

The background of the entire page is a vibrant pink. In the lower-left and bottom-center areas, there are several KIKO Milano beauty products, including clear glass bottles with silver caps and a pink bottle, all featuring the KIKO logo. A large, semi-transparent dark purple rectangle is positioned in the center-right, serving as a backdrop for the main title.

S

2024

USTAINABILITY REPORT

KIKO
MILANO



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LETTER TO STAKEHOLDERS

2024 has been a year of **transformation** and **forward momentum** at KIKO Milano.

2024

To all our stakeholders, thank you.

Your engagement continues to inspire us, push us further, and hold us accountable.

We remain committed to *beauty with purpose*.

KIKO MILANO
Simone Dominici

After laying the groundwork in 2023 with our first Sustainability Report, we took significant steps to embed sustainability deeper into our business.

We moved from commitment to execution, translating our ambitions into action through the **KIKO Cares Sustainability Program**.

This year, we began to see the impact of the work we initiated. We integrated the insights from our first **Materiality Assessment** into our strategy, ensuring that our priorities reflect what truly matters to our stakeholders, from our employees to our customers, and to shareholders and the communities we serve.

We also began aligning our approach with the upcoming **Corporate Sustainability Reporting Directive (CSRD)**. While regulation is an important driver, our goal is to stay ahead not just to comply, but to lead with responsibility, transparency, and credibility.

On the environmental side, we took a bold next step by setting the first **reduction targets** for our CO₂ emissions. These targets are guiding how we make decisions product by product, process by process, so that we reduce our footprint and operate more sustainably across the value chain.

Our social efforts continued with equal focus. We strengthened our long-term partnerships, renewing our support for **Fondazione Veronesi** in advancing scientific research, and expanding our collaboration with **AiBi** to reach even more women.

We also launched internal initiatives that reflect our commitment to inclusion and well-being, because our people are key to driving change.

This journey is not without challenges. But we move forward with humility, aware of how much more there is to do, and with the confidence that comes from action and shared purpose.



METHODOLOGICAL NOTE

Comments and opinions on the sustainability report can be sent to: ESG@kikocosmetics.com

REGULATORY FRAMEWORK

- **“Recommendations of the Task Force on Climate-related Financial Disclosure” (TCFD)** published in June 2017.
- **The complete series of Global Reporting Initiative (GRI) standards**, published in Italy in January 2023.
- **A set of specific sector-related risks** published in May 2022 by the Sustainability Accounting Standards Board (SASB).
- **Directive (EU) 2022/24647** regarding the Corporate Sustainability Reporting Directive (CSRD), which came into force in January 2023.
- **“General Requirements for Disclosure of Sustainability-related Financial Information”** of June 2023, drafted by the International Sustainability Standards Board (ISSB).
- **Regulation (EU) 2020/85212** which makes reference to the indications of EU Taxonomy, which came into force in July 2020.

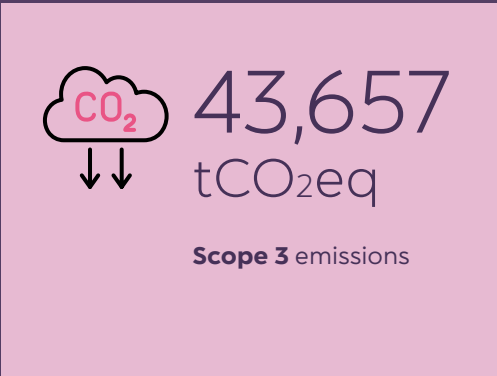
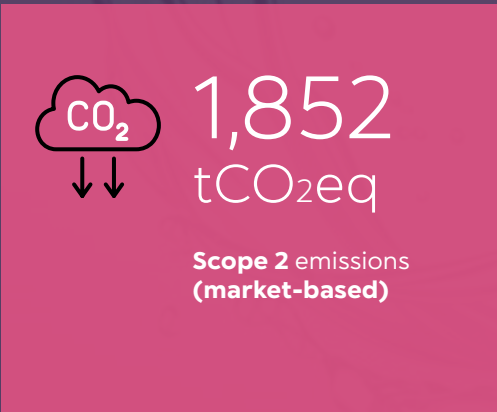
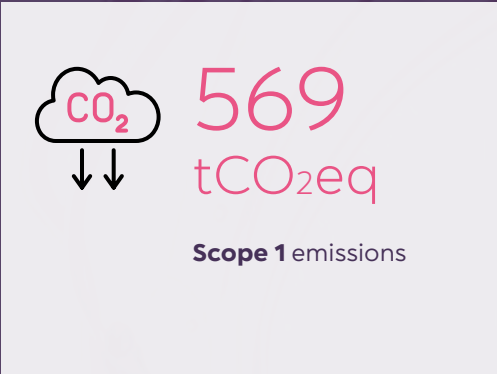
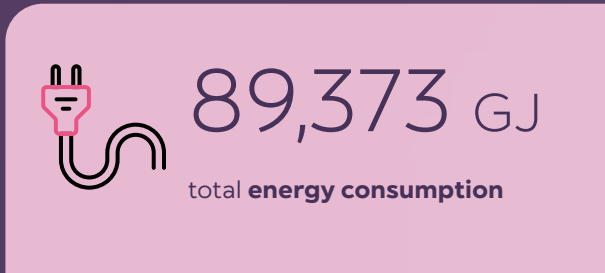
The final section of the document presents the **GRI Content Index**.

This Sustainability Report was prepared following the recognized international guidelines of the **GRI (Global Reporting Initiative) standards**, according to the latest update that came into force on January 1, 2023. This set of indicators represents specific guidelines for reporting information and content in terms of sustainability. The logic adopted in using the GRI standards is that of reporting **“with reference to”**, with the aim of ensuring alignment with all regulatory indications and amendments.

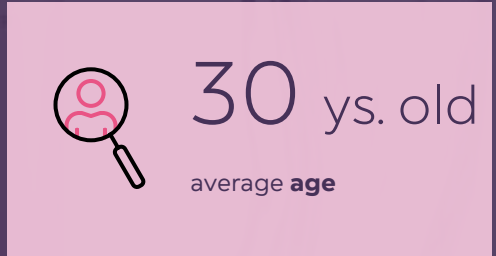
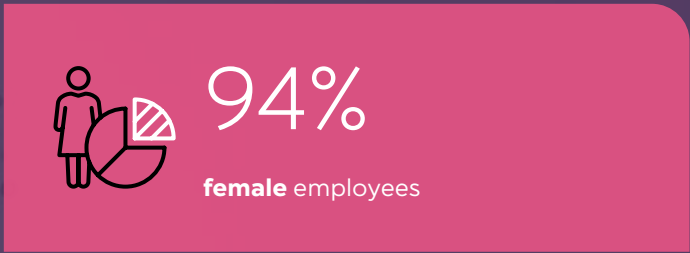
The 2024 Sustainability Report was **approved by the Board of Directors on October 1, 2025**. The data and the information presented in the Report refer to the financial year that ended on December 31, 2024, and were obtained and validated through a process to identify and select the topics most important to the Company and its stakeholders. The Sustainability Report has been drafted in the wake of the Financial Report and is related to the entire perimeter of KIKO S.p.A., which is detailed in the dedicated chapter of the report.

The reporting process involved an interdisciplinary team comprised mainly of heads from the various company departments, with the support of the Global Audit and Brand Building departments. In line with the drafting process, the team managed the gathering, analysis and consolidation of the data and information presented.

ENVIRONMENTAL HIGHLIGHTS



SOCIAL HIGHLIGHTS



GOVERNANCE HIGHLIGHTS



SUSTAINABILITY MANIFESTO

At KIKO, **beauty lies at the heart of everything we do.**
Our mission is to celebrate the art of beauty in all its forms,
creating products that express our **passion for innovation
and quality.**

ENVIRONMENT

KIKO CARES FOR THE PLANET

At KIKO, we constantly strive to **reduce our environmental impact** and promote sustainable practices.



REDUCE OUR EMISSIONS

We adopt technologies and processes that are energy efficient to reduce our carbon emissions.



RESPONSIBLE MATERIALS AND INGREDIENTS

We are increasing the proportion of products made with sustainable ingredients, reducing the use of ingredients that are harmful to the environment.

We are progressively adopting packaging made with recyclable materials, reducing waste to a minimum.



RESPONSIBLE WASTE MANAGEMENT

We support the reduction, reuse and recycling of materials throughout our supply chain.

We collaborate with partners and suppliers to ensure responsible waste management

SOCIAL

KIKO CARES FOR THE PEOPLE

At KIKO, we are committed to **improving people's quality of life** through social and community initiatives.



PROMOTE OUR PEOPLE'S WELL-BEING

We promote the physical and mental wellbeing of our employees through training programmes, professional development and health and safety initiatives.



CELEBRATE DIVERSITY AND INCLUSION

We promote an inclusive and diverse working environment, in which each and every employee can freely express their individuality.



SOCIAL POSITIVE IMPACT

We invest in local communities through social responsibility projects that promote education and independence.

We collaborate with non-profit organisations to support social issues and contribute to creating a better society

G

OVERNANCE

KIKO CARES FOR ITS GOVERNANCE

At KIKO, we are committed to **governing with integrity**, transparency, and innovation.



ENHANCE SUPPLY CHAIN PARTNERSHIPS

We support the research and development of innovative solutions that embrace both creativity and sustainability.

We collaborate with suppliers to create products that are not only beautiful, but also sustainable.



TRANSPARENT COMMUNICATION

We promote dialogue with our stakeholders, including customers, employees, suppliers and local communities, to understand their needs and expectations.



ROBUST ESG GOVERNANCE

We promote a company culture based on ethics and integrity, guaranteeing transparency in all our operations and communications.

We adopt strict governance practices, ensuring that our decisions are guided by principles of sustainability and social responsibility.

KIKO's Sustainability Manifesto represents our long-term commitment to a more sustainable future. **We believe that beauty can be a powerful tool for positive change**, and we are dedicated to creating a world in which beauty is accessible to all, in harmony with the environment and society. We are ready to continue along this path, working with stakeholders to **achieve our sustainability goals and create lasting positive impact**.



SUSTAINABILITY — 1

ACCORDING TO KIKO

BUSINESS MODEL AND BRAND IDENTITY

1.1

The KIKO Group operates in the cosmetics sector in **66 countries**, distributing its products exclusively through directly operated stores (DOS), franchises, and e-commerce channels, both directly operated (*kikocosmetics.com*) and through marketplaces.

Specifically, the Group focuses on six cosmetics categories: **colour cosmetics, skincare, haircare, fragrances, sun care and accessories**.

COLOUR COSMETICS

The “colour cosmetics” category includes face makeup, eye makeup, lip products, and nail products.

SKINCARE

The “skincare” category refers to products dedicated to facial, body, and hand care.

HAIRCARE

The “haircare” category refers to products for hair care, from cleansing to styling.

FRAGRANCES

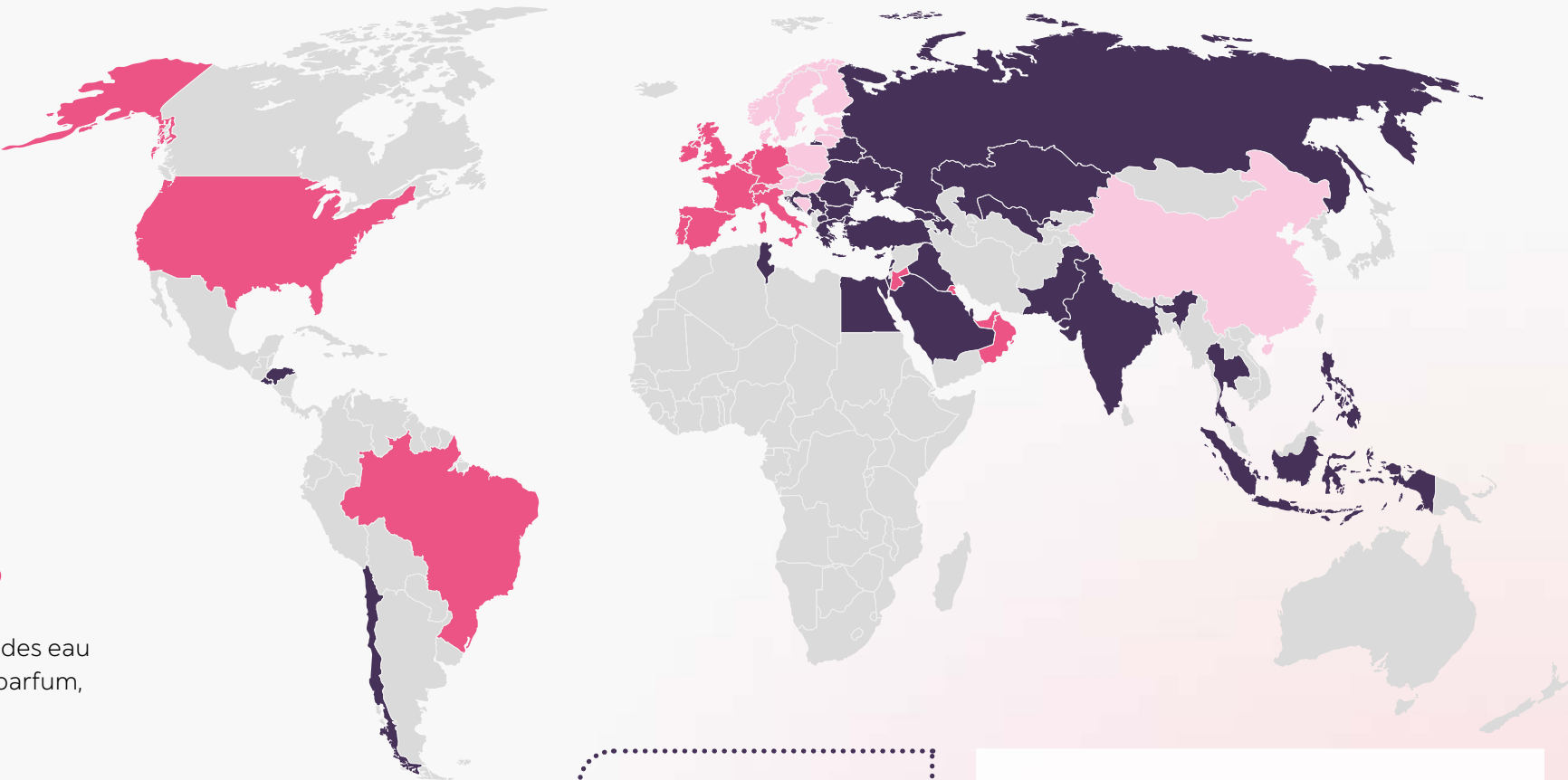
The “fragrances” category includes eau fraiche, eau de toilette, eau de parfum, parfum, and eau de cologne.

