual orientation or nationality. This commitment is formalized in the **Policy on Respect, Dignity, and Equal Treatment and in the Code of Ethics, which apply to all employees globally**.

These principles are extended to the entire value chain through the **Code of Conduct for Business Partners, aligned with ILO Conventions and the UN Guiding Principles on Business and Human Rights, explicitly prohibiting forced and child labor**.

KIKO's workforce is organized into two main categories: **763 office workers** (HQ + Channel Structure) and **7,553 retail workers**, who represent the vast majority of the Group's people (91%) and are the direct ambassadors of the KIKO experience with customers every day. Gender distribution reflects a predominantly female presence across both categories, 75% among office workers and 96% among retail workers, consistent with the Group's identity as a beauty brand deeply rooted in its community.

This female presence is also reflected at the leadership level: women represent 39% of KIKO's leadership team, a figure that goes beyond Board composition alone and reflects the broader population of managers and executives driving the business.

From an age perspective, KIKO's workforce is notably young and dynamic: **60% of employees are under 30**, 38% are between 30 and 50, and 2% are over 50.

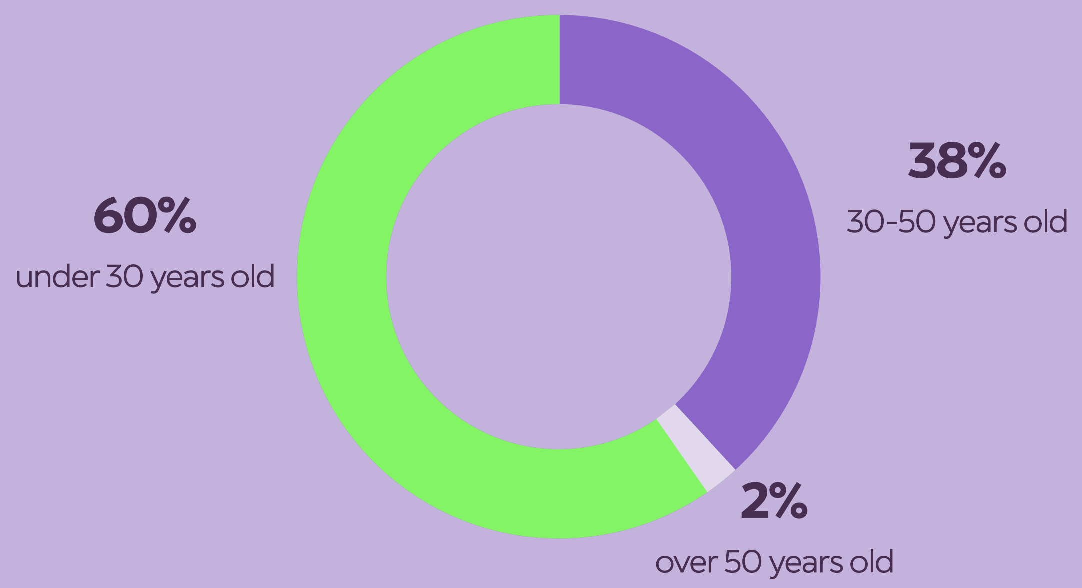
405-1 Diversity of employees

Employees (HC) by employee category and gender	As of 31 December 2025	Percentage
Office workers (HQ + Channel Structure)	763	100%
of which female	572	75%
of which male	191	25%
Retail workers	7,553	100%
of which female	7,269	96%
of which male	284	4%

Employees (HC) by employee category and age range	As of 31 December 2025	Percentage
Total number of employees by age range	8,316	100%
under 30 years old	4,965	60%
30-50 years old	3,183	38%

Employees (HC) by employee category and age range	As of 31 December 2025	Percentage
over 50 years old	168	2%
Office workers (HQ + Channel Structure)	763	100%
under 30 years old	179	23%
30-50 years old	520	68%
over 50 years old	64	8%
Retail workers	7,553	100%
under 30 years old	4,786	64%
30-50 years old	2,663	35%
over 50 years old	104	1%

Global Workforce Age Distribution



Inclusivity at KIKO is not only a value embedded in how we treat our people, it is also expressed through the products we bring to market. In 2025, the launch of **Love Fusion 24H Moisture Radiant Foundation** marked a concrete step in this direction. With **49 shades spanning a full spectrum of skin tones and undertones**, and a formula suitable for all skin types including sensitive skin, Love Fusion was designed with one clear intention: that everyone can find their perfect match.

3.2 Training and performance management

Professional growth is a strategic priority for both individual satisfaction and collective performance. Training is delivered through a mix of formats such as classroom sessions, webinars, and e-learning to ensure flexibility and accessibility across all markets and functions. All learning initiatives are aligned with **KIKO's Performance Development** process and supported by **KIKO Learning Hub**, the company's internal digital platform, continuously updated with new contents. A new learning tool, currently in development, will be launched in 2026 to further improve the experience, bringing training, updates and communications all in one platform.

KIKO's approach to performance management is built around a powerful idea: individual growth and company strategy should move in the same direction. Each year, employees define SMART objectives together with their managers, revisit progress at mid-year, and close the cycle with a year-end conversation focused on mutual feedback and future development. To help managers make the most of this process, **KIKO runs dedicated workshops on Leadership Profile, Goal Setting and Performance & Talent,** all designed to build a genuine culture of continuous feedback. Alignment is reinforced through HQ Connect, a monthly session led by the CEO and Leadership Team, and the Strategic Deployment Meeting, an annual event bringing together senior leaders and key global stakeholders. Both will evolve in 2026 into global moments open to all employees.

To ensure that every learning investment translates into real impact, KIKO applies the Kirkpatrick Model to evaluate training effectiveness across four levels: **Reaction**, measuring satisfaction through post-training surveys targeting a score of at least 4 out of 5; Learning, assessing knowledge acquisition through checks and assessments, with a minimum passing threshold of 70% for e-learning modules; Behaviour, tracking the application of new skills through observation grids, surveys and follow-up tools; and **Results**, monitoring progress against specific KPIs and both Return on Investment (ROI) and Return on Experience (ROE) objectives, with continuous checkpoints to enable timely adjustments.

GRI 404-1 Average hours of training per year per employee (Group-level)

The average is calculated by dividing the total number of training hours provided to each group by the number of employees in that group.

	As of 31st December 2025	
Training hours provided to employees, by gender and employee category	**Total hours**	**Average hours**
Office workers (HQ)	11,025	14
of which female	8,588	15
of which male	2,437	13

	As of 31st December 2025	
Training hours provided to employees, by gender and employee category	**Total hours**	**Average hours**
Retail workers	53.464	7
of which female	51.934	7
of which male	1.521	5

Learning and development in 2025

In 2025, KIKO continued to invest significantly in learning and development across all levels of the organisation. The flagship management **programme LEAD** was extended globally, reaching approximately 150 people managers across international head offices. Building on its success at the Global Headquarter in 2024, the programme deepened a shared understanding of what it means to be a manager at KIKO, with particular focus on Leading Self (emotional management, self-efficacy and confidence) and Sustainable Leadership (creating the conditions for teams to grow and perform sustainably). LEAD will continue to be delivered to every new people manager going forward.

Alongside LEAD, 2025 was the design and piloting year for **Retail Hub Store Manager**, a new multi-step development programme for one of KIKO's most strategic roles. The programme, to be launched globally in 2026 under the name **Power Up**, will involve Store Managers worldwide, with a dedicated international track for the 25 flagship stores, creating a global network among the company's most important retail locations. The journey will start with a team survey, giving each Store Manager direct and structured feedback on their managerial effectiveness from their own team.

The internal global **Mentoring Programme** also continued in 2025, connecting 24 people across the organization, 11 Mentors and 13 Mentees. Mentors received dedicated training and are guiding their mentees through personalised development paths focused on unlocking their potential.

In the **Middle East**, KIKO launched a meaningful initiative in partnership with the UAE Ministry of Human Resources, welcoming 10 young Emirati women through a government-backed talent development programme. Participants completed an immersive 500-hour path combining hands-on store experience, mentoring and coaching.