SUNCARE

The “suncare” category encompasses sunscreens, after-sun products, and self-tanners.

ACCESSORIES

The “accessories” category includes face, eyes and hands accessories, brushes and travel bottles.



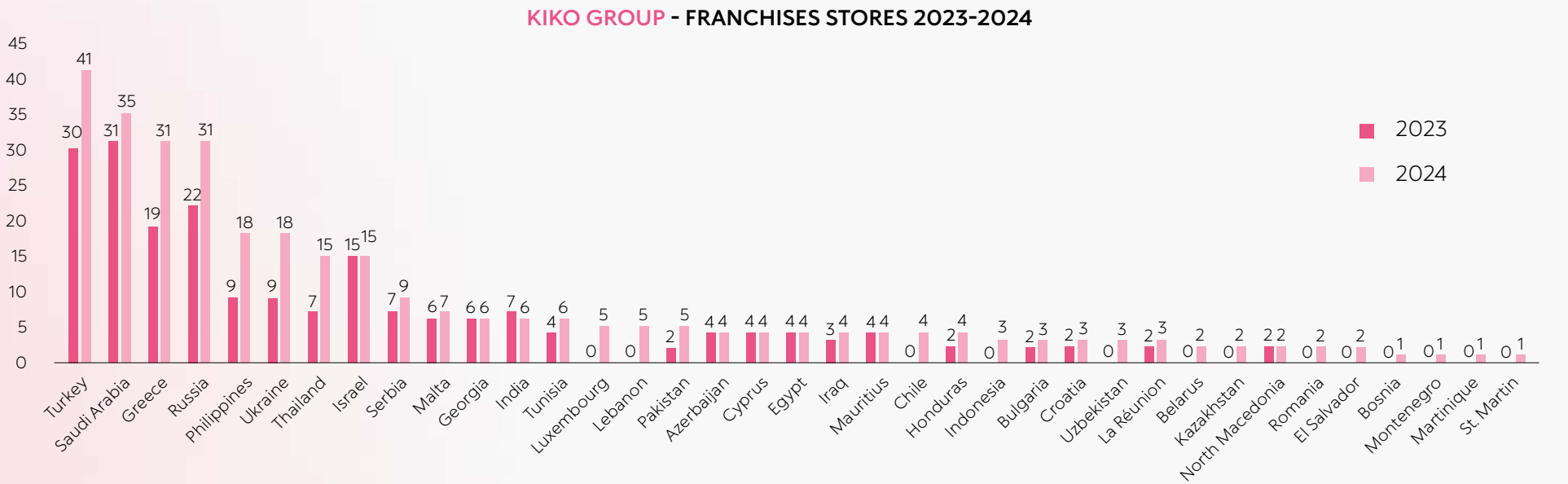
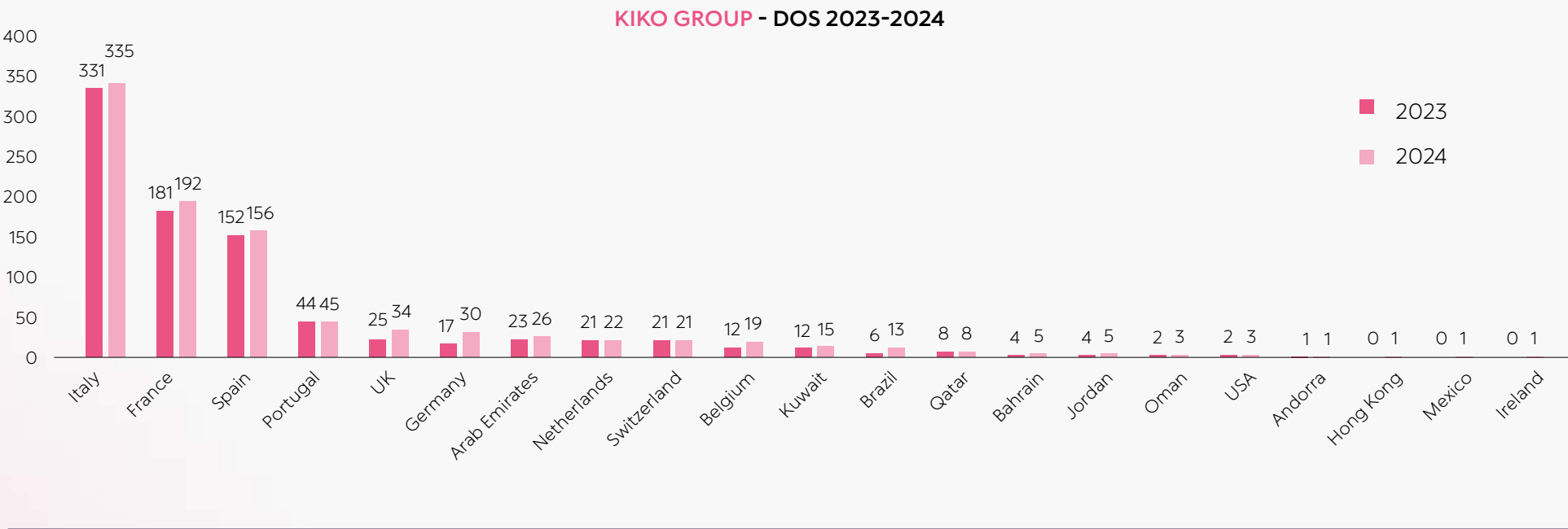
>66
countries in which KIKO operates

>1,257
stores including **WHS, DOS and franchises**

THE OVERALL **NUMBER OF KIKO GROUP STORES AS OF DECEMBER 31, 2024, WAS 1,257** (937 “DOS”, 10 WHS AND 310 FRANCHISES), AN INCREASE OF 172 COMPARED TO 2023, THE RESULT OF **185 NEW STORES OPENED** (OF WHICH 101 FRANCHISES) AND 13 CLOSURES (OF WHICH 6 FRANCHISES).



THE FOLLOWING TABLES SHOW THE **GEOGRAPHIC DISTRIBUTION OF THE GROUP** COMPARED TO THE SITUATION IN 2023.



THE UNIFIED COMMERCE PROJECT

In the 2022-2023 period, **KIKO launched an ambitious Unified Commerce project** with the goal of offering customers a consistent and integrated shopping experience across all brand touchpoints, following an omnichannel approach. The aim of this project is to further personalize customer service and the customer experience, and it includes the launch of the **global loyalty programme "KIKO ME"**.

The main pillars of the project include:

- **Optimizing 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.

In 2024, the global rollout of the new Unified Commerce platform continued successfully, progressively integrating all company channels and systems, significantly improving customer service, increasing operational efficiency, and laying the foundation for greater scalability and business growth.



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, **creating and designing high-quality cosmetics** to help people express their true personality, with the contribution of expert beauty advisors..



VALUES

We identify ourselves in the values that guide our daily activities: **democratizing beauty** with accessible, high-quality products; **driving positive change** for the environment, society, and the economy we are part of, and **creating carefree 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..

S

TAKEHOLDER

ENGAGEMENT

1.2

CONSTANT DIALOGUE WITH CUSTOMERS, EMPLOYEES, BUSINESS PARTNERS, SUPPLIERS, AND LOCAL COMMUNITIES ALLOWS THE COMPANY TO BUILD STRONG, TRANSPARENT, AND LASTING RELATIONSHIPS, WHICH ARE ESSENTIAL FOR SUSTAINING GROWTH AND **PROMOTING AN INCLUSIVE AND RESPONSIBLE CORPORATE CULTURE.**

This interaction translates into **meaningful social initiatives, collaborative projects, and concrete local actions**, which contribute to generating a positive impact in the areas where the brand operates. At the same time, **systematically listening to stakeholder feedback and expectations** is a valuable lever for continuous improvement: it stimulates

innovation, guides the development of new products and services, and strengthens the company's ability to **anticipate market changes**. In this context, stakeholder engagement helps keep the company competitive and aligned with market expectations, strengthening the coherence between strategy, sustainability, and growth.



KIKO manages **the engagement of its primary stakeholders** in a structured and ongoing manner, adopting a proactive, strategic approach aimed at creating shared value.

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	Close relations through contracts, regular meetings and audits to guarantee quality and sustainability.
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.

THE MATERIALITY SURVEY

In order to identify the topics directly correlated with the Company's activities, a survey was sent to employees and to a number of stakeholder groups.

Stakeholders were asked to provide a detailed assessment of the importance and **the role played by certain specific ESG characteristics** within the company with regard to the target market. The assigning of a score on a numerical scale from 1 (not important) to 5 (extremely important) allowed KIKO to identify and prioritize its material topics, in terms of goals and strategies.

An interpretation of the results received allowed for an **understanding of KIKO's strategic priorities** and the most significant opportunities/criticalities faced by the business, and of how these could potentially influence shared value and sustainability, thus identifying **15 material topics**, each associated with a positive and a negative impact.

Specifically, the distribution of the survey, the responses to which were processed anonymously, resulted in **616 replies**, of which 581 from management (4%) and other company employees (96%), and 35 from external stakeholders, mainly suppliers, institutions and customers.

MATERIAL TOPICS AND IMPACTS IDENTIFICATION 1.3

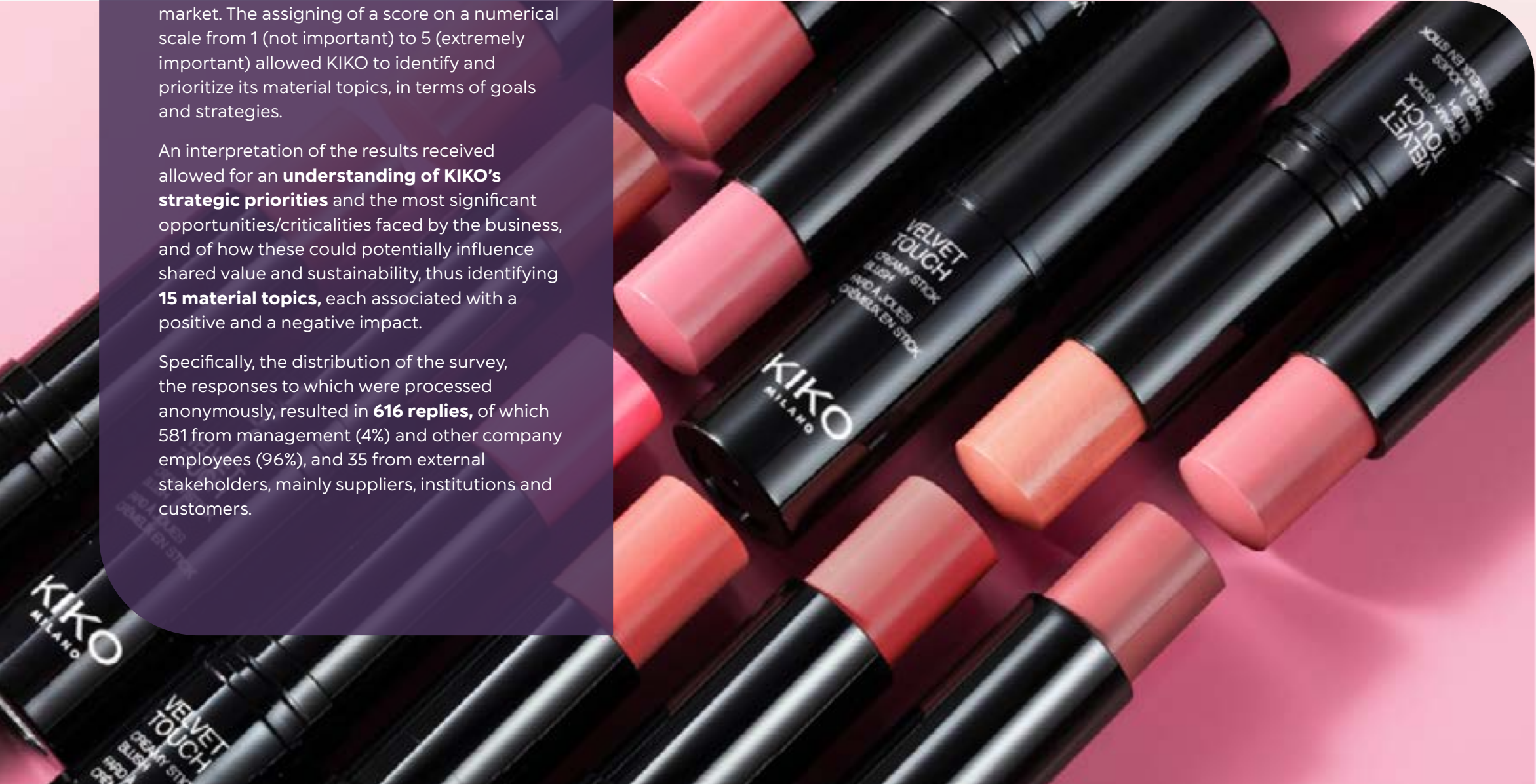
THE NEW EUROPEAN DIRECTIVE ON CORPORATE SUSTAINABILITY REPORTING, KNOWN AS THE **CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD)**, CAME INTO FORCE ON JANUARY 5, 2023.

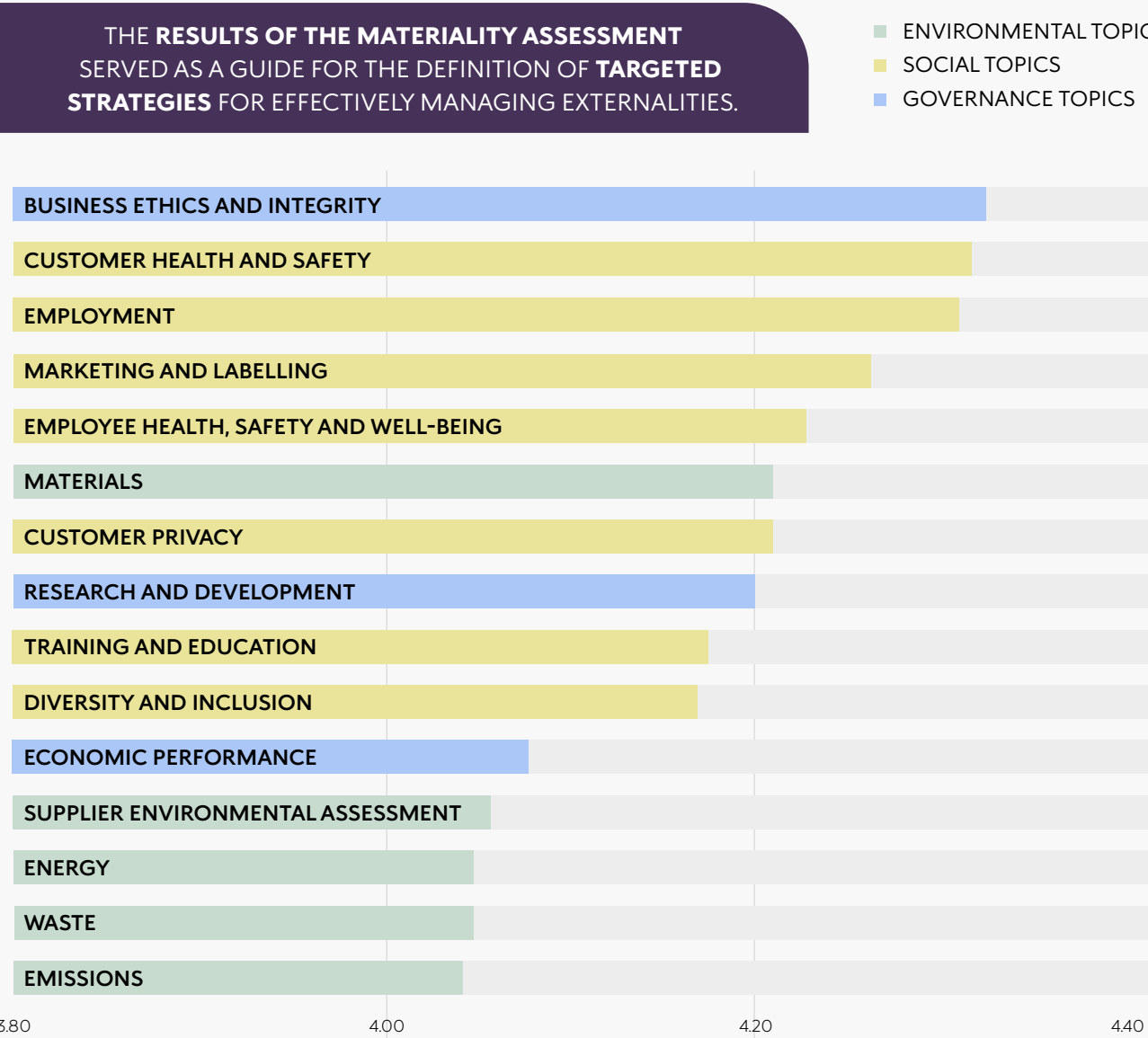
This regulation represents a decisive step forward in strengthening corporate transparency and accountability by introducing more stringent requirements for the disclosure of environmental, social, and governance (ESG) information.

In this context, **KIKO has voluntarily chosen to undertake a structured reporting process**, publishing an ESG Company Profile in 2023 and its first Sustainability Report in 2024, ahead of regulatory requirements.

With the second edition of the Report, the company consolidates its commitment to **clear and traceable communication of sustainability performance**, strengthening its alignment with European directives and its active role in promoting a more informed and responsible corporate culture.

For KIKO, consistent reporting represents not only an exercise in transparency, but also **a strategic tool for guiding its actions, monitoring progress, and setting increasingly ambitious environmental, social, and governance objectives**.





The graph shows the **priority of material topics for the Company** ordered by points obtained (on a scale from 1 to 5).

It clearly emerges that, both based on internal assessments by management and employees, and external stakeholder considerations, the topics of greatest relevance to the company are those related to **"Business ethics and integrity," "Customer health and safety,"** and **"Employment."**

In order to offer a wider-ranging overview of company sustainability, KIKO has developed a **risk-management process** that also takes into account

the material topics identified in the wake of this process.

As part of the materiality analysis conducted, KIKO prioritized the material topics that emerged and identified the main environmental, social, and economic impacts associated with the company's business, categorizing them based on the nature of the impact.

Each impact was classified as **"potential"** if it has not yet occurred but may materialize in the future, and as **"current"** if it has already taken place.

TOPICS	TYPE	IMPACTS	NATURE OF THE IMPACT
MATERIALS	Negative	Negative impact in case of disruptions in the supply chain.	POTENTIAL
	Positive	Reducing environmental impact by using sustainable sourced ingredients and increasing recycled and recyclable packaging in stores.	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
	Positive	Trust in the brand and in the long-term well-being of consumers.	POTENTIAL
EMPLOYEE HEALTH, SAFETY AND WELL-BEING	Negative	Increase in accidents at work.	POTENTIAL
	Positive	Increased safety of employees and collaborators, increased retention.	POTENTIAL
EMPLOYMENT	Negative	Negative impact on productivity.	POTENTIAL
	Positive	Positive impact on the development of employee skills and capabilities.	CURRENT
MARKETING AND LABELLING	Negative	Negative impact on brand positioning though missteps in partnerships and or transparency.	POTENTIAL
	Positive	Increase customer engagement by delivering clearly corporate values.	POTENTIAL
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
	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

KIKO'S STRATEGIC PATH TOWARDS SUSTAINABILITY GOALS

KIKO's strategic sustainability journey took shape in 2021 with the creation of "**KIKO Cares**," a program designed to bring together existing and developing ESG initiatives in the environmental, social, and governance fields under a single umbrella.

In 2022, the program was expanded and transformed into a **corporate commitment manifesto**, clearly defining **KIKO's strategic areas and responsibilities toward the planet, people, and good governance**. The manifesto is structured around three main pillars:

- **KIKO Cares** for the Planet
- **KIKO Cares** for the People
- **KIKO Cares** for its Governance

The company's sustainability strategy was conceived, from the outset, 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 Plan.

To ensure consistency between vision and operations, **the Plan establishes strategic pillars, goals, and measurable targets for each of the three areas**, capable of transforming commitments into concrete and monitorable actions over time.

FOR THE PLANET

1. Reduce Our Emissions
2. Responsible Materials and Ingredients
3. Responsible Waste Management

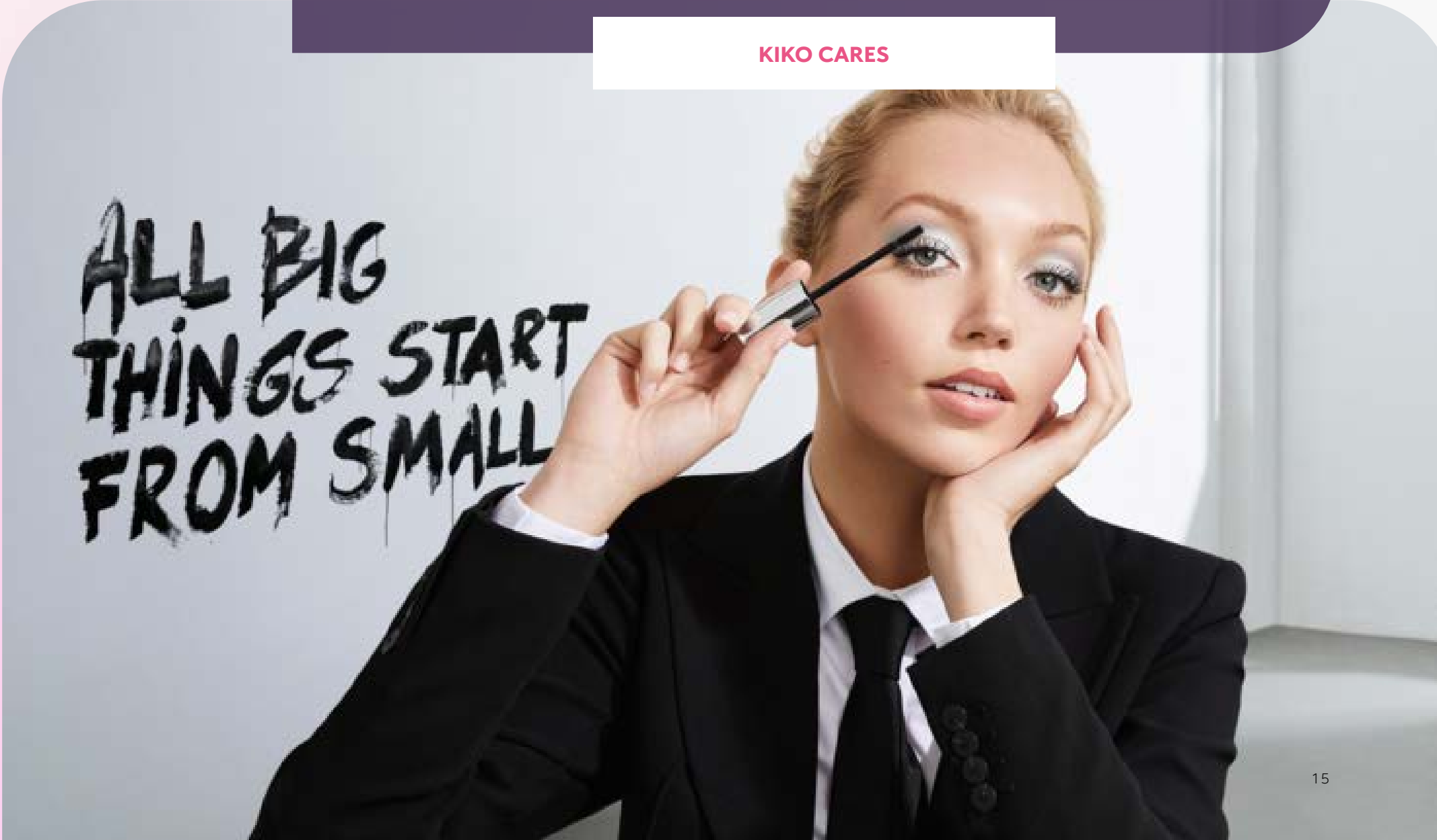
FOR THE PEOPLE

1. Promote Our People's Well-being
2. Celebrate Diversity and Inclusion
3. Social Positive Impact

FOR ITS GOVERNANCE

1. Enhance Supply Chain Partnerships
2. Transparent Communication
3. Robust ESG Governance

KIKO CARES





For each of the three strategic pillars, **KIKO** has defined **specific targets to be achieved by 2030**, confirming a forward-looking vision and a long-term design approach.

Each goal was formulated with a dual purpose: to **contribute to the achievement of the company's strategic priorities** and, at the same time, **align with the 17 Sustainable Development Goals of the United Nations 2030 Agenda**.

This holistic approach reflects the company's concrete commitment to the collective good and a more equitable, responsible, and sustainable growth model.

CHAPTERS	PILLARS	OBJECTIVES	2024 STATUS	INTERIM TARGETS	2030 TARGETS
FOR THE PLANET	REDUCE OUR EMISSIONS	Increase the use of energy from renewable sources with Guarantees of Origin (GO)	100% GO in Italy, Netherlands, France, and Belgium	50% European DOS by 2025	>90% European DOS
		Carbon Footprint Assessment	Improved Scope 1 and 2 accuracy		GHG emissions efficiency
			Scope 3 calculation		
			Ongoing	Define a Carbon Management Plan by 2025	
	RESPONSIBLE MATERIALS AND INGREDIENTS	Responsible use of materials in stores	Ongoing	90% recycled plastic by 2025	90% recycled plastic
			Ongoing	Establish partnerships with suppliers for circular economy projects related to merchandising and by 2025	Maintain target
		Increase the percentage of sustainable packaging	5% PCR* plastic in 50% of product packaging	10% PCR plastic in 50% of product packaging by 2025	30% PCR plastic in packaging of 50% of products
			100% paper from sustainable forests		Maintain target
		Increase the percentage of sustainable ingredients	>35% sustainable ingredients in new formulations		>60% sustainable ingredients in new formulations
			100% sustainable MICA (and other raw materials at risk for child labor)		Maintain target
	RESPONSIBLE WASTE MANAGEMENT	Increase partnerships with non-profit organizations active in the fight against food waste	Ongoing	Set up a product donation initiative to be allocated to ONGs by 2025	Maintain target



**post-consumer recycled plastic*



FOR THE PEOPLE



CHAPTERS	PILLARS	OBJECTIVES	2024 STATUS	INTERIM TARGETS	2030 TARGETS
	PROMOTE OUR PEOPLE'S WELL-BEING	Valorize our people		Guarantee training on ESG topics for 100% of employees by 2026	Involvement of the entire company population in engagement and awareness-raising activities
		Share our culture	Internal communication promoted through company engagement and volunteering projects		
	CELEBRATE DIVERSITY AND INCLUSION	Guarantee inclusion for all individuals	Ongoing	Psychological hotline for women victims of violence by 2025	
			Ongoing	Define corporate guidelines and internal D&I policies by 2026	
	SOCIAL POSITIVE IMPACT	Valorize and support women through specific projects	8 psychological support programs for mothers hosted in Ai.Bi. centers		
			Ongoing	Define women's empowerment project within the Milano-Cortina Winter Olympics 2026	
		Actively support research	Ongoing	Support 4+ research projects by 2025	Support 20+ research projects by 2030



CHAPTERS	PILLARS	OBJECTIVES	2024 STATUS	INTERIM TARGETS	2030 TARGETS
FOR ITS GOVERNANCE	ENHANCE SUPPLY CHAIN PARTNERSHIPS	Share the Code of Conduct with commercial partners	Ongoing	Submit Code of Conduct to 100% of Business Partners by 2025	Monitoring confirmation
		Increase the percentage of suppliers monitored through EcoVadis	+172 suppliers mapped via EcoVadis	>95% direct + >95% indirect suppliers (specific categories) by 2025	Maintain percentages
		Map company suppliers on the basis of ESG parameters	Ongoing	100% of suppliers mapped by 2025	Monitoring confirmation
	TRANSPARENT COMMUNICATION	Communicate company ESG performance in a transparent manner through effective internal and external communication	Publication of the first GRI-compliant Sustainability Report		Full alignment with CSRD
			Ongoing	Strengthen external communications through in-store and online channels by 2026	Maintain target
			Ongoing	Maintain employee engagement through video clips, newsletters, and contests by 2025	Involvement of the entire company population in engagement activities
	ROBUST ESG GOVERNANCE	Build a system for the sharing, monitoring and updating of the ESG strategy	Ongoing	Creation of local ESG committees by 2025	Recurring involvement of the committee

During 2024, in line with the Sustainability Strategic Plan described, KIKO achieved important milestones in each of the three pillars of the company strategy:



FOR THE PLANET

- 1) Calculation of direct **(Scope 1)** and indirect emissions **(Scope 2 and 3)** at Group level.
- 2) Use of more than **35% sustainable ingredients** in the formulation of products registered in 2024.
- 3) **5% of PCR plastic** in 50% of product packaging.*



FOR THE PEOPLE

- 1) Employee engagement through **company-wide events** focused on ESG topics.
- 2) Funding of **two research scholarships** in collaboration with the Umberto Veronesi Foundation.
- 3) Active contribution to **female empowerment** through impactful partnerships with local and international non-profit organizations.
- 4) 72 employees at the Italian headquarters participated in **corporate volunteering activities**.
- 5) 8 individual **psychological support programs** provided for mothers hosted in Ai.Bi. centers.