Finally, **Culture Club**, KIKO's international webinar series on personal, cultural and social growth, continued to bring employees together around topics that go beyond day-to-day business. In 2025, 11 Culture Club sessions were organised, reinforcing its role as a recurring moment of shared reflection and connection. From 2026, these sessions will evolve into global events open to all employees worldwide.

3.3 Well-being & safety at work

In KIKO employee well-being represents a key and strategic element. For this reason, the company has developed and implemented a range of initiatives aimed at strengthening organizational well-being and promoting a healthy work-life balance. KIKO's commitment to its people is reflected in its concrete **Policy on Respect, Dignity and Equal Treatment**, focused on protecting rights, promoting wellbeing and fostering inclusion, ensuring fair, safe and respectful working conditions and embracing diversity as a driver of innovation and cohesion.

A Culture of Listening, Engagement and Continuous Development

KIKO's commitment to its people spans every stage of the professional journey, from recruitment and onboarding through training and growth to active participation in dialogue and collective initiatives.

In 2025, this commitment translated into key initiatives:

- In 2025, KIKO introduced **KIKO Pulse**, a recurring listening tool designed to measure the wellbeing of the organisation and the satisfaction of its people. "The first Pulse survey, conducted in October 2025, recorded strong results that reflect genuine engagement with the initiative: participation reached 74%, with an overall engagement rate of 81% by answering positively to the question "I would recommend KIKO as a great place to work".
  Beyond being a listening mechanism, KIKO Pulse provides managers with concrete data and tools to implement improvement actions, both at a global and team level.
- **Inclusive Mindset Training** is a continuous learning programme available across all organisational levels, designed to strengthen inclusive behaviours and deepen awareness of diversity-related topics. By making this training permanently accessible, KIKO ensures inclusion remains an active, evolving practice.
- **Culture Club** session held at the Italian Headquarter dedicated to unconscious bias which helped participants understand what biases are, why they matter for inclusion, and how to recognize and reduce their impact.
- **Inclusive company calendar** developed to acknowledge the different cultures, traditions and celebrations of KIKO's global community (e.g. Ramadan and Chinese New Year).
- **Whistleblowing channel** active and accessible to all employees and stakeholders via dedicated platforms. In continuity with previous years, all reports were handled confidentially with root-cause analysis and corrective actions where applicable.

Complementing global program, KIKO's local teams have developed initiatives tailored to the specific needs and contexts of their markets:

Italy

- Flexible smart working with extended options for new parents
- Collaboration with Fondazione Umberto Veronesi for dermatological health awareness
- Virtual sessions, up to 200 participants (Italy and HQ) with Milano Psicologi on self-expression and unconscious bias

Germany

- Shopping vouchers for significant personal events (birthdays, anniversaries)
- Weekly fresh fruit in offices

UK

- Extra remote working days in summer
- Access to the YuLife app, offering 6 hours of physical and mental wellness programmes and 6 hours of psychological support

Spain and Portugal

- Tax-advantaged benefits (nursery, transport, education) up to 30% of gross annual salary
- Additional healthcare measures beyond contractual requirements
- Comfortable rest and meal areas created in warehouses
- 8 free weekends per year for contracts of 30 hours/week or more

France and Benelux

- Weekly fresh fruit in offices

Health & Safety Management

The company works along two strategic lines. On one side, KIKO manages health and safety compliance through **preventive procedures, training, risk assessments, audits, and monitoring activities adapted to local regulatory requirements**; on the other, it fosters a positive safety culture in which every individual is an active promoter of safe behaviours. This is supported by a shared **global policy "Respecting People: Health and Safety at Work"**, which establishes common principles, rights and responsibilities as a starting point. Given the significant regulatory differences across markets, each country is expected to build on it by developing additional rules and procedures in line with local laws and operational needs. The full adaptation of this framework across all markets is currently ongoing.

In Italy, the occupational health and safety management system covers all employees and activities across the organisation's headquarter, stores and distribution warehouse, with no exclusions. All sites are subject to risk assessment, preventive and protective measures, training and ongoing monitoring to ensure a consistent level of health and safety protection across the organisation. In compliance with Italian Legislative Decree 81/08, KIKO has drawn up a Risk Assessment Document (DVR), updated annually in the absence of substantial changes, and an **Occupational Health and Safety Organisational Chart**, identifying roles and responsibilities for supervising and managing health and safety. In the absence of substantial changes requiring a review of risks and measures, the risk assessment is updated annually. Occupational health services perform preventive and advisory functions, including health surveillance, fitness-for-work assessments and return-to-work support, delivered by qualified occupational physicians appointed in compliance with applicable law.

In 2025, KIKO recorded **38 work-related injuries** across its Italian headquarters and retail network, with **no fatalities and no high-consequence injuries**. Of the total, 16 were workplace injuries and 22 were commuting incidents (in itinere), resulting in 602 lost days (184 workplace, 418 commuting). The **TRIR stood at 2.81**, calculated on 2,701,030 hours worked. The leading cause of workplace injuries was collision with furniture or fixtures (50%), followed by slipping/tripping and ladder-related incidents (19% each), falling materials and sudden illness (6% each). These findings inform targeted prevention actions across store environments.

GRI 403-9 Work-related injuries[18]

Employees	2025
Number of fatalities as a result of work-related injury	0
Number of high-consequence work-related injuries (excluding fatalities)	0
Number of recordable work-related injuries	38
Number of hours worked	2,701,030
Multiplier	1,000,000
Rate of fatalities as a result of work-related injury	0
Rate of high-consequence work-related injuries (excluding fatalities)	0
Rate of recordable work-related injuries	14

Health and safety initiatives

In Italy, all workers receive mandatory health and safety training in compliance with Legislative Decree 81/08, delivered via e-learning, covering general safety

(18) Data within the Italian perimeter only.

principles at onboarding, role-specific risks, and periodic refresher courses every five years. In addition to mandatory requirements, KIKO develops internal training programmes tailored to employee operational context, designed to **enhance workers' awareness of specific risks associated with daily activities, improve safe behavioural practices and reinforce proactive risk management**. Topics include practical safe working practices in store operations, safe handling and storage of products, and prevention of common operational hazards. Travelling staff and store employees also benefit from dedicated internal courses on safe driving and conflict management respectively, tailored to the specific risks of their roles.

All training activities are designed to ensure workers are adequately informed, competent and actively engaged in the prevention of occupational risks, supporting the continuous improvement of the organisation's health and safety culture. **Store safety is monitored through regular audits** carried out by both internal teams and external consultants, and a monthly HSE Review session with Country and Retail Directors ensures ongoing oversight at leadership level.

In 2025, KIKO launched a digital platform that centralises training management, compliance monitoring and certificate issuance, making the process more efficient across the organisation. In parallel, the formal delegation of H&S responsibilities was completed, clarifying accountability across the leadership structure and aligning governance with actual operational activities. Looking ahead to 2026, **KIKO will launch a new internal training course on manual handling and integrate a health surveillance monitoring feature into the platform**.

Other countries:

- **Spain**: 50 additional H&S training hours delivered to 6 Area Managers and 4 union representatives, beyond mandatory requirements
- **France**: training extended to include management of potential security incidents in stores
- **UK**: operational retail safety manual developed in collaboration with external partner Havio
- **All markets**: employee awareness campaigns via contests and newsletters; H&S requirements applied to all suppliers and contractors.

3.4 Community Impact

KIKO contributes to the wellbeing of local communities by **promoting educational and social initiatives that support women, foster inclusion, advance scientific research and encourage personal growth**. Dialogue with partners, local organizations and end beneficiaries has helped shape targeted initiatives that respond to real, identified needs. Feedback collected throughout the projects has enabled the monitoring of effectiveness, the evaluation of results achieved and the implementation of improvements over time, progressively strengthening the impact of the actions undertaken.

Over the years, KIKO has established numerous collaborations with local and international Non-Profit Organisations (NPOs), giving rise to projects that reflect the company's founding values. The promotion of female wellbeing and the fight against all forms of discrimination are the core principles guiding the company's Corporate Social Responsibility strategy. In line with this philosophy, KIKO actively supports initiatives directed in particular towards women, with the aim of accompanying them on paths of empowerment and self-determination, contributing to the achievement of universal goals such as full freedom of expression and the recognition of personal identity.

Ai.Bi. - Amici dei Bambini

Among the most long-standing of these initiatives there is the collaboration with Ai.Bi. - Amici dei Bambini, now in its fourth consecutive year in 2025. **"Il trucco che fa bene" ("Make-up that does good")** is a programme dedicated to women hosted in Ai.Bi.'s shelters, combining make-up webinars, sessions with HR professionals to support job placement, and personalised psychological support. Over the years, this initiative has sought to stand **alongside women in moments of great vulnerability, offering practical tools but also spaces for listening and guidance**.

In 2025, across the 5 active support channels, including the first online helpdesk "Ben-Essere Donna KIKO" dedicated to KIKO employees, 505 psychological counselling sessions were provided. 66 women were supported through the online channel, and 25 women experiencing violence received support through the physical helpdesks, for a total of 93 sessions. Four individual pathways towards professional autonomy were also activated for mothers hosted in Ai.Bi. facilities, and 50 mothers in mother-and-child communities received ongoing support. For the fourth consecutive year, KIKO promoted the **"Dona un Sorriso" ("Give a Smile")** campaign against violence on women.

La Forza e il Sorriso

Alongside this, KIKO supports La Forza e il Sorriso ("Strength and a Smile"), an initiative endorsed by Cosmetica Italia that brings **free beauty workshops to women undergoing cancer treatment**. It is a small contribution relative to what the beneficiaries are going through, but one KIKO chooses to make through the donation of cosmetic products and operational support, in the belief that concrete gestures matter.

Fondazione Umberto Veronesi

In 2022, KIKO began a collaboration with Fondazione Umberto Veronesi, initially focused on supporting research into female cancers. In 2025, in conjunction with the launch of its **Suncare collection**, the partnership continued to progress, with a further step in its focus on **melanoma research**: for every product sold in Italian stores and on Italian e-commerce channels, €0.50 was allocated to research grants for young scientists, with a guaranteed minimum contribution of €80,000 during the period from May to August. The initiative was accompanied by webinars and informational materials to promote a culture of sun safety prevention, both inside and outside the company.

Banco Alimentare

Since 2024, the company has established a fruitful collaboration with Banco Alimentare, renewed in 2025: an organization actively engaged in the **collection and distribution of food surplus** to people in situations of vulnerability. The partnership is developed through the involvement of **employees**, who are offered the opportunity to dedicate half a working day to voluntary activities in support of the organization's distribution network.

Milano Cortina - Olympic 2026

As a legacy of Milano-Cortina, KIKO designed the project **"Every Journey Has a Color - Ignite Your Inner Beauty"** in 2025, and subsequently launched it in 2026, an experiential workshop for high-school students inspired by the **Olympic values of Milano Cortina 2026**. Through bespoke educational activities across Lombardy and Veneto, the project uses color as an expressive tool to help students reflect on identity, emotions, and self-esteem. A creative activity called Face Manifesto guides participants in expressing their personal stories, values and aspirations, fostering self-awareness and a more authentic idea of beauty rooted in personal growth. The initiative involved more than **400 students** (both male and female) from 20 different classes.

Other Initiatives

KIKO has built a network of solidarity partnerships that extends beyond Italy's borders, broadening its support to vulnerable people and communities across different countries.

In **France**, KIKO has established a collaboration with **EachOne**, an organization dedicated to the professional inclusion of refugees and people from disadvantaged backgrounds. Through targeted training programmes, participants are prepared to take on roles within KIKO stores, gaining access to stable employment opportunities. The initiative contributes to promoting employment and building an increasingly inclusive and diverse work environment. Alongside this collaboration, KIKO also works in France with **Solidarité Femmes**, in support of women who are victims of violence, and with **Agefiph**, committed to the professional integration of people with disabilities.

In **Spain**, the company collaborates with the **Fundación Ana Bella**, dedicated to combating gender-based violence and supporting the social and professional reintegration of women who have escaped it.

In the **Middle East**, KIKO has built partnerships with two leading organizations: the **Dubai Foundation for Women and Children**, which provides protection and support to victims of abuse, and the **Al Jalila Foundation**, focused on access to medical care and health education for the most vulnerable populations.

4. Our governance & business conduct

4.1 Governance structure

Following the acquisition of the KIKO Group by Duomo TopCo S.r.l., a company controlled by the investment fund L Catterton, a new Board of Directors and a new Board of Statutory Auditors were appointed in August 2024. Both bodies remain in office until the date of the shareholder's meeting approving the financial statements referred to the fiscal year ended on December 31, 2026.

The **Board of Directors**, composed of nine members, sits at the centre of KIKO's governance structure. Eight members are men and one member is a woman, corresponding to 11% female representation and 89% male representation. The age of Board members ranges from 36 to 72 years, reflecting a mix of seniority and professional experience.

Governance Body - Board of Directors	As of 31st December 2024 and 2025	
	Number	Percentage
By gender	9	100%
of which female	1	11%
of which male	8	89%
By age group	9	100%
30-50 years old	2	22%
over 50 years old	7	78%

The Board is responsible for defining the company's strategic direction, approving the annual financial statements, and overseeing the overall management of the company in accordance with applicable law and the company's By-Laws. **Antonio Percassi serves as Chairman of the Board** and, in accordance with the By-Laws acts as legal representative of KIKO, without specific management powers delegated to him. Executive responsibilities rest with **Simone Dominici, Managing Director and CEO**, to whom the Board has formally delegated specific powers for the management and direction of the company. To strengthen oversight on internal control and risk matters, on December 18, 2024 the Board established the Risk & Control Committee, composed of three independent board members with KIKO's Global Audit & Risk Director, as Secretary.

Alongside the Board, the **Board of Statutory Auditors**, composed of 3 effective statutory auditors (1male and 2 female), ensures that the company operates in compliance with applicable law and monitors the effectiveness of the internal control and risk management system.

Strategic execution is entrusted to the **Leadership Team**, led by the CEO, which translates the Board's direction into operational priorities and ensures that ESG considerations are embedded in business decisions.

The Global Audit & Risk function operates independently, reporting directly to both the Risk & Control Committee and the Board. Its mission is to **provide an objective and structured view of the company's risk and compliance landscape**, covering internal audit, internal controls and risk management across all business processes. A key part of this function's responsibility is the management of the **whistleblowing channel**: the Global Audit & Risk Director ensures the channel is properly organised and maintained, conducts investigations into reports received, and communicates outcomes to all relevant corporate bodies: the Board of Directors, the Board of Statutory Auditors and the Supervisory Body ("Organismo di Vigilanza"). Where critical concerns relate to negative impacts on stakeholders and are linked to offences governed by the **Organisation, Management and Control Model under Italian Legislative Decree 231/2001**, these are reported by the Supervisory Body directly to the Board of Directors, feeding into strategic decisions, policy reviews and long-term sustainability choices.

4.2 Ethical business conduct

KIKO's commitment to ethical business conduct rests on shared values that guide decisions and behaviours across the entire organisation and are embedded in a structured framework of tools and policies.

KIKO has developed **26 Global Policies** organised across key areas: **anti-corruption (7), external engagement (8), information security (4), and other topics including health & safety, smart working, ESG and risk management (7)**. All policies are approved by the Board, translated into all country languages in which KIKO operates and available to all employees via the company intranet. The compliance framework is organised across four main areas: product compliance, managed by the Technical and Regulatory functions; cybersecurity and privacy, overseen by the Legal and IT departments; corporate compliance under Italian Legislative Decree 231/2001, managed by Global Audit & Risk; and ESG compliance, developed in collaboration with the ESG team.

Model 231

In compliance with Italian Legislative Decree 231/2001, KIKO has maintained an Organisation, Management and Control Model since 2016. In 2025, the Model underwent a comprehensive update, including the reporting obligations of KIKO's operational functions to the Supervisory Body, as well as the Global 231 Policy, aimed at extending the Group's 231/2001 initiatives to all markets where KIKO directly operates, to align it with the company's new organisational structure and evolving business processes. As part of this update, **a detailed risk assessment was carried out across all relevant processes and activities**, covering a total of 59 processes, of which 37 were identified as sensitive to corruption risk due to their exposure to crimes in relations with the Public Administration (Articles 24 and 25) and to corporate crimes, including corruption between private parties (Article 25-ter). For each of these processes, existing control measures were mapped and assessed; where gaps were identified, specific improvement actions were defined and formalised. **The Model is overseen by a Supervisory Body** composed of an external president with criminal law expertise and the Head of Global Audit & Risk. Since 2019, all Italian employees, including store staff, are required to complete a mandatory training course on the Model, with the most recent version published in January 2024. In the most recent training cycle, completion rates reached 86% at HQ and 82% among Retail Store Managers, reflecting strong organisational engagement with this compliance requirement.