FOR ITS GOVERNANCE

- 1) ESG mapping of **172 corporate suppliers** through the EcoVadis platform.
- 2) Launch of a gradual and progressive path to **CSRD** compliance.
- 3) Supplier qualification via the **Jaggaer platform** and acknowledgment of the Code of Conduct.

GOALS ACHIEVED IN 2024

*Estimate based on KIKO products, excluding the "accessories" category



ENVIRONMENTAL — 2

PERFORMANCE

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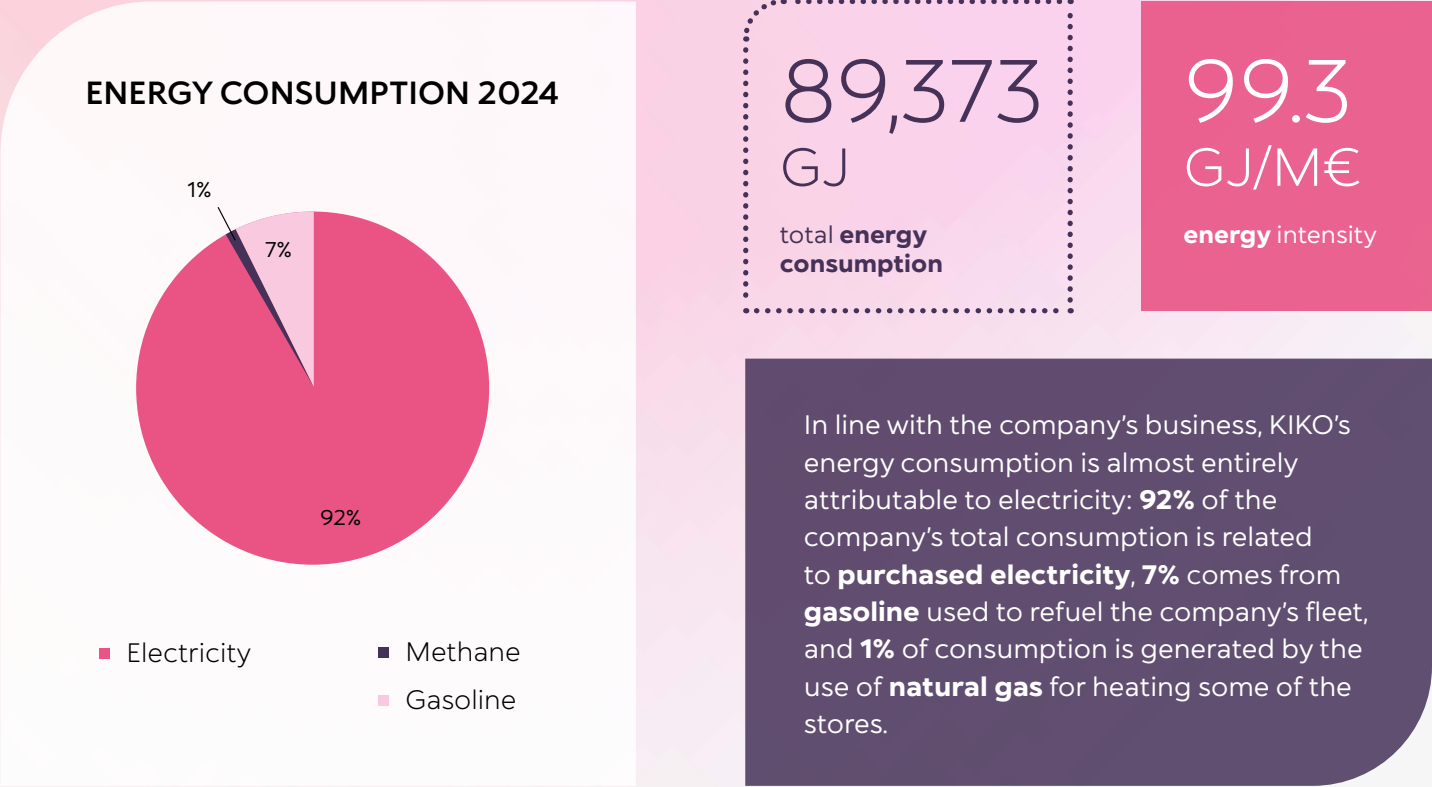
ENERGY CONSUMPTION AND EFFICIENCY STRATEGIES

2.1

In a global context increasingly focused on energy transition and decarbonization, KIKO recognizes the importance of **efficient energy management** in its sustainability journey. The company's commitment translates into careful consumption monitoring, the progressive integration of renewable sources, and the adoption of low-impact technological solutions.

Starting in 2023, KIKO has undertaken **a process of reporting its energy consumption globally**, progressively refining the quality of the data collected.

GRI 302-1 ENERGY CONSUMED WITHIN THE ORGANIZATION		U.o.M.	2024
Electricity	Total electricity purchased and consumed ¹	GJ	82,001
	of which covered by Guarantee of Origin	GJ	61,775
Methane	Natural gas for heating	GJ	834
Mobile sources	Gasoline ²	GJ	6,539
TOTAL ENERGY CONSUMPTION		GJ	89,373



On the procurement front, **starting in 2022, KIKO has begun a transition to electricity supplies fully covered by Renewable Guarantees of Origin (GOs).**

After activating GO contracts throughout Italy and Belgium in 2023, in 2024 the company extended this model to energy supplies in France and the Netherlands. Completion of coverage is expected in Spain (currently partially covered by GOs) and Portugal in the coming years. Opportunities for extension to additional European and non-European countries remain under evaluation, consistent with the goal of progressively decarbonizing the global energy mix.

GRI 302-3 ENERGY INTENSITY OF INTERNAL CONSUMPTION		U.o.M.	2024
Total energy consumption		GJ	89,373
Revenues		M€	899,989
ENERGY INTENSITY		GJ/M€	99.3

¹ Of the total 22,777,931 kWh, 19,650,479 kWh come from direct data, the rest was estimated considering the square footage of the missing stores.

² Of the 222,955 liters of gasoline used by the company, 54,646 liters refer to the Italian company fleet, for which information regarding fuel type is not available. In the absence of specific data, gasoline was assumed. For other countries, gasoline consumption was estimated proportionally based on the number of employees in Italy compared to those at other locations.

THE CARBON FOOTPRINT 2.2

MEASURING GREENHOUSE GAS EMISSIONS IS A CRUCIAL STEP IN UNDERSTANDING THE ENVIRONMENTAL IMPACT OF BUSINESS ACTIVITIES.

FOR KIKO, TRANSPARENTLY REPORTING ITS EMISSIONS MEANS PROMOTING MORE CONSCIOUS ENERGY RESOURCE MANAGEMENT AND FOSTERING A **CORPORATE CULTURE ORIENTED TOWARD SUSTAINABILITY**. THIS FOCUS IS PART OF A BROADER ENVIRONMENTAL RESPONSIBILITY JOURNEY THAT INVOLVES ALL LEVELS OF THE ORGANIZATION.

Starting in 2024, KIKO has chosen to report the Group's entire emissions inventory, including not only **Scope 1 and Scope 2** emissions—as already done in previous years—but also **Scope 3** emissions, which are particularly significant given the company's business model.

According to the GHG Protocol, the internationally recognized standard for emissions reporting, emissions are divided into three main categories:

- **Scope 1:** includes direct greenhouse gas emissions from sources owned or controlled by the company, such as those from fuel combustion in company vehicles or internal heating systems.
- **Scope 2:** concerns indirect emissions resulting from the consumption of purchased energy, in particular electricity and heat supplied by third parties.
- **Scope 3:** includes all indirect emissions associated with the entire value chain, both upstream and downstream of company activities. These include, for example, impacts related to procurement, logistics, product distribution, and waste management.

In particular, with regard to **Scope 2**, there are **two alternative methodologies for calculating emissions**, which offer complementary visions:

- **The location-based approach** relies on the average emission factors of the national electricity grid, thus providing an estimate of the overall environmental impact of the energy available in the area, regardless of the company's specific supply choices.
- **The market-based approach**, on the other hand, takes into account the company's procurement decisions, promoting the purchase of energy from certified renewable sources (for example, through Guarantees of Origin). This approach highlights the efforts made towards energy transition.

In KIKO's case, Scope 2 emissions have been estimated using both calculation methods. However, to highlight the company's commitment to increasingly sustainable sourcing based on 100% renewable energy, the report will focus on the results obtained using the **market-based approach**.





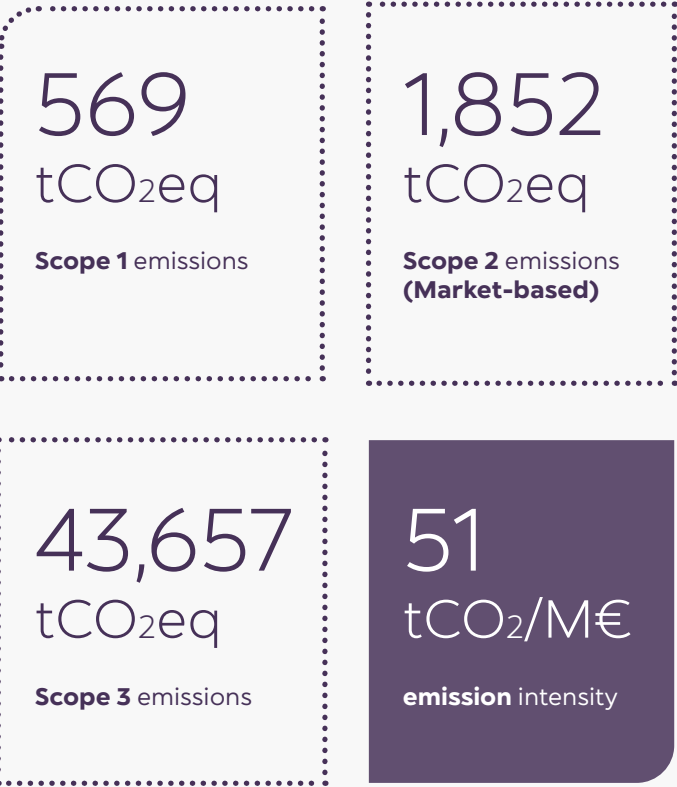
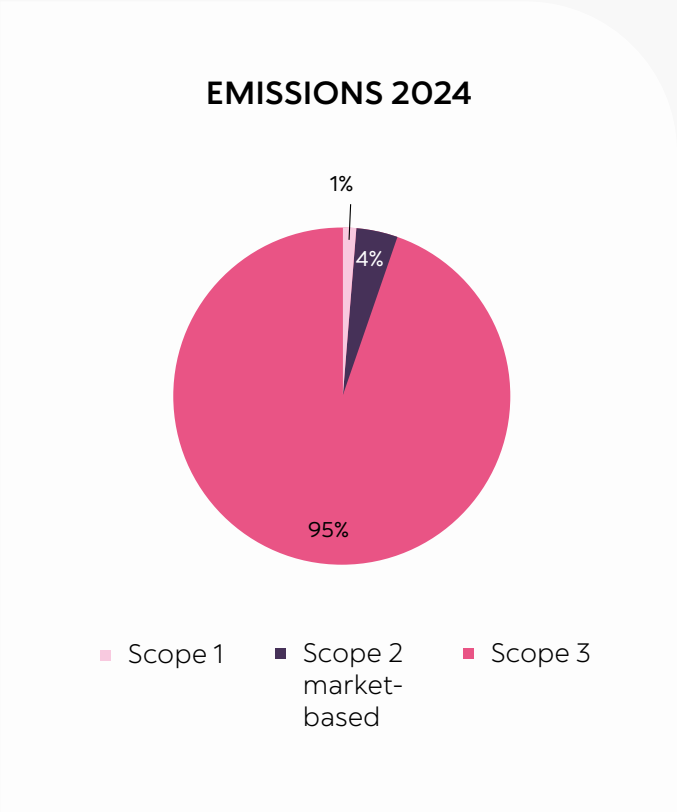
Consistent with KIKO's business model, the company's emissions profile shows a clear **predominance of Scope 3 emissions** over those in Scope 1 and 2.

Specifically, **indirect emissions** account for **95%** of KIKO's total carbon footprint. **Market-based Scope 2 emissions** (linked to energy consumption) represent **4%**, while **Scope 1** emissions, which include emissions from natural gas used for heating and those from the company fleet, account for just **1%** of the total inventory.

GRI 305 EMISSIONS ³		U.o.M.	2024
GRI 305-1 DIRECT EMISSIONS SCOPE 1			
Total Scope 1	tCO ₂ eq		569
GRI 305-2 INDIRECT SCOPE 2 EMISSIONS			
From purchased electricity Location-based	tCO ₂ eq		4,236
From purchased electricity Market-based	tCO ₂ eq		1,852
Total Scope 1 + Scope 2 Location-based	tCO ₂ eq		4,805
Total Scope 1 + Scope 2 Market-based	tCO ₂ eq		2,421
GRI 305-3 INDIRECT SCOPE 3 EMISSIONS			
Total Scope 3	tCO ₂ eq		43,657
Total emissions Market-based	tCO ₂ eq		46,078

GRI 305-4 EMISSION INTENSITY		U.o.M.	2024
Total emissions Market-based	tCO ₂ eq		46,078
Revenues	M€		899,989
Emissive intensity Market-based	tCO ₂ eq/M€		51

³ The emission factors from Ecoinvent 3.10 were used to calculate Scope 1 and 2. The emission factors from AiB 2024 for European countries and Ecoinvent 3.10 for all other countries were used to calculate Scope 3.