Code of ethics & code of conduct

Since 2016, KIKO has adopted a **Code of Ethics** (last revised March 2020), translated into all Group languages and accessible to both employees and external stakeholders. Mandatory training on the Code has been in place since 2023 for all staff globally, with completion monitored by Global Audit & Risk. The most recent training cycle recorded a completion rate of 71% at HQ and 48% across Retail; the latter reflecting the structural complexity of reaching a large, distributed store workforce, and an area where targeted improvement actions are underway.

In 2024, KIKO introduced a Code of Conduct for Business Partners, extending these principles across the value chain. Since 2021, an updated ethical clause is included in all new contracts and Terms & Conditions, and Global Audit & Risk conducts due diligence checks before any new collaboration begins.

Anti-corruption and conflicts of interest

KIKO's anti-corruption framework is built around **7 dedicated policies** covering: accuracy and transparency in commercial relations, reporting and accounting; anti-corruption and anti-money laundering principles; gifts and hospitality management; protection of the company's physical, financial and intellectual assets; transactions with related parties; and conflicts of interest. In 2025, a dedicated policy regulating interactions with public entities and institutional stakeholders, including contacts with Government, Regulators and NGOs, was also introduced. All policies are approved by the Board of Directors, translated into local languages and available to all employees via the company intranet.

In 2025, the conflict-of-interest policy was updated to require all managers and employees in critical roles, to declare annually, via a dedicated survey, any personal, financial or political situation that could generate a real, potential or perceived conflict with their role. All responses are reviewed by Global Audit, Legal and HR. In line with confidentiality and data protection requirements, individual situations of conflict of interest are not publicly disclosed. To further reinforce awareness, in 2025 KIKO also launched a specific internal campaign focused on the management of gifts received from suppliers, with particular emphasis on the holiday period. Looking ahead, KIKO is developing a new global anti-corruption programme, to ensure the existing framework covers the more stringent requirements applicable in other jurisdictions, including the United States. The programme will include awareness and training initiatives across all markets.

No incidents of corruption were identified in 2025, nor were any employees disciplined or dismissed for corruption-related conduct, any contracts terminated due to corruption violations, or any public legal cases brought against the organisation.

Whistleblowing

KIKO is committed to providing all employees and external stakeholders with effective mechanisms to raise concerns about business conduct and to access guidance on ethical principles and internal policies. **Since 2019, the Group has operated an official whistleblowing channel**, accessible to both internal and external stakeholders, allowing the reporting of suspected violations of laws, internal policies or unethical behaviour. Reports can be submitted through **kikomilano.whistlelink.com or whistleblowing@kikocosmetics.com**. The procedure, updated in February 2025 in compliance with EU Directive 2019/1937, guarantees confidentiality, protection against retaliation and, where applicable, anonymity. Reports are managed by the Global Audit & Risk function, which assesses the information received, conducts investigations as appropriate, and communicates outcomes to the relevant corporate bodies (Risk & Control Committee, Board of Statutory Auditors and the Supervisory Body) in accordance with the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001.

Beyond reporting, KIKO supports responsible business conduct through **mandatory training on the Code of Ethics**, delivered via the Group's e-learning platform to employees across headquarters and retail operations. Periodic reminders about the channel are sent to all internal stakeholders, and references to it are included in all agreements with external partners. Employees may also seek guidance through their line management or the relevant corporate functions.

In 2025, 16 reports were received through the Group's whistleblowing channel, 2 from head offices and 14 in stores, all handled in accordance with the procedure in force.

4.3 Risk management

As a global player, KIKO is exposed to a **wide range of risks: external, strategic, operational and ESG-related**. To manage this complexity, KIKO has developed an Enterprise Risk Management (ERM) system aligned with the COSO ERM 2017 framework, supported by a dedicated Risk Management Policy that defines roles, responsibilities and guidelines for all employees involved in risk identification, assessment and management.

First formalised in 2022 with the creation of a Risk Register, the ERM process was fully digitalised in December 2024, giving risk owners and Leadership Team members real-time access to the company's risk landscape, dedicated KRI dashboards and the ability to flag new risks at any time. **In 2025, KIKO conducted a Reputational & Compliance Risk Assessment, identifying 27 risks** classified by severity. For top risks, targeted mitigation actions were defined and assigned to specific Risk Mitigation Owners.

In 2025, KIKO launched a company-wide Risk Management **training programme** aimed at building broad awareness of the risks that may affect the achievement of corporate objectives. These activities strengthened the organisation's risk culture, improving each function's ability to identify emerging risks promptly and contributing to a more proactive and structured approach to risk management overall.

Third Party Risk Management

In 2025, KIKO initiated targeted mitigation actions on third-party risks as part of a broader effort to strengthen its **Third-Party Risk Management (TPRM) programme**. These actions included a structured analysis and assessment of the main risks associated with suppliers and other third-party counterparts, the definition of priority mitigation actions for the most significant risks, developed jointly with the relevant business functions, and the establishment of dedicated monitoring and control mechanisms. This initiative is expected to improve the management of risks across the **value chain**, reinforcing the organisation's capacity to prevent and address critical third-party events.

Governance and oversight

The ERM system is supervised by a **structured governance framework**. The Risk & Control Committee, established in December 2024, plays a proactive and consultative role alongside the Board of Directors, supporting it in all evaluations and decisions related to the internal control and risk management system. Its responsibilities span the **full lifecycle of risk governance**: from contributing to the definition and ongoing update of the risk management framework, ensuring it remains aligned with the company's strategic objectives and risk profile, to assessing, at least annually, its overall adequacy and effectiveness.

The Committee also has direct oversight of the Global Audit & Risk function, reviewing its charter and monitoring its independence and effectiveness. It approves the annual audit plan along with related budgets and any material updates and holds the authority to propose the appointment and termination of the Head of Global Audit & Risk. Beyond risk and audit matters, the Committee examines the Non-Financial Declaration and monitors compliance with the Code of Ethics, the Code of Conduct for Business Partners and the company's Global Policies.

The Risk & Control Committee, together with the Board of Statutory Auditors and the Supervisory Body, receives periodic updates on key strategic and operational risks from the relevant corporate functions. The Global Audit & Risk Director reports periodically to all governing bodies on audit results, ERM progress and follow-up activities. The effectiveness of mitigation actions is monitored through the ERM process, supported by a digital platform that enables structured tracking of risks, actions and their implementation status. Monitoring is coordinated by the Global Audit & Risk function, with periodic reporting to Top Management and the company's governing bodies. **Progress is assessed against indicators including the implementation status of mitigation actions, the gap between inherent and residual risk, and the evolution of Key Risk Indicators (KRIs)** associated with Tier 1 risks. Findings from this monitoring process have informed ongoing improvements to the risk management framework, including updates to methodologies, enhanced monitoring tools and the consolidation of operational responsibilities within corporate procedures.

4.4 Privacy protection

In 2023, KIKO's Board of Directors approved a new Privacy Model designed to adapt the Group's personal data governance to its evolving needs, including in connection with the Unified Commerce strategy, in which data processing plays a central role.

The model is structured around an interdisciplinary Privacy Team, composed of representatives from the main functions involved in data processing, such as Legal, HR, CRM, Customer Care, IT and E-commerce, responsible for overseeing the implementation of the model, defining data processing strategies and ensuring GDPR compliance. The **Privacy Team**, supported by an external Data Protection Officer (DPO), **reports periodically to the CEO**. Below the Privacy Team, Internal Privacy Representatives, the relevant function heads, are responsible for processing activities within their areas. All employees involved in data processing are designated as authorised processors under Article 29 of the GDPR. Where external parties process data on behalf of KIKO, they are appointed as Data Processors under Article 28 of the GDPR through the signing of specific Data Processing Agreements.