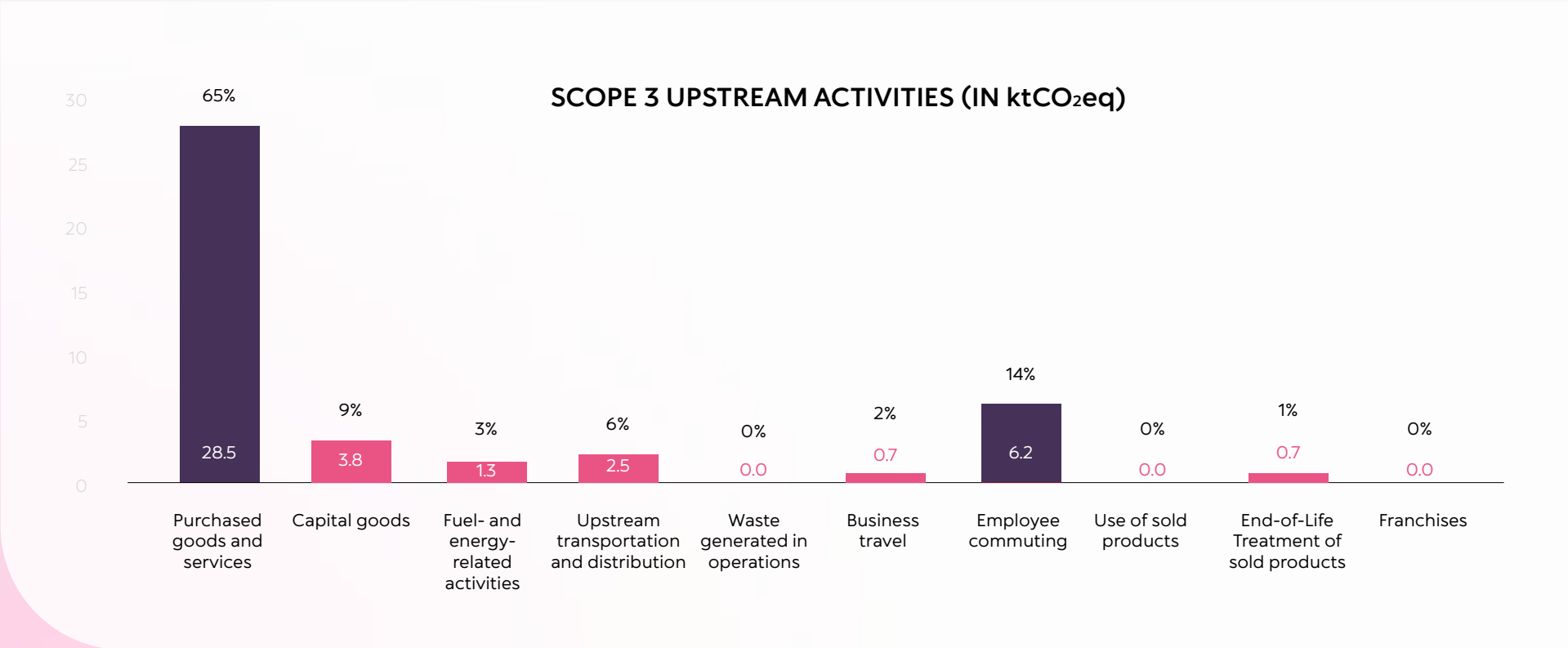
KIKO’s total emissions (Scope 1, 2, and 3) in 2024 are equivalent to approximately **35,000 round-trip flights between Milan and New York.**

WITH REGARD TO **SCOPE 3**, THE GHG PROTOCOL IDENTIFIES **15 DISTINCT EMISSION CATEGORIES:**

- **Category 3.1** – Purchased Goods and Services
- **Category 3.2** – Capital Goods
- **Category 3.3** – Fuel- and Energy-Related Activities (not included in Scope 1 or Scope 2)
- **Category 3.4** – Upstream Transportation and Distribution
- **Category 3.5** – Waste Generated in Operations
- **Category 3.6** – Business Travel
- **Category 3.7** – Employee Commuting
- **Category 3.8** – Upstream Leased Assets
- **Category 3.9** – Downstream Transportation and Distribution
- **Category 3.10** – Processing of Sold Products
- **Category 3.11** – Use of Sold Products
- **Category 3.12** – End-of-Life Treatment of Sold Products
- **Category 3.13** – Downstream Leased Assets
- **Category 3.14** – Franchises
- **Category 3.15** – Investments

Not all categories are relevant for every organization; for this reason, KIKO carried out an **applicability assessment**. Specifically, **65%** of Scope 3 emissions stem from the category “**Purchased Goods and Services**”, followed by “**Employee Commuting**”, which accounts for **14%** of the Group’s indirect emissions.

Although less impactful, the following categories were also deemed applicable and included in the assessment: Capital Goods, Fuel- and Energy-Related Activities (not included in Scope 1 or Scope 2), Upstream Transportation and Distribution, Waste Generated in Operations, Business Travel, Use of Sold Products, End-of-Life Treatment of Sold Products, Franchises.



WASTE MANAGEMENT 2.3

AS PART OF ENVIRONMENTAL SUSTAINABILITY INITIATIVES, **RESPONSIBLE WASTE MANAGEMENT** REPRESENTS A FUNDAMENTAL PILLAR IN REDUCING THE ECOLOGICAL IMPACT OF BUSINESS OPERATIONS.

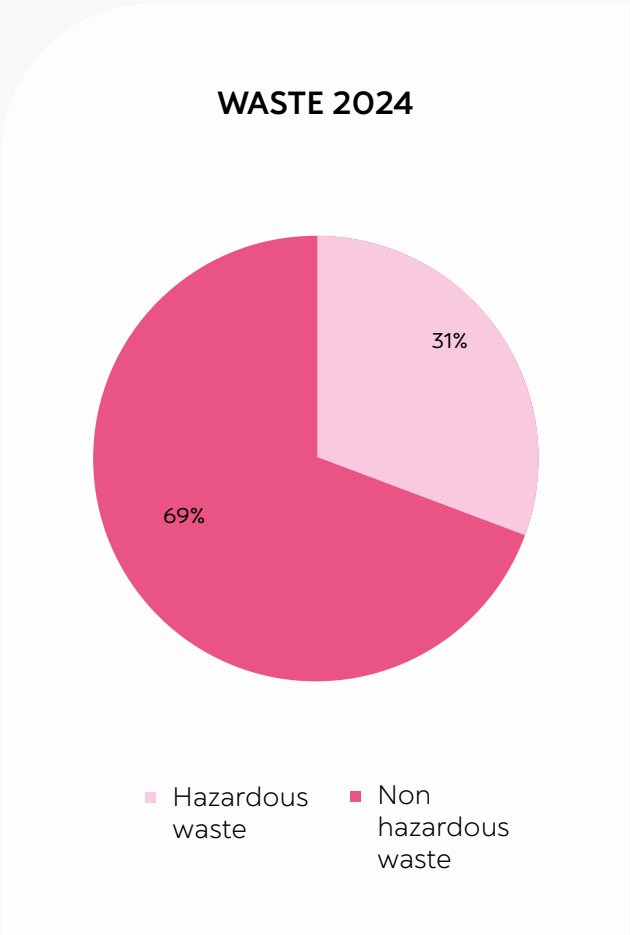


In line with circular economy principles, the organization is committed to **recovering and recycling waste materials**, minimizing reliance on incineration, and thus contributing to environmental protection and the promotion of collective well-being.

At the operational level, systematic monitoring of waste generation and management is primarily focused on Italian stores and the Ceva warehouse, which are the only areas for which primary data is available regarding CER codes and the quantities of waste produced. For international stores, waste volume estimates were calculated using a proportional criterion based on store surface area, serving as an approximation method in the absence of direct data.

The implemented data collection system also tracks the final destination of waste collected in Italian stores, while for the Ceva warehouse, this information was inferred based on the CER classification of materials. In line with the company's environmental impact reduction goals, two main treatment options were considered: recycling and incineration.

The total amount of waste produced in 2024 amounts to approximately **157.24 tons**, divided between **non-hazardous waste** (109.04 tons, approximately **69%** of the total) and **hazardous waste** (48.20 tons, approximately **31%**).



157.24 t
total waste produced

GRI 306-3 WASTE BY COMPOSITION	U.o.M.	2024
Hazardous waste	t	48.20
Non-hazardous waste	t	109.04
Total	t	157.24



GRI 306-4 WASTE DIVERTED FROM DISPOSAL	U.o.M.	2024		
		ON SITE	OFF SITE	TOTAL
HAZARDOUS WASTE				
Preparing for re-use	t	0	0	0
Recycling	t	0	3.97	3.97
Other recovery operations	t	0	0	0
Total	t	0	3.97	3.97
NON-HAZARDOUS WASTE				
Preparing for reuse	t	0	0	0
Recycling	t	0	44.14	44.14
Other recovery operations	t	0	0	0
Total	t	0	44.14	44.14

GRI 306-5 WASTE DIRECTED TO DISPOSAL	U.o.M.	2024		
		ON SITE	OFF SITE	TOTAL
HAZARDOUS WASTE				
Preparing for disposal	t	0	0	0
Incineration with energy recovery	t	0	44.23	44.23
Incineration without energy recovery	t	0	0	0
Transfer to landfill	t	0	0	0
Other disposal operations	t	0	0	0
Total	t	0	44.23	44.23
NON-HAZARDOUS WASTE				
Preparing for disposal	t	0	0	0
Incineration with energy recovery	t	0	64.90	64.90
Incineration without energy recovery	t	0	0	0
Transfer to landfill	t	0	0	0
Other disposal operations	t	0	0	0
Total	t	0	64.90	64.90



GROWTH, WELL-BEING AND INCLUSION __ 3

OUR COMMITMENT TO PEOPLE



People are the beating heart of KIKO, and it is around them that the company has built, over time, a growth model based on mutual trust, the sharing of common values, and active participation in organizational life. KIKO fully recognizes the strategic value of its human capital, viewing it not merely as a resource but as a key stakeholder capable of contributing directly and meaningfully to business development.

This vision found one of its most concrete expressions in the important cultural transformation journey launched in 2022 through the **Cultural Survey Assessment (CSA)**, which gathered input from **over 5,000 voices and personal stories**. From this listening process, the company developed its value system known as “Beliefs”, which today serves as a cornerstone of KIKO’s identity. It is a symbolic, accessible, and cross-functional language that connects individuals across different roles, cultures, and backgrounds — strengthening a sense of belonging and shared identity.

KIKO’s commitment to its people is also reflected in concrete **policies focused on protecting rights, promoting well-being, and fostering inclusion**. The company ensures fair, safe, and respectful working conditions, cultivates inclusive environments, and embraces diversity as a driver of innovation and cohesion. A culture of listening, engagement, and continuous development supports each stage of the professional journey — from recruitment and onboarding, to training, growth, and active participation through dialogue and collective initiatives.

This chapter outlines the policies, achievements, and tools through which KIKO builds an authentic and enduring relationship with its corporate community — recognizing people as the true protagonists of its sustainability strategy and long-term organizational vision.