To ensure consistent privacy governance across the Group, **all European subsidiaries subject to the GDPR, including the UK subsidiary, have adopted an organisational model aligned with that of the parent company**. Each subsidiary has appointed Internal Privacy Representatives who report periodically to KIKO's Privacy Team.

Monitoring And Continuous Improvement

KIKO's approach to privacy compliance is continuous and structured. The **Privacy Manager** is involved from the outset of any business initiative that involves personal data processing, **assessing the privacy implications and the role of any third parties before contracts are signed**. Where suppliers process personal data on behalf of KIKO, a GDPR compliance assessment is conducted, in collaboration with the IT department, and appropriate technical security measures are implemented.

At the start of each annual cycle, the external DPO prepares an activity plan for KIKO and all European subsidiaries, which includes **periodic audits** whose results are summarised and submitted to the Board of Directors annually. At the beginning of each year, the Privacy Team, in collaboration with the external DPO, prepares a local assessment checklist for all GDPR-subject subsidiaries, covering areas identified as "privacy-sensitive". Where corrective actions are required, deadlines and evidence requirements are assigned to ensure accountability.

Privacy awareness is reinforced through targeted **training sessions**, which include a final test with a minimum passing score. In 2025, KIKO dedicated specific training sessions to retail staff, given the key role of Beauty Advisors in managing customer personal data, and to the functions most impacted by privacy requirements, with a focus on strengthening privacy by design practices. Processing activity records for both KIKO S.p.A. and its subsidiaries are monitored and updated by the internal privacy referents in cooperation with the DPO on an ongoing basis. The company has also completed the elimination of paper-based privacy documentation, in line with the principles of Accountability and Privacy by Design & by Default.

Evolving Regulatory Landscape

In 2025, KIKO continued to advance its compliance with two significant regulatory developments.

On **NIS2 (Directive EU 2022/2555)** on the security of network and information systems, KIKO confirmed its classification as an "important subject" under the directive and completed its registration on the Italian National Cybersecurity Authority (ACN) portal. Registration of European subsidiaries is progressing as each country adopts its national transposition decree, e.g. Belgium has already completed the process. Work is ongoing on the revision of cybersecurity processes and the implementation of training and awareness sessions.

Regarding the **AI Act (Regulation EU 2024/1689)**, KIKO completed a preliminary mapping of AI systems in use across the company and its European subsidiaries. A dedicated e-learning training course on AI, developed in collaboration with the external DPO, has been launched in March 2026.

Data Protection Performance

In 2025, no substantiated complaints regarding breaches of customer privacy or losses of customer data were received, nor was any evidence of security or data breach detected. In this context, a substantiated complaint refers specifically to a formal complaint submitted to a competent supervisory authority or a security incident involving personal data. In line with the established procedures in the event of any suspected security incident, the cybersecurity team immediately involves the privacy team to assess and respond. The DPO mailbox manages day-to-day requests from data subjects exercising their rights under the GDPR, such as requests for access, rectification, deletion and withdrawal of privacy consents, in cooperation with the external Customer Care service. These routine requests are handled as part of normal operations and are distinct from substantiated complaints.

4.5 Economic value generated and distributed

During 2025, the **global beauty market confirmed a growth path** that was less accelerated than in the two years immediately following the pandemic, but overall, more **structural and sustainable, reflecting a gradual return to long-term dynamics**. The sector continued to stand out for its resilience, capacity for innovation and ability to adapt to changes in consumer behavior, in a macroeconomic context still characterized by geopolitical uncertainties and a gradual rebalancing of financial conditions.

According to the main sector analyses, in 2025 the global cosmetics market exceeded **400 billion euros, confirming a stable growth trajectory**, supported by the increase in the world population, the further expansion of the middle classes in emerging markets and demand increasingly oriented towards accessible premium products, with high levels of quality, effectiveness and perceived value. The competitiveness of the sector was strengthened by intensive research and development activity, the personalization of the offering, and the growing integration between beauty, health, and wellbeing.

From a geographical perspective, the sector's performance in 2025 remained heterogeneous. The **United States** maintained a leading role, supported by resilient domestic demand, solid consumption and the continued development of digital channels. The **Chinese market**, while remaining one of the main markets globally, showed more contained growth, influenced by the slowdown in domestic demand.

By contrast, **India and Brazil** continued to record significant growth rates, benefiting from rapid urbanization, rising disposable income and growing attention to aesthetics, personal care and beauty products.

In the **European and Italian context**, the cosmetics sector showed an overall positive performance. In Italy, according to evidence from Cosmetica Italia, 2025 was characterized as a year of consolidation after the particularly strong growth recorded in 2024, with a further increase in turnover and domestic consumption, supported by the strength of exports and the recognized competitiveness of Made in Italy.

Key economic and financial results

Despite a challenging macroeconomic environment, **the positioning of KIKO and its solid value proposition remained highly competitive, enabling the Group to achieve its fifteenth consecutive quarter of growth and to continue gaining market share in the premium segment**.

Overall, in the fourth quarter of 2025, the Group delivered an **excellent sales performance**, with revenues of €309 million, up 12% compared with the same period in 2024.

In 2025, **EBITDA increased** compared with 2024, despite the impact of strategic investments in new capabilities, including the introduction of new leadership roles and significant investments in marketing and branding, aimed at accelerating KIKO's value creation plan. The addition of these new roles brings consolidated experience in the beauty sector and in brand building, which will be instrumental in supporting the Company's future growth.

Business growth was solid and consistent across all channels, with particularly positive performances in the **digital and franchising channels, up 30% and 22% year-on-year respectively**, confirming the effectiveness of the Group's local go-to-market strategies and omnichannel distribution model.

Growth in the digital channel was driven by the continued success of the digital wholesale channel, alongside the steady expansion of the direct e-commerce channel. In recent months, the benefits of investments in **CRM and loyalty** have become increasingly evident, positioning digital as one of the main pillars of future growth.

The same resilience is also evident when analysing growth by geographic area, with all main markets contributing to the Group's results. **The Americas and Asia recorded particularly positive performances**, supported by the strategic focus on penetration and development of the main Beauty markets outside KIKO's historical core markets.

Although France and Italy are the geographies where the overall Beauty market is under the greatest pressure, **Europe also closed the year with single-digit year-on-year growth**, supported by a particularly strong performance in the fourth quarter, highlighting a trend of progressive improvement over the course of the year.

Approach To Taxation

KIKO adopts a tax policy based on **certainty, prudence, and transparency**, with the objective of minimizing the risk of non-compliance and ensuring full respect for the applicable tax regulations.

The guiding principle is the commitment to tax compliance and tax transparency, ensuring the accurate and timely filing of tax returns, while promoting an open and collaborative dialogue with the competent authorities.

The tax team, composed of qualified professionals, regularly participates in training and update programmes in order to promptly adapt to regulatory developments and reduce the risk of error. The main areas of **tax risk** have been mapped, with the implementation of targeted measures for effective management, including:

- the correct **tax representation of accounting entries**;
- the management of **transfer pricing in cross-border transactions**;
- compliance with l**ocal regulations**;
- focus on **indirect taxation and e-commerce**;
- the optimization of **tax credits**.

Ultimate responsibility for overseeing the tax strategy lies with the Board of Directors, which approves the tax policies and receives periodic updates on tax risks and tax matters.

Executive responsibility is assigned to the CFO, supported by the Head of Global Tax, who coordinates the tax team in close synergy with the other corporate functions to ensure an integrated approach.

Economic Value Generated

The economic value generated by KIKO in 2025 amounted to over **€977 million, of which 86% was distributed to stakeholders**.

As regards the economic value distributed, it is mainly divided into operating costs **(59%)**, relating to the supplier network, and wages and benefits for employees **(28%)**, demonstrating the central role of human capital and the link with the production supply chain, payments to providers of capital **(11%)**, payments to government **(2%)**.

5. Value chain accountability

5.1 Supply chain monitoring

For KIKO, **effective supply chain management is an essential condition for operational continuity and business resilience**. Operating downstream in the supply chain, the company places particular emphasis on supplier performance monitoring, a vital tool to ensure product quality and customer satisfaction. This commitment is formalised through the **Code of Conduct for Business Partners**, which sets out the ethical principles and behavioural standards expected of all business partners across three pillars: business ethics and integrity; human rights, labour standards and social responsibility; and environmental protection.

KIKO maintains long-term relationships with its suppliers, grouped into two main categories:

Direct suppliers, located 76% in Europe, involved in the supply of bulk materials, primary and secondary packaging, filling and assembly, and accessories, are subject to 100% audit coverage. These include:

- Bulk
- Primary packaging
- Secondary packaging
- Filling and assembly
- Accessories

Indirect suppliers, located 96% in Europe and covering categories from logistics and IT to marketing and construction, are monitored through ESG assessment tools, including:

- Communication, Marketing, Customer Service
- General Services
- Security Services
- Human Resources
- ICT
- Consulting
- Quality Control and Regulatory Affairs
- Construction and Maintenance
- Utilities
- Logistics and Transport
- Retail Materials

Supply Assessment & ESG Monitoring

Since 2022, KIKO has engaged a selected panel of key suppliers in an ESG evaluation process via the **EcoVadis platform**, which assigns a score based on four areas: environment, labour and human rights, ethics and sustainable procurement.

In 2025, 221 suppliers have been assessed through Ecovadis with an **average score stands at 69/100 for direct suppliers and 66/100 for indirect suppliers**, respectively 9 and 6 points above the cosmetics sector average.

Among those reassessed in 2025 (198 out of 221 total), **74% improved their score** compared to their previous assessment, with an average improvement of 4.7 points.

Since 2024, KIKO has been using **JAGGAER**, a digital platform for the strategic and operational management of suppliers, which interfaces directly with EcoVadis, allowing ESG scores to be imported and centralised alongside qualification and contract management processes. To strengthen oversight of indirect procurement, in 2025 KIKO appointed a Global Indirect Procurement Director with responsibility for managing energy, infrastructure, IT, and construction globally. The platform currently covers approximately **600 qualified suppliers**, prioritised by spend and strategic relevance, out of around 4,000 total suppliers managed through SAP. Qualification focuses on top spenders by category and incorporates a third-party risk management process that determines not only supplier enablement but also the level of qualification required. The Code of Conduct for Business Partners is shared with all suppliers onboarded through JAGGAER. ESG thresholds within the platform are not yet formalised, but the integration of EcoVadis scores into supplier governance is under active consideration. Looking ahead, KIKO plans to strengthen collaboration with the trade team through joint workshops to define more structured sustainability targets, particularly around recycled plastic content, temporary in-store displays and pre-consumer recycled plastic cuvettes.

To ensure compliance with contractual conditions, KIKO regularly carries out **audits and targeted inspections of all direct suppliers**, subject to qualitative process verifications in compliance with **ISO 22716 and ISO 9001 standards**. In addition, the Technical Department, in collaboration with Quality Control, conducts ethical audits at direct suppliers located outside Europe, covering health and safety, prevention of child labour, working hours, wages and general working conditions.

Since 2023, **KIKO has introduced specific ESG clauses into commercial contracts**, including the commitment to operate in line with the UN 2030 Agenda, to maintain high environmental and social standards, and to transparently monitor and communicate performance through recognised tools such as EcoVadis.

Raw materials & ingredient criteria

For a cosmetics company like KIKO, raw materials are not simply inputs, they are the foundation of every product and a direct expression of the company's values. The **quality, origin, and traceability** of what goes into KIKO's formulations are therefore inseparable from the broader supply chain management approach described above. KIKO applies strict criteria to raw material sourcing: only materials obtained through supply chains that minimise ecosystem impact, ensure respect for the rights of local communities, and exclude GMO materials, potentially harmful ingredients, and child labour practices, meet KIKO's sourcing standards. These criteria are integrated into KIKO's Quality Guidelines and contractually shared with all direct suppliers, making responsible sourcing a binding requirement, fully consistent with the audit, ESG assessment and due diligence processes that govern KIKO's supplier relationships across the value chain.

To give concrete substance to this commitment, KIKO maintains a **Prohibited and Restricted Ingredients List** (version 23, September 2025), periodically updated to reflect regulatory changes and the company's evolving policies on safety and ESG considerations. The list is organised into four sections: banned ingredients, restricted intentionally added ingredients, restricted impurities, and ESG criteria. It is shared with all bulk suppliers both during the qualification process, ensuring compliance is verified upfront, and at every single product development, guaranteeing that each formulation meets KIKO's requirements from the earliest stages through to final assignment.

In 2025, the list was significantly strengthened. The criteria used to classify ingredients are now grounded in a structured set of internationally recognised certifications, regulatory frameworks and scientific sources, including EU Cosmetics Regulation 1223/2009, REACH, CITES, the Nagoya Protocol, SCCS opinions, and the EU Deforestation Regulation (EUDR), defined with sufficient rigour and precision to allow for third-party verification.

5.2 Customer relationship: quality, trust & transparency

Consumer preferences and market trends are at the centre of KIKO's strategic choices regarding **product development**, performance and the overall **consumer experience**.

KIKO applies a rigorous, systematic approach to health and safety assessment across the entire product life cycle, from raw material selection through to post-market monitoring. All product categories are evaluated at the same level of rigour, with no exceptions. The approach is deliberately proactive: only safe ingredients are selected, with controversial or potentially suspect raw materials excluded as a matter of standard practice, including anticipating regulatory restrictions not yet formally in force.

Every formula is subject to a safety assessment by a qualified toxicologist, as required by EU Regulation 1223/2009, and undergoes clinical, stability and microbiological testing. Safety is further verified through a specific protocol conducted on volunteers in a multiethnic panel. Products for the eye area are additionally tested for ocular tolerability. KIKO works with a selected panel of accredited external laboratories, organised by clinical testing specialism, to ensure the most appropriate evaluation for each product category.

In the 2024-2025 period, **36,984 clinical, analytical, and control tests** were carried out across all product categories. KIKO is also actively working to optimise its testing protocols, maintaining full scientific rigour while improving the efficiency of the development process.

Quality control and regulatory compliance

Regulatory compliance is ensured through an internal protocol aligned with EU Regulation 1223/2009. Every new product undergoes a safety assessment before reaching the market, with additional controls applied in the warehouse for products at risk of contamination. A **Cosmetovigilance** system provides continuous oversight beyond the point of purchase, monitoring any adverse effects reported by consumers after sale. In the 2024–2025 biennium, 425 cosmetovigilance complaints were received and managed in full compliance with applicable regulations; no serious adverse events were identified.

Oversight of these activities is entrusted to an internal **Technical Directorate**, comprising Quality Managers, Global Regulatory personnel and Product Engineers, reporting directly to the CEO and working in close collaboration with external laboratories and regulatory authorities. The effectiveness of this system is confirmed by **ISO 9001:2015 certification** and the implementation of a **Quality Management System** covering quality controls during production, sale, and distribution. KIKO is also progressively updating its **Quality Guidelines** to increase the transparency of information shared by bulk suppliers and enable a more thorough, customized product risk assessment.

Transparency In Communication

KIKO is committed to providing consumers with complete, clear and transparent information at every stage of their customer journey. Every advertising communication is subject to an internal review involving both the Legal Department and the Technical Directorate. This process is subject to **annual audits**; in 2025, no non-conformities were identified in product communication.

Product information and labeling follow a structured approach across four dimensions. On sourcing, components are procured from qualified suppliers selected on the basis of regulatory compliance, quality, and reliability. On content, all products are free from **Substances of Very High Concern (SVHC), PFAS** as intentionally added ingredients, GMO materials and potentially harmful ingredients. 100% of mica is sourced exclusively from suppliers accredited by the **Responsible Mica Initiative (RMI); 100% of palm oil is RSPO-certified**. On safe use, formulas undergo toxicologist-led safety assessments per EU Regulation 1223/2009, including dermatological and ophthalmological clinical trials for eye area products and non-comedogenicity testing for face products. On end-of-life, disposal instructions are provided in compliance with applicable environmental regulations, with attention to recyclability.