FOCUS ON THE PEOPLE

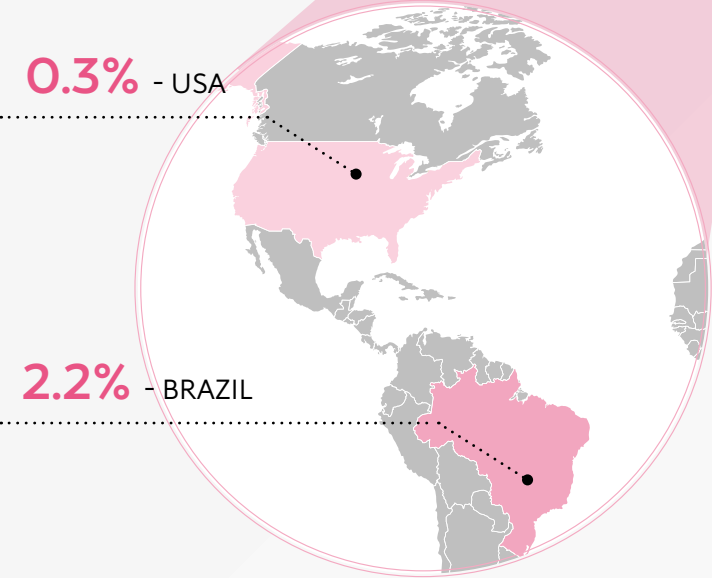
HUMAN RESOURCES MANAGEMENT

8,287

employees

82%

permanent contracts



4.9% - UK

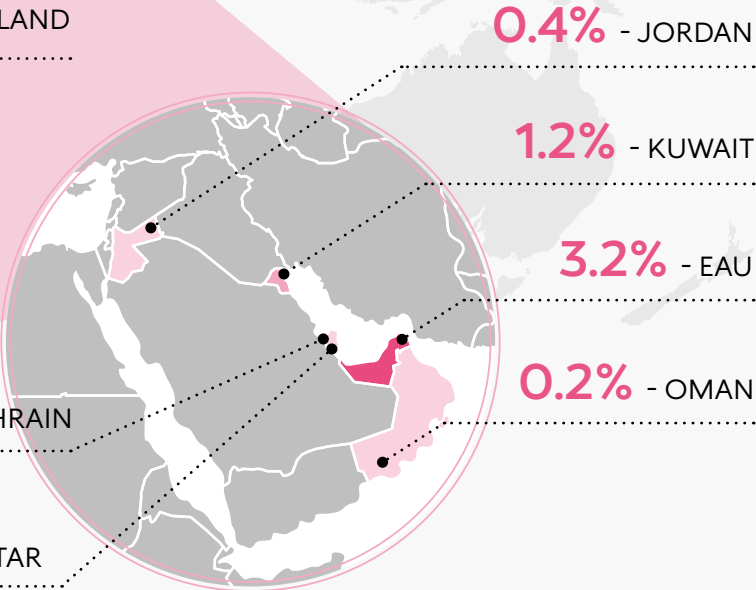
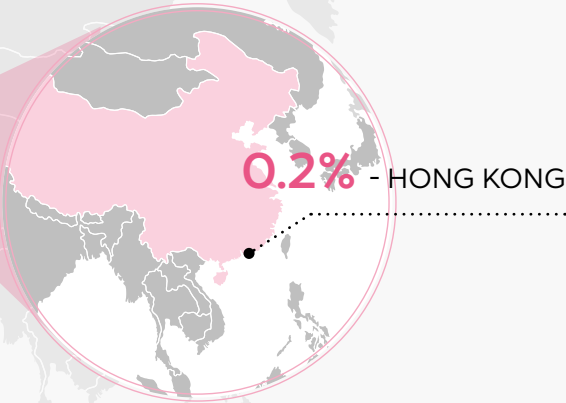
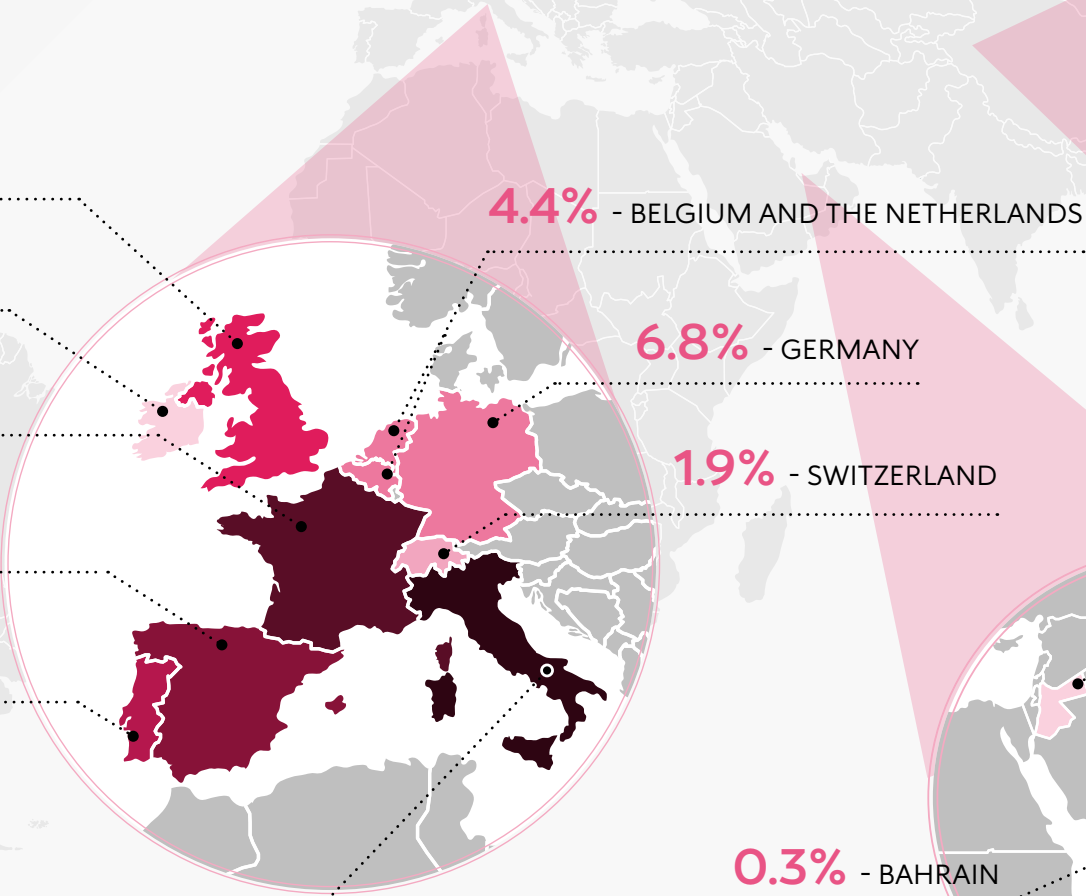
0.4% - IRELAND

20.7% - FRANCE

14.4% - SPAIN

5.2% - PORTUGAL

32.9% - ITALY



In 2024, KIKO expanded its workforce to a total of **8,287 employees**, a **14% increase** compared to 2023. This growth affected both the retail and head office workforce and is attributable to the strengthening of the company structure necessary to support business expansion and development projects..

In the same year, the percentage of **employees hired on permanent contracts stood at 82%**.

This figure highlights KIKO's commitment to fostering corporate growth accompanied by progressive employment stabilization and the valorization of human capital, through long-term contracts and sustainable professional development paths.

C

ELEBRATING DIVERSITY AND PROMOTING INCLUSION

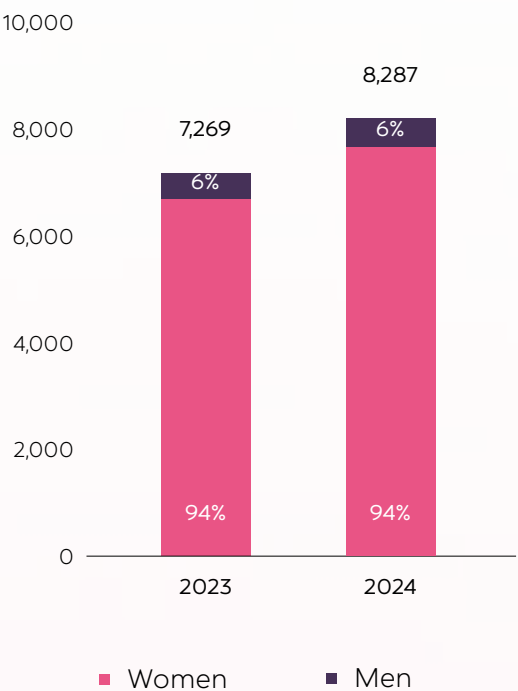
3.2

D&I POLICY AND PRACTICES

Over the years, KIKO has implemented a number of **policies and best practices** aimed at formalizing a standardized approach to **diversity and inclusion**.

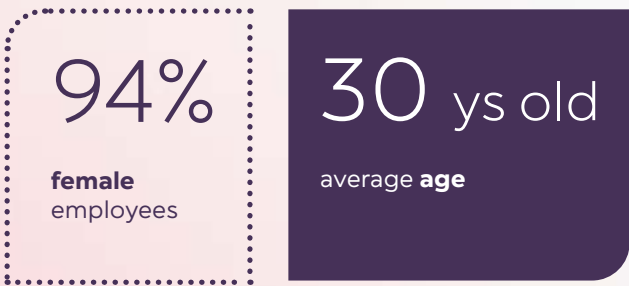
- With the goal of formalizing its commitment to fight all forms of discrimination, KIKO has developed the **Policy on Respect, Dignity, and Fair Treatment**. This document, together with the Code of Ethics, outlines the company's guidelines on the protection of equality, meritocracy, and transparency, and must be shared with and upheld by the entire global KIKO workforce.
- During the recruitment process for new hires, KIKO follows a procedure that ensures that skills, experience, and merit are the fundamental criteria throughout every stage of an employee's career path.

EMPLOYEES BY GENDER



KIKO is actively committed to creating a **fair, respectful, and inclusive work environment**, fully respecting the rights of every individual, regardless of ethnicity, culture, gender, age, creed, sexual orientation, nationality, or religion.

These values are reflected in the company's workforce, where **women make up 94% of the total workforce**, confirming KIKO's commitment to promoting equity and female representation. With an **average age of approximately 30**, the company also stands out for its ability to nurture younger talent, facilitating their entry into the workforce and offering concrete opportunities for professional growth.



KIKO also provides its employees with specific tools to report non-compliant behavior, which can be communicated through internal channels, help desks, and dedicated telephone lines.

Complaints, where they arise, are treated with the utmost confidentiality, and each case is analyzed to identify root causes and corrective measures, including disciplinary action or updated procedures.

A total of 14 reports were received through the **whistleblowing channel** in 2024.

At the same time, KIKO is committed to promoting **diversity and inclusion** awareness among its employees at every level of the company. For this reason, the **"Inclusive Mindset" training program**, aimed at strengthening awareness of these D&I issues and fostering a fully inclusive corporate culture, will continue in 2024.

To ensure compliance with the principles of diversity and inclusion well beyond the company's boundaries, KIKO has implemented a structured system for the protection of human rights throughout its value chain, through its **Code of Ethics and Code of Conduct**. These documents, aligned with ILO conventions and the UN Guiding Principles, prohibit practices such as forced or child labor.

T RAINING AND INDIVIDUAL PERFORMANCE MANAGEMENT

3.3

KIKO CONSIDERS THE **PROFESSIONAL GROWTH OF ITS PEOPLE** TO BE A STRATEGIC ELEMENT FOR INDIVIDUAL EMPLOYEE SATISFACTION AND THE ACHIEVEMENT OF COLLECTIVE GOALS. WITH THIS IN MIND, FROM THE MOMENT THEY JOIN THE COMPANY, EACH EMPLOYEE IS OFFERED A **CUSTOMIZED DEVELOPMENT PATH**, TAILORED TO THEIR ROLE, LEVEL OF SENIORITY, AND THE MARKET CONTEXT.

This approach is based on three fundamental pillars:

- **Accompanying and supporting every stage of the professional journey**, promoting an engaging work experience consistent with a continuous and person-centered growth project;
- **Investing in corporate culture and skills development**, so that each employee can actively and consciously contribute to achieving organizational challenges;
- **Building personalized paths to enhance potential**, in line with individual and strategic objectives, to promote sustainable, solid and long-lasting professional development.

In 2024, **KIKO continued to invest decisively in Learning & Development**, offering all employees, from the Retail teams to the Global Headquarters, all the way to the Head Offices in the various markets covered, high-quality training courses, customized based on role, position, specific training needs of the functions and market contexts.

Training is offered through a variety of synchronous and asynchronous teaching methods, including classroom sessions, webinars, and e-learning content, to ensure flexibility and inclusiveness. All development initiatives are consistent with the **Performance Management process** and aim to support professional growth in terms of technical knowledge, business skills, soft skills, and managerial abilities.

Each training project begins with a global vision and is supported through full implementation across all areas and markets, ensuring equal access to training throughout the organization. To make learning continuous and accessible, KIKO offers all employees the **BeKIKO LEARNING HUB platform**, the digital heart of the company's training strategy, which is enriched annually with new content and learning opportunities.



LEARNING & DEVELOPMENT PROJECTS

Below are some examples of the main **Learning and Development (L&D)** actions launched in 2024:

- **Launch of the LEAD program:** a permanent managerial training program involving all people managers across the organization, at every level and in every market. It represents an opportunity to build managerial competence and to define, together with participants, what it means to be a manager at KIKO. The program dedicated significant focus to the “Leading Self” modules (emotional management, development of self-efficacy and self-confidence) and to Sustainable Leadership, meaning the ability to lead teams toward increasingly successful future performance while caring for well-being and creating an environment conducive to potential development. Thanks to LEAD, a shared management culture was established, which will continue with new offerings planned for the coming years (LEAD Next and LEAD Beyond).
- **The first Mentoring Program** was launched, involving 24 talents from the organization, in the roles of Mentors and Mentees, who dedicated time to one another to invest in personal and professional development. Mentors have completed a training program and are now guiding their mentees on a journey to develop their full potential.
- **Work also continued on the development of specific skills for certain Retail roles, including the Trainer**, through a training intervention on training techniques, feedback management, and the management of various stakeholders. An opportunity that brought together Trainers from all countries and contributed to the creation of a global network, facilitating the sharing of knowledge, experiences, and skills.

PERFORMANCE MANAGEMENT PROCESS

The performance management system allows the company to enhance each employee's potential and to create a direct link between individual growth and the company's strategic trajectory.

This approach is structured around three key moments throughout the year:



1 DEFINITION OF INDIVIDUAL OBJECTIVES

Employees define specific targets together with their managers. These objectives are formulated according to SMART criteria and are tailored based on the role, personal aspirations, and the organization's strategic goals.



MID-YEAR REVIEW

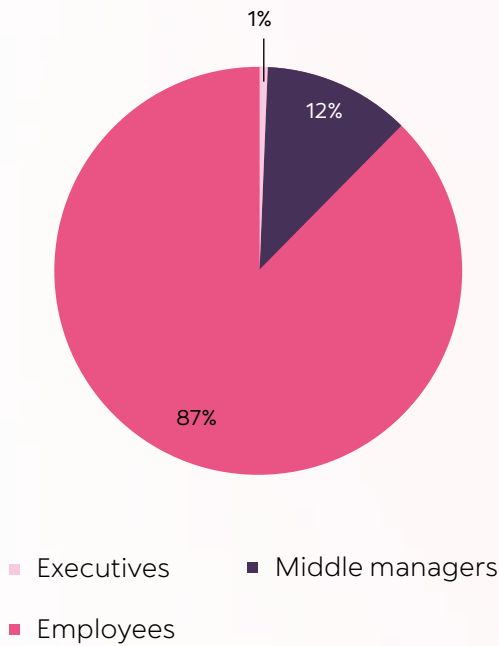
Midway through the year, progress toward the established objectives is assessed. If needed, performance standards can be redefined.



END OF YEAR CONVERSATION

The process concludes with a moment of mutual feedback, aimed at evaluating overall performance and sharing areas for improvement and new development perspectives

TRAINING HOURS
BY FUNCTION



The attention KIKO dedicates to the development of individual skills is confirmed by the data shown in the following chart, which illustrates the **breakdown of training hours** by employee category.

The majority of the hours were allocated to the **employee category**, which includes all personnel working in the stores. In this area, training is strongly focused on the acquisition of specialized technical skills, closely linked to the operational dynamics of the retail channel and the specific characteristics of the company's business.

Through a robust internal Performance Management process, **KIKO promotes a culture of continuous feedback** and development that aims to support employees throughout their professional career.

To further strengthen the alignment between personal goals and the company's vision, KIKO promotes **regular strategic sharing moments**. Among these, HQ Connect, a monthly event led by the CEO and the Leadership Team, offers an opportunity to update headquarter employees on the results achieved and future priorities.

On a yearly basis, the **Strategic Deployment Meeting (SDM)** involves Senior Leaders and key global stakeholders, with the objective of sharing the main projects currently in the planning phase.

Equally important are the **Culture Clubs**: international webinars that, through the participation of guest speakers from various fields, address **topics related to personal, cultural, and social growth**, often extending beyond strictly business-related themes. Through Culture Clubs, KIKO encourages employees to explore new perspectives, enrich their experience, and feel part of a global community united by shared values. This contributes to strengthening organizational well-being and consolidating a workplace culture that is open, self-aware, and people-oriented.

In 2024, KIKO also launched the **update process of its Leadership Profile**, a key tool for organizational development, designed to translate the company's values (*Beliefs*) into concrete and measurable behaviors. The tool defines how leadership should be expressed at every level and in every role across the organization, offering clear and consistent guidance to support employees in applying leadership principles in their daily work. Its full implementation, planned for 2025, will be supported by **global training programs** to ensure understanding, adoption, and practical application.

Leadership and growth promotion are also integral to KIKO's talent attraction and development strategy. A clear example is the initiative launched in the Middle East, where KIKO entered into a **partnership with the Ministry of Human Resources of the United Arab Emirates**, welcoming 10 young Emirati women through the **WEPP program**. The participants took part in an **immersive 500-hour training journey**, which included in-store practical experience, mentoring, and coaching activities, all within a framework strongly focused on empowering emerging talent and promoting inclusion.

WELL-BEING AND SAFETY AT WORK

3.4

In KIKO's people development journey, **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.

Among the main actions undertaken:

- **A flexible smart working policy** for office-based employees.
- **Access to a corporate welfare package**, which offers dedicated discounts for the purchase of various goods and services, as well as special benefits.
- **Availability of a supplementary healthcare fund, tailored to each country**, designed to facilitate access to medical check-ups and screenings under favorable conditions and with reduced waiting times.

Well-being is further emphasized through **BOOST, the international training program** launched in 2019, which explores the four dimensions of individual well-being—physical, emotional, mental, and motivational—through dedicated content. The program provides participants with concrete tools to proactively manage change and to give a real boost to their personal well-being.

In line with its core values, KIKO recognizes the psycho-physical well-being of its people as an absolute priority. To establish a shared framework and promote a common culture of prevention, the company has adopted the global policy "Respecting People: Health and Safety at Work". This document defines the key principles, rights, and responsibilities in matters of health and safety, serving as the foundation for the implementation of specific measures across different operational contexts.

Given the diversity of regulatory environments in the countries where the Group operates, the policy is designed as a central guideline to be locally integrated with additional procedures in compliance with national laws and applicable regulations. Each country is responsible for adapting and internally communicating the provisions to ensure that all employees are fully aware of the rules to be followed.

KIKO's approach to health and safety is based on two complementary principles: first, the adoption of operational and procedural measures compliant with local regulations; second, the active promotion of a culture of safety in which each person is called to feel involved and responsible, contributing daily to safeguarding their own safety and that of others.

ITALIAN LEGISLATIVE DECREE NO. 81/08 AND SAFETY EQUIPMENT IN ITALY

As established by Italian Legislative Decree No. 81/08, KIKO has drawn up a **Risk Assessment Document (DVR)** in which the dangers and risks associated with work activities are documented, including those affecting employees of external companies, customers and visitors. The document was drawn up by the Employer and the Prevention and Protection Service Manager (RSPP), with the collaboration of the Company Doctor and Workers' Representatives (RLS).

The company has also prepared an **"Occupational Health and Safety Organizational Chart"** to identify the figures responsible for supervising and managing health and safety. In the absence of substantial changes that require a review of the risks and measures associated with them, the risk assessment is updated annually.



INTERNATIONAL BEST PRACTICES FOR EMPLOYEE WELL-BEING

Regarding welfare, each KIKO Group company can choose to implement **customized packages and initiatives** tailored to the specific social needs of employees in the various regions of the world.

Below are some international **best practices** that have been implemented:

ITALY

- **Flexible smart working**, with an extended option for new parents, who can request additional remote working days.
- **Collaboration with Fondazione Umberto Veronesi** to promote dermatological health: creation of the Suncare collection and training sessions focused on skin care and prevention.

GERMANY

- **Provision of shopping vouchers** for significant events such as birthdays, anniversaries, or weddings.

UNITED KINGDOM

- Possibility to request extra **remote working days during the summer period**.
- **Access to the YuLife app**, dedicated to wellness and safety, which includes: 6 hours of physical and mental wellness programs, and 6 hours of psychological support for emotional and mental well-being.

SPAIN AND PORTUGAL

- Access to **tax-advantaged benefits** such as nursery, transport, and education vouchers, with a tax advantage of up to 30% of gross annual salary.
- Integration of **additional healthcare measures** beyond the contractual provisions of the supplementary health fund.
- In warehouses, **comfort areas for breaks and meals** have been created through dedicated renovations, equipped with tables, chairs, microwaves, and refrigerators.

FRANCE AND BENELUX

- In partnership with **Zenride**, financial contributions for the purchase of bicycles or sustainable means of transportation.
- Weekly availability of **fresh fruit in offices** to promote healthy eating and lifestyles.

HEALTH AND SAFETY INITIATIVES AND RESULTS

KIKO promotes a **safety culture** that goes beyond regulatory requirements, focusing on targeted training, prevention, and active employee engagement.

TARGETED AND SPECIALIZED TRAINING

- In addition to mandatory training, **50 extra training hours were delivered in Spain** to 6 Area Managers and 4 union representatives.
- **In Italy, internal courses were launched in 2024 on:** safe driving for traveling personnel; and assault management for store staff. In Italy, internal training courses launched in 2024 covered: safe driving for mobile personnel and aggression management for store staff.
- **In France**, training also included **managing potential terrorist attacks**.

By 2025, the goal is to **create an internal training catalog customized to operational needs**, while maintaining high quality standards.

OPERATIONAL TOOLS AND MONITORING

- **In the UK, a retail safety operations manual** has been developed in collaboration with Haviio.
- **In Italy, a monthly HSE Review session** with top management was introduced to analyze critical issues and plan improvement actions.
- **The Zucchetti Safety tool** was also implemented to monitor HSE training compliance and efficiently manage store-level training activities.

ACTIVE EMPLOYEE ENGAGEMENT

- **Launch of HSE contests among stores** to encourage the adoption of best practices.
- **Distribution of newsletters featuring awards and recognition for best practices** from retail locations, shared across the entire network.

With the goal of preventing and minimizing the risk of workplace injuries and occupational illnesses, KIKO provides its employees with **structured occupational health services**, tailored to the specific operational context.

For office staff, periodic medical surveillance is conducted by a certified occupational physician. Store employees may request a medical check-up at any time, accessing a flexible and personalized service.

Store Managers are responsible for managing safety in retail locations. They ensure compliance with current regulations and report on any areas needing improvement, **supported by the Area Managers**. Overall, company assessments indicate a very low risk of accidents or occupational diseases, which is consistent with the characteristics of the retail sector.

In the event of incidents, the HSE and HR departments initiate a structured process to analyze root causes and define corrective actions, aiming to prevent recurrence. In 2024, an **HSE Review process** was introduced involving Country and Retail Directors, establishing a permanent coordination channel.

To ensure compliance with health and safety regulations, stores undergo **regular audits, both internally (by HSE and Area Managers) and externally by consultants**. Safety is also a fundamental criterion in third-party relations. Every new supplier, maintenance provider, or contractor must sign the **Consolidated Interference Risk Assessment Report to be signed (DUVRI)**, which is intended to identify potential hazards resulting from the interaction between company operations and external parties, and to define the necessary coordination measures.

Employees are actively encouraged to report risk situations. Reporting methods vary depending on the context: in stores, employees can report to their Store and Area Managers, while headquarters staff can contact the internal health and safety representative directly.

To foster a culture of prevention, KIKO has implemented a **comprehensive training and awareness strategy**, including both mandatory and optional programs. In Italy, every employee receives general and role-specific training via e-learning at the time of hiring, with updates every five years, in compliance with current legislation. Among the training initiatives, two new courses were launched in 2024: one on safe driving and another on managing conflict situations in stores.

T

HE IMPACT ON THE COMMUNITY

3.5

IN KIKO'S STRATEGIC VISION, BEAUTY GOES BEYOND AESTHETICS TO BECOME A DRIVER OF **SOCIAL JUSTICE, EQUITY, AND INCLUSION**. FROM ITS VERY FOUNDATION, THE COMPANY HAS BEEN COMMITTED TO GENERATING A POSITIVE SOCIAL IMPACT WITHIN THE CULTURAL CONTEXTS IN WHICH IT OPERATES.

Over time, KIKO has established numerous **collaborations with both local and international Non-Profit Organizations (NPOs)**, giving life to projects that reflect the company's core values. The promotion of women's well-being and the fight against all forms of discrimination are the key principles guiding the company's **Corporate Social Responsibility (CSR) strategy**. In line with this philosophy, KIKO actively supports initiatives specifically aimed at women, with the goal of accompanying them on paths of empowerment and self-determination, contributing to the achievement of universal goals such as freedom of expression and the enhancement of personal identity.

The partnership selection process is overseen by the **ESG team**, which identifies organizations most aligned with the company's mission and submits their involvement for approval, first to the Chief Executive Officer, and then to the Board of Directors.

Ai.Bi. - AMICI DEI BAMBINI ASSOCIATION

Among the most significant community support initiatives is the multi-year partnership between KIKO and the **Ai.Bi. – Amici dei Bambini Association**. In 2024, for the third consecutive year, KIKO confirms its commitment to the **"Il trucco che fa bene" (Make-up that is good for you) project**: a program dedicated to the holistic well-being of women hosted in the organization's shelters. Through an integrated approach, the initiative offers beneficiaries **makeup webinars, training sessions** with human resources professionals aimed at promoting job placement, and **personalized psychological support**. This collaboration reflects KIKO's commitment to promoting female empowerment and generating a positive and tangible impact in the local communities where it operates.

WITH AI.BI. SUPPORTING WOMEN

Below are the main results achieved through the multi-year partnership between KIKO and Ai.Bi. as part of the **project "Il trucco che fa bene" (Make-up that is good for you)**:

PROMOTING PERSONAL WELL-BEING

Five make-up webinars were organized, involving **48 mothers hosted** in reception facilities in Milan and Bolzano, offering moments of self-care and self-esteem enhancement.

CAREER GUIDANCE

The project included two training webinars focused on CV writing and job interview preparation, with the active participation of **five women**. In addition, five one-to-one coaching sessions were held to provide personalized support for entering or re-entering the workforce.

PSYCHOLOGICAL SUPPORT

Eight individual psychological support programs were activated for mothers hosted in Ai.Bi. facilities, along with one peer support group led by a clinical psychologist at one of the reception centers.

GENDER-BASED VIOLENCE PREVENTION

Two "Ben-Essere Donna" (Women's Well-Being) help desks were launched in partnership with the Municipalities of Buccinasco and Milan, serving the local communities. Through these services, **24 women received psychological support and guidance**.

AWARENESS CAMPAIGNS

KIKO promoted **three annual awareness campaigns** against violence toward women under the title "Dona un Sorriso" ("Give a Smile") in 2022, 2023, and 2024, helping to spread a message of awareness and social commitment.



LA FORZA E IL SORRISO

As part of its commitment to women's physical and mental well-being, KIKO supports **"La Forza e il Sorriso"**, an initiative sponsored by Cosmetica Italia that offers **free beauty workshops to women undergoing cancer treatment**. Through the donation of cosmetic products and operational support for the initiative, KIKO helps restore confidence, self-esteem, and serenity to those facing particularly vulnerable moments, confirming its commitment to generating positive social impact.



FONDAZIONE UMBERTO VERONESI

In 2024, KIKO reinforced its commitment to skin health and prevention through a collaboration with **Fondazione Umberto Veronesi**, launched in conjunction with the release of the Suncare collection. For each product sold from the line, €0.50 was allocated to **fund two research grants for young scientists** working on melanoma research, with a guaranteed total contribution of €80,000. The initiative also included both external and internal awareness-raising activities, such as informational webinars and educational materials, with the aim of promoting a culture of prevention and encouraging responsible behaviors regarding sun exposure.



BANCO ALIMENTARE

Starting in 2024, the company launched a valuable partnership with **Banco Alimentare**, an organization dedicated to the **collection and distribution of surplus food to support individuals in vulnerable situations**. The partnership develops through the involvement of employees, who are offered the opportunity to dedicate half a working day to volunteer activities in support of the organization's distribution network.



FONDAZIONE EBRI

In 2024, to mark World Alzheimer's Day, the company launched a campaign in collaboration with **Fondazione EBRI – European Brain Research Institute**, founded by Nobel Laureate Rita Levi Montalcini. For every mascara purchased during a dedicated period, KIKO donated €1 to support **Alzheimer's research**, with a maximum contribution of €25,000.

WITH THE GOAL OF **GENERATING POSITIVE GLOBAL IMPACT**, KIKO HAS ACTIVATED A NETWORK OF **SOLIDARITY-BASED PARTNERSHIPS** THAT EXTEND BEYOND ITALY, SUPPORTING VULNERABLE INDIVIDUALS AND COMMUNITIES ACROSS SEVERAL COUNTRIES..

In **France**, KIKO partnered with **EachOne**, an organization that promotes the professional inclusion of refugees and individuals from disadvantaged backgrounds. Through targeted training programs, participants are prepared to take roles within KIKO stores, gaining access to stable employment opportunities.

This initiative contributes to promoting employment and fostering an increasingly inclusive and diverse work environment. In addition, KIKO collaborates with **Solidarité Femmes**, supporting women victims of domestic violence and **Agefiph**, which facilitates the employment of people with disabilities.

In **Spain**, the company collaborates **Fundación Ana Bella**, committed to combating gender-based violence and supporting the social and professional reintegration of women survivors.

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

In addition, in 2024 KIKO made a special donation of €25,000 to the **Palestinian Red Crescent**, aimed at supplying medicines and food aid to populations affected by the humanitarian crisis in Gaza. This initiative was carried out in collaboration with the **Jordan Hashemite Charity Organization (JHCO)**.

These partnerships are part of a long-term vision, built on strong relationships and a genuine commitment to creating social value.