Post-Sale Customer Relations

KIKO manages its post-sale customer relationships through dedicated channels for **feedback, enquiries, and complaints. Customer Service**, operating across multiple channels, is monitored through **post-contact surveys** tracking key performance indicators: contacts required to resolve a case, escalation rate to a second level of assistance, and average complaint handling time. The potential introduction of an in-store Customer Survey is currently under evaluation, with the objective of measuring satisfaction with both products and the in-store experience.

6. Appendix


KIKO
MILANO
CREAMY COLOUR
COMFORT LIP LINER
KIKO
MILANO
KIKO
CREAMY COLOUR

6.1 List of material topics and impacts

As part of its materiality analysis, KIKO prioritized the material topics identified through the assessment and mapped the main environmental, social and economic impacts associated with its business activities. These impacts were categorized according to their nature and classified as either **potential**, when they have not yet occurred but may arise in the future, or **current**, when they have already taken place.

Topics	Type	Impacts	Nature
Business Ethics and Integrity	Positive	Positive impact on brand reputation and customer trust. Customers are more likely to trust and remain loyal to a brand that values integrity.	Current
Business Ethics and Integrity	Negative	Negative impact related to public scrutiny and brand accountability risks; any deviation, intentional or not, can lead to severe backlash and damage brand trust.	Potential
Customer Health and Safety	Positive	Trust in the brand and in the long-term well-being of consumers.	Potential
Customer Health and Safety	Negative	Customer trust and company reputation can be damaged in the event of unexpected reactions to ingredients or contamination.	Potential
Employment	Positive	Positive impact on the development of employee skills and capabilities	Current
Employment	Negative	Negative impact on productivity	Potential
Marketing and Labelling	Positive	Increase customer engagement by delivering clear corporate values	Potential
Marketing and Labelling	Negative	Negative impact on brand positioning through missteps in partnerships	Potential
Employee Health, Safety and Well-being	Positive	Increased safety of employees and collaborators, increased retention	Potential
Employee Health, Safety and Well-being	Negative	Increase in accidents at work	Potential
Materials	Positive	Reducing environmental impact using less impactful ingredients and recyclable packaging	Potential
Materials	Negative	Negative impact in case of disruptions in the supply chain	Potential

6.2 Stakeholder engagement activities in 2025

Maintaining a robust and enduring relationship with all KIKO stakeholders is essential for our success and the generation of mutual value. Consequently, we engage in meaningful dialogue and cooperation with our stakeholders via a variety of engagement initiatives. Presented below is a chart outlining the engagement activities we conducted in 2025.

KIKO' stakeholder engagement initiatives in 2025	
Stakeholders	**Type of engagement**
Employees	• Training and awareness programmes (e.g. Inclusive Mindset, Culture Club on biases), internal communication initiatives, listening desks and whistleblowing channels, inclusive HR practices throughout the employee lifecycle. • Consumers of learning content and internal programmes. • Mandatory and role-specific safety training, internal communication on safe procedures and behaviors, store audits and site visits, feedback and near-miss reporting, safety awareness campaigns. • Training on the new RENTRI waste management procedure; online course on the new operational flow. • Procurement and facility teams. • Risk Management training initiatives; direct involvement in risk assessment activities and in the definition and monitoring of mitigation actions. • Day-to-day engagement (e.g. privacy by design initiatives).
Clients	• Inclusive communication and campaign development, diversity representation in brand content, feedback listening via customer care, and social media. • Day-to-day engagement (e.g. support to DPO and Customer Care in managing data subject requests; support to Retail in correct handling of customer personal data at point of sale). • Indirect involvement through reputational, compliance, and service quality risk management.
Suppliers	• Sharing and enforcement of the Commercial Partner Code of Conduct, covering human rights, non-discrimination, and diversity promotion across the value chain. • Involved for specific externally sourced content. • Requirements qualification and verification, sharing of company standards and procedures, operational coordination, performance and compliance monitoring, non-conformity management, regulatory update alignment. • Waste management intermediary: operational coordination, documentary compliance verification, management of critical issues, continuous alignment on regulatory and improvement matters. • Energy providers and energy consultants. • Supply Chain Monitoring • Key stakeholder in Third Party Risk Management (TPRM) activities. • Day-to-day engagement (e.g. data processing agreements).
Local communities	• Awareness initiatives and projects supporting social inclusion, in collaboration with local organizations. • Indirect involvement through reputational and compliance risk management.

KIKO' stakeholder engagement initiatives in 2025	
Stakeholders	**Type of engagement**
Financial institutions	· Sharing of ESG information including D&I topics, as part of reporting and dialogue with financial stakeholders. · Indirect involvement via interprofessional funds (Fondimpresa, Fondirigente). · Dialogue supported by a structured Risk Management system.
Industry associations	· Participation in ESG and D&I working groups to share best practices and promote common standards. · Indirect involvement through monitoring of regulatory developments and sector best practices.
Media & Press	· External communication of corporate D&I values through campaigns, press releases, and corporate content. · Managed indirectly through Reputational Risk Assessment activities and reputational risk mitigation.

6.3 Human Resources Data

GRI 2-7 Employees - Employees (HC) by employment contract and by gender – Italy only

	As of 31 December 2025
Total number of employees	**2,702**
of which female	2,540
of which male	162
Total number of permanent employees	**2,079**
of which female	1,940
of which male	139
Total number of temporary employees	**623**
of which female	600
of which male	23

405-1 Diversity of employees – Italy only

Employees (HC) by employee category and gender	As of 31 December 2025
Office workers (HQ + Channel Structure)	**406**
of which female	299
of which male	107
Retail workers	**2,296**
of which female	1,940
of which male	55

Employees (HC) by employee category and age range	As of 31 December 2025
Total number of employees by age range	**2,702**
under 30 years old	1,214
30-50 years old	1,398
over 50 years old	90
Office workers (HQ + Channel Structure)	**406**

Employees (HC) by employee category and age range	As of 31 December 2025
under 30 years old	92
30-50 years old	272
over 50 years old	42
Retail workers	**2,296**
under 30 years old	1,122
30-50 years old	1,126
over 50 years old	48

GRI 404-1 Average hours of training per year per employee – Italy only

The average is calculated by dividing the total number of training hours provided to each group by the number of employees in that group.

Training hours provided to employees, by gender and employee category	As of 31st December 2025	
	Total hours	Average hours
Office workers (HQ)		
of which female	7,547.3	25.2
of which male	2,436.55	22.8
Retail workers		
of which female	41,140.96	18.4
of which male	1,520.13	27.6

6.4 GRI Content Index

KIKO S.p.A. and its fully consolidated subsidiaries has reported the information cited in this GRI content index for the period 1st January 2025 - 31st December 2025 with reference to the GRI Standards.

GRI standards	Disclosure	Location
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	1.1 Business model and brand identi
	2-2 Entities included in the organization's sustainability reporting	1.1 Business model and brand identity
	2-3 Reporting period, frequency and contact point	**About this Report**
	2-4 Restatements of information	Following refinements to the data collection and classification process, certain figures reported in the ESG Report 2024 have been restated in this publication to ensure greater accuracy, consistency and comparability. Specifically for Waste data (GRI 306-3,306-4 and 306-5) due to improved waste management and data collection practices and Energy data (GRI 302-1 and 302-3) the 2024 energy consumption figures have been revised following a reconciliation with the Corporate Carbon Footprint calculation methodology. For all previously published figures, please refer to the 2024 ESG Report, available on the company website.
	2-5 External assurance	**This ESG Report has not been externally assured.**
	2-6 Activities, value chain and other business relationships	1.1 Business model and brand identity
	2-7 Employees	**3 Our People & Culture; 6.3 GRI Disclosure Tables**
	2-9 Governance structure and composition	**4.1 Structure and functions of the governing bodies**
	2-10 Nomination and selection of the highest governance body	**4.1 Structure and functions of the governing bodies**
	2-11 Chair of the highest governance body	**4.1 Structure and functions of the governing bodies**
	2-12 Role of the highest governance body in overseeing the management of impacts	**4.1 Structure and functions of the governing bodies**
	2-14 Role of the highest governance body in sustainability reporting	**4.1 Structure and functions of the governing bodies;** The Board of Directors approves the ESG Report and is informed at least annually about relevant ESG-related risks and impacts through reporting activities performed by management and control functions. Relevant outcomes are escalated to the Board through periodic reporting processes and are considered in the context of strategic decision-making and risk oversight.
	2-15 Conflicts of interest	**4.2 Ethical Business Conduct**
	2-16 Communication of critical concerns	**4.2 Ethical Business Conduct**
	2-22 Statement on sustainable development strategy	**Letter to Stakeholders**
	2-25 Processes to remediate negative impacts	**1.3 The Materiality Assessment; 6.1 Material Topics Prioritization**
	2-26 Mechanisms for seeking advice and raising concerns	**4.2 Ethical Business Conduct**
	2-29 Approach to stakeholder engagement	**1.3 Our ESG Manifesto & Strategy; 6.2 Stakeholders Engagement Initiatives**
	2-30 Collective bargaining agreements	**As of 31 December 2025, 100% of employees located in Italy were covered by collective bargaining agreements**