CORPORATE GOVERNANCE — 4

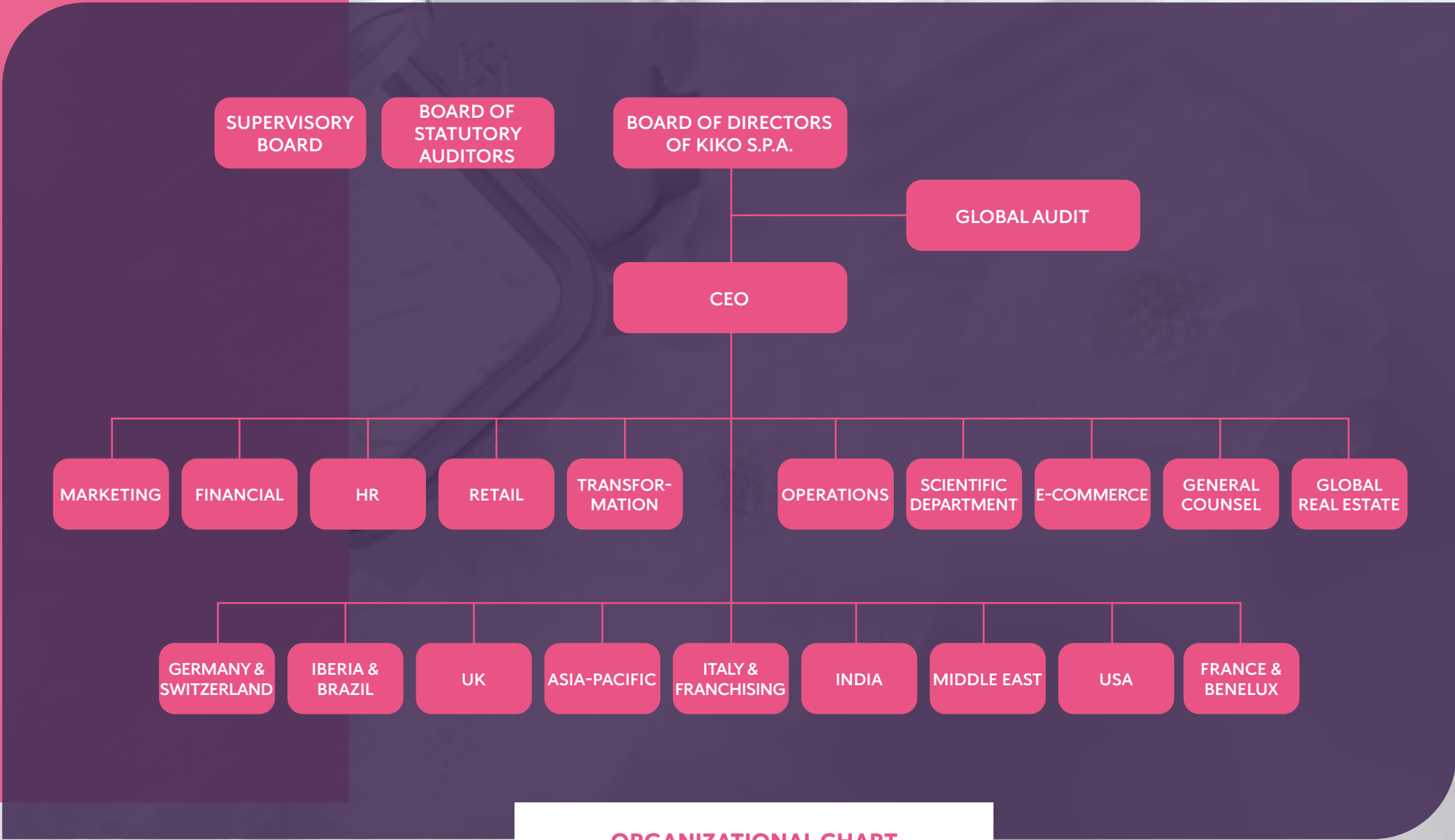
AND ECONOMIC PERFORMANCE

KIKO's **governance** is based on a **rigorous and transparent control system**, which ensures compliance with the highest ethical standards and enhances the central role of the administrative bodies.

Every strategic and operational decision is subject to constant supervision and effective risk management, protecting the interests of both shareholders and investors and ensuring the trust of all stakeholders.

KIKO is committed to promoting responsibility and accountability at all levels of the organization. The values contained in the **Code of Ethics** and company policies guide employee behavior and decisions, fostering cohesion and alignment with shared goals.

This inclusive and transparent approach helps consolidate a corporate culture driven by integrity and focused on performance.



ORGANIZATIONAL CHART

S

STRUCTURE AND FUNCTIONS

OF THE GOVERNING BODIES

4.1

The **Board of Directors** of KIKO, composed of nine members, plays a central role in defining the company's strategy. It is responsible for approving and implementing projects, policies, and procedures — including those related to ESG matters — as well as overseeing leadership and approving the Sustainability Report. On December 18, 2024, the Board approved the establishment of the Risk & Control Committee, which includes three Board members: Arabella Caporello, Elia Besana, and Mario Volpi, along with Francisco Bracho as Secretary.

The **Board of Statutory Auditors** is responsible for overseeing the actions of the Board of Directors, ensuring that the Company is managed in compliance with the law and the bylaws. It is composed of five members with extensive experience in corporate governance. The Board of Statutory Auditors ensures compliance with the standards of corporate governance set out in the codes of conduct and oversees the efficiency of the internal control and risk-management system.

IN 2024, FOLLOWING THE SALE OF THE KIKO GROUP TO **DUOMO BIDCO S.P.A.**, A COMPANY CONTROLLED BY THE PRIVATE EQUITY FUND L CATTERTON, A NEW BOARD OF DIRECTORS AND A NEW BOARD OF STATUTORY AUDITORS WERE APPOINTED. THEY WILL REMAIN IN OFFICE UNTIL DECEMBER 31, 2026.

BOARD OF DIRECTORS OF KIKO S.P.A.

NAME AND SURNAME	GENDER	AGE	APPOINTED	POSITION
ANTONIO PERCASSI	M	71	01/08/2024	CHAIR
SIMONE DOMINICI	M	54	01/08/2024	MANAGING DIRECTOR
ARABELLA CAPORELLO	F	52	01/08/2024	DIRECTOR
AVIK PRAMANIK	M	41	01/08/2024	DIRECTOR
ELIA BESANA	M	35	01/08/2024	DIRECTOR
JOHN D. DEMSEY	M	69	01/08/2024	DIRECTOR
MARIO VOLPI	M	65	01/08/2024	DIRECTOR
NIKHIL KUMAR THUKRAL	M	54	01/08/2024	DIRECTOR
STEFANO PERCASSI	M	49	01/08/2024	DIRECTOR

BOARD OF STATUTORY AUDITORS OF KIKO S.P.A.

NAME AND SURNAME	GENDER	AGE	APPOINTED	POSITION
MARIA FRANCESCA TALAMONTI	F	47	01/08/2024	CHAIR
GUIDO RICCARDI	M	70	01/08/2024	STANDING AUDITOR
MARA VANZETTA	F	58	01/08/2024	STANDING AUDITOR
GIOVANNI TEDESCHI	M	71	01/08/2024	ALTERNATE AUDITOR
PIERO ALBANI	M	49	01/08/2024	ALTERNATE AUDITOR



LEADERSHIP TEAM

KIKO's Leadership Team, composed of the Directors of the various Functions and led by the CEO, is responsible for the Company's strategic direction and the achievement of its success and sustainability objectives. The CEO defines, implements, and monitors the organizational plan, integrating the ESG strategy and maintaining effective dialogue with all stakeholders.

The Team's **mission** is to innovate, design, and manufacture responsible, high-quality beauty products, inspiring each person to express their individuality.

Its **strategic priorities** include brand enhancement, achieving commercial objectives, improving profitability, and omnichannel development.

THE GLOBAL AUDIT FUNCTION

The **Global Audit function**, under the supervision of the **Risk and Control Committee** and the **Board of Directors**, is responsible for internal audit, internal control, and risk management. It operates independently and objectively, with the mission of supporting management through a structured analysis of company processes, including those related to governance, risk management, and compliance with the Italian Legislative Decree 231/2001.

Through targeted audits, the function prepares reports that highlight any critical issues and monitors their resolution, verifying the implementation of recommendations. Global Audit ensures the reliability of financial and operational information, process efficiency, compliance with internal regulations, and the protection of company resources.

Furthermore, the **Head of Global Audit**, or a member of the function designated by them, is responsible for: ensuring the organization and maintenance of the reporting channel (whistleblowing channel), conducting investigations related to the reports received, communicating the outcomes of the investigations to all corporate bodies, including the Board of Directors, the Board of Statutory Auditors, and the Supervisory Board.

For KIKO, engagement and a sense of belonging stem from sharing and aligning with corporate decisions. The Board of Directors, with the support of the Leadership Team, ensures the involvement of key stakeholders in business processes, integrating ESG criteria into KIKO's strategies and operations. Dialogue with stakeholders — defined as all those who influence or are influenced by the Group's activities — is considered essential to achieving corporate objectives.

In this context, the Sustainability Report, as a strategic document, is approved by the Board of Directors and shared with the relevant stakeholders. On an annual basis, KIKO also organizes the **Strategic Deployment Meeting (SDM)**, which brings together Senior Leaders and key global stakeholders to share strategic priorities, commercial launches, and key projects.

Any critical issues related to negative impacts on stakeholders, if linked to offenses governed by the Organization, Management and Control Model pursuant to Italian Legislative Decree 231/2001 are reported by the Supervisory Board to the Board of Directors. These reports inform strategic decisions, opportunity management, the review of company policies, and the long-term sustainability of choices.

To ensure the integration of ESG criteria into the business strategy, the Board of Directors adopts the following measures:

- **ESG Risk Assessment:** analyzes ESG-related risks and opportunities from a strategic planning perspective;
- **Oversight of Corporate Policies:** ensures alignment of policies and procedures, including ESG ones, with regulations and best practices;
- **Monitoring and Reporting:** tracks and communicates ESG risks through Enterprise Risk Management reports and results via the Sustainability Report.

Effectiveness and transparency in decision-making, along with oversight of business activities and strategic projects, as well as the values set out in the Code of Ethics, form the foundation of KIKO's governance.

THE PILLARS OF CORPORATE RESPONSIBILITY

4.2

KIKO'S COMMITMENT TO ETHICAL BUSINESS IS FOUNDED ON **SOLID, SHARED VALUES** THAT GUIDE EVERY DECISION AND BEHAVIOR WITHIN THE ORGANIZATION.

Transparency, honesty, integrity, and social and environmental responsibility are the guiding principles that inspire corporate activities at every level, promoting trust, consistency, and respect in all internal and external relationships. These values underpin the corporate culture and translate into informed and responsible business management, attentive to both regulatory compliance and the well-being of people and the environment.

To give concrete form to these principles, KIKO has developed a structured set of tools aimed at ensuring the integrity of behavior and the dissemination of a culture of legality and transparency in all operational contexts.

231 MODEL

In compliance with the requirements of Italian Legislative Decree no 231/2001, KIKO has adopted, since 2016, an **Organization, Management and Control Model**, which was updated in 2022 to enhance its effectiveness and regulatory compliance. The Model serves as a preventive tool designed to reduce the risk of unlawful conduct by employees, managers, or third parties—such as consultants, suppliers, and business partners—through a structured system of rules, procedures, and controls over sensitive business processes. To oversee the Model's implementation, KIKO has established a **Supervisory Board (SB)** with control and monitoring functions, as well as receiving reports from stakeholders. The SB is composed of an external Chair, an expert in criminal law, and the Head of Global Audit, an internal function.

To ensure widespread dissemination of the Model's principles and raise awareness of expected behaviors within the company, all Italian employees have been involved in a mandatory training program since 2019. The course on "Legislative Decree 231" has been available since 2021, and the most recent version was published in January 2024. The course is mandatory for all Head Officers and Area Managers operating in Italy, while Beauty Advisors (BAs) are provided with an informational brochure.

CODE OF ETHICS AND CODE OF CONDUCT

Since 2016, KIKO has adopted a **Code of Ethics that sets out the core values and principles** guiding the behavior of all individuals working for or collaborating with the Company. The most recent revision of the document dates back to March 2020. Translated into all the Group's languages, the Code is accessible to employees via the corporate intranet and to external stakeholders through the website [kikocosmetics.com](#). The Code promotes respect, professionalism, and a stimulating work environment, and its knowledge is mandatory for all Group personnel. Every employee is committed to acting in accordance with the ethical principles it contains.

In March 2023, a **mandatory training program** on the Code of Ethics was launched via the BeKIKO LH eLearning platform. The course, intended for all company personnel — from headquarters to retail stores — includes a final test, the completion of which is monitored by the Global Audit function, with regular updates provided to local HR departments and the Supervisory Board (SB).

In 2024, KIKO decided to adopt a **Code of Conduct for Business Partners**, outlining the ethical principles and behavioral standards that must govern commercial relationships between KIKO and its Partners. This Code will be discussed in detail in the section dedicated to the company's value chain. Finally, since 2021, KIKO has introduced an ethics clause in all new contracts and in its Terms and Conditions (T&C), to ensure that all business partners comply with the Company's principles of integrity and transparency. In 2024, with the introduction of the Code of Conduct, the clause was updated. Specifically, the Global Audit function is responsible for conducting due diligence and ensuring compliance with ethical standards before the start of any new partnership.

THE PRINCIPLES OF CONDUCT FOR KIKO

KIKO draws inspiration from a series of **principles of general conduct** that must be respected by all those who govern, control, manage and collaborate with the Group.

1. INTEGRITY

KIKO's activities are managed in a professional and responsible manner in order to avoid potential conflicts of interest, ensuring behavior characterized by honesty, morality and correctness.

2. TRANSPARENCY

In relations both within and outside the Group, KIKO is committed to providing clear, complete, prompt and truthful information.

3. IMPARTIALITY

The decisions and behavior of KIKO respect the personal characteristics of individuals, encouraging and rewarding integrity and responsibility, and rejecting all forms of discrimination based on age, health, gender, sexual orientation, religion, race, political and cultural opinion, as well as personal or social standing.

4. PRUDENCE

KIKO's activities are managed with full awareness of risks, to ensure that they are properly handled.

5. HONESTY AND CORRECTNESS

Honesty is one of KIKO's founding principles. All actions and operations must be inspired by correctness, transparency, traceability, documentability and segregation of functions, in compliance with current regulations and internal procedures.

6. COMPLIANCE WITH TRADE REGULATIONS

KIKO ensures respect for the principles of transparency, honesty, correctness and good faith, requiring everyone to avoid any behavior aimed at infringing trade regulations.

7. PRODUCT QUALITY

KIKO is committed to constantly improving the quality of its products, listening to customer requests and monitoring market demands in order to avoid the sale of counterfeit or nonconforming products.

8. RESPECT FOR COPYRIGHT REGULATIONS

KIKO protects intellectual property, including brands, patents, models, industrial secrets and copyright, forbidding all forms of illicit reproduction or commercialization of the work of others.

9. RESPONSIBILITY – RESPECT FOR THE LAW

KIKO considers compliance with current law, regulations and procedures to be essential. Every individual is required to be aware of the legal implications of their role, and work in a professional, diligent, efficient and correct manner.

10. RESPECT FOR OBLIGATIONS ASSUMED WITH KIKO

Employees are required to work towards the goals and in the interests of the Group, avoiding any activity or behavior that may compromise impartial judgement or create conflicts of interest.

11. CONFIDENTIALITY AND PROTECTION OF PRIVACY

KIKO collects and processes personal data and information respecting laws on confidentiality, protecting information concerning employees, collaborators and customers.

12. ENVIRONMENTAL PROTECTION

KIKO is committed to respect and protect the environment, promoting sustainable behavior and minimizing negative environmental impacts.

13. SAFEGUARDING DIGNITY

At KIKO, all people have the right to be treated with dignity and respect. The company guarantees a working environment inspired by the principles of protecting the dignity and the rights of individuals, and will not tolerate any form of discrimination, exploitation or harassment. KIKO