GRI standards	Disclosure		Location
Material topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	**1.3 The Materiality Assessment**
	3-2	List of material topics	**1.3 The Materiality Assessment; 6.1 Material Topics Prioritization**
Energy			
GRI 3: Material Topics 2021	3-3	Management of material topics	**2.1 Energy management** The information reported is compliant with of disclosure 3-3 from GRI 3: Material Topics 2021, except for requirement d, g.
	302-1	Energy consumption within the organization	**2.1 Energy management**
GRI 302: Energy 2016	302-3	Energy intensity	**2.1 Energy management. Note: intensity calculated on revenues (M€).**
Emission			
GRI 3: Material Topics 2021	3-3	Management of material topics	**2.2 Our Carbon Footprint** The information reported is compliant with of disclosure 3-3 from GRI 3: Material Topics 2021, except for requirement d, f, g.
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	**2.2 Our Carbon Footprint**
	305-2	Energy indirect (Scope 2) GHG emissions	**2.2 Our Carbon Footprint**
	305-3	Other indirect (Scope 3) GHG emissions	**2.2 Our Carbon Footprint**
	305-4	GHG emissions intensity	**2.2 Our Carbon Footprint.** Note: intensity calculated on revenues (M€).
Waste Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	**2.3 Waste Management** The information reported is compliant with of disclosure 3-3 from GRI 3: Material Topics 2021, except for requirement f, g.
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	**2.3 Waste Management**
	306-2	Management of significant waste-related impacts	**2.3 Waste Management**
	306-3	Waste generated	**2.3 Waste Management**
	306-4	Waste diverted from disposal	**2.3 Waste Management**
	306-5	Waste directed to disposal	**2.3 Waste Management**
Raw Materials			
GRI 3: Material Topics 2021	3-3	Management of material topics	**5.1 Supply chain monitoring** The information reported is compliant with of disclosure 3-3 from GRI 3: Material Topics 2021, except for requirement d, g.
Employment			
GRI 3: Material Topics 2021	3-3	Management of material topics	**3 Our People & Culture; 3.1 Celebrating Diversity & Promoting Inclusion; 3.2 Training and individual performance management; 3.3 Well-being and safety at work** The information reported is compliant with of disclosure 3-3 from GRI 3: Material Topics 2021, except for requirement d, g.
Training and education			
GRI 3: Material Topics 2021	3-3	Management of material topics	**3.2 Training and individual performance management** The information reported is compliant with of disclosure 3-3 from GRI 3: Material Topics 2021, except for requirement d, g.

GRI standards	Disclosure		Location
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	3.2 Training and individual performance management; 6.3 GRI Disclosure Tables
	404-2	Programmes for upgrading employee skills and transition assistance programmes	**3.2 Training and individual performance management**
Employee health, safety and wellbeing			
GRI 3: Material Topics 2021	3-3	Management of material topics	**3.3 Well-being and safety at work** The information reported is compliant with of disclosure 3-3 from GRI 3: Material Topics 2021, except for requirement c, f, g.
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	**3.3 Well-being and safety at work**
	403-2	Hazard identification, risk assessment, and incident investigation	3.3 Well-being and safety at work
	403-3	Occupational health services	3.3 Well-being and safety at work
	403-5	Worker training on occupational health and safety	**3.2 Training and individual performance management;** 3.3 Well-being and safety at work
	403-6	Promotion of worker health	3.3 Well-being and safety at work
	403-9	Work-related injuries	3.3 Well-being and safety at work
	403-10	Work-related ill health	During 2025 there were no confirmed number of fatalities as a result of work-related ill health and number of cases of recordable work-related ill health. Data available only for Italian perimeter.
Diversity & inclusion			
GRI 3: Material Topics 2021	3-3	Management of material topics	**3.1 Celebrating Diversity & Promoting Inclusion** The information reported is compliant with of disclosure 3-3 from GRI 3: Material Topics 2021, except for requirement d, e, f, g.
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	**4.1 Structure and functions of the governing bodies; 3.1 Celebrating Diversity & Promoting Inclusion; 6.3 GRI Disclosure Tables**
Community advocacy			
GRI 3: Material Topics 2021	3-3	Management of material topics	**3.4 Community Impact** The information reported is compliant with of disclosure 3-3 from GRI 3: Material Topics 2021, except for requirement d, f, g.
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	**3.4 Community Impact**
	413-2	Operations with significant actual and potential negative impacts on local communities	**3.4 Community Impact**
Customer health and safety			
GRI 3: Material Topics 2021	3-3	Management of material topics	**5.2 Customer relationships: quality, trust and transparency** The information reported is compliant with of disclosure 3-3 from GRI 3: Material Topics 2021, except for requirement f, g.

GRI standards		Disclosure	Location
GRI 416: Customer Health And Safety 2016	416-1	Assessment of health and safety impacts of product and service categories	**5.2 Customer relationships: quality, trust and transparency**
Marketing and labelling			
GRI 3: Material Topics 2021	3-3	Management of material topics	**5.2 Customer relationship: quality, trust and transparency** The information reported is compliant with of disclosure 3-3 from GRI 3: Material Topics 2021, except for requirement d, f, g.
Customer privacy			
GRI 3: Material Topics 2021	3-3	Management of material topics	**4.4 Privacy protection** The information reported is compliant with of disclosure 3-3 from GRI 3: Material Topics 2021, except for requirement f, g.
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	During 2025 there were no substantiated complaints received concerning breaches of customer privacy nor identified leaks, thefts, or losses of customer data.
Economic performance			
GRI 3: Material Topics 2021	3-3	Management of material topics	**4.5 Economic value generated and distributed** The information reported is compliant with of disclosure 3-3 from GRI 3: Material Topics 2021, except for requirement d, f, g.
GRI 201 - Economic Performance (2016)		201-1 Direct economic value generated and distributed	**4.5 Economic value generated and distributed**
Procurement practices			
GRI 3: Material Topics 2021	3-3	Management of material topics	**5.1 Supply chain monitoring** The information reported is compliant with of disclosure 3-3 from GRI 3: Material Topics 2021, except for requirement g.
Business ethics and integrity			
GRI 3: Material Topics 2021	3-3	Management of material topics	**4.2 Ethical business conduct** The information reported is compliant with of disclosure 3-3 from GRI 3: Material Topics 2021, except for requirement f, g.
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	4.2 Ethical Business Conduct
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	During 2025 there were no confirmed incidents of corruption.

GRI standards		Disclosure	Location
Tax risk management			
GRI 3: Material Topics 2021	3-3	Management of material topics	**4.5 Economic value generated and distributed** The information reported is compliant with of disclosure 3-3 from GRI 3: Material Topics 2021, except for requirement d, f, g.
GRI 207: Tax Standard 2019	207-1	Approach to tax	4.5 Economic value generated and distributed
GRI 207: Tax Standard 2019	207-2	Tax governance, control and risk	**4.3 Corporate risk management; 4.5 Economic value generated and distributed**
Research and development			
GRI 3: Material Topics 2021		3-3 Management of material topics	**5.1 Supply chain monitoring** The information reported is compliant with of disclosure 3-3 from GRI 3: Material Topics 2021, except for requirement d, f, g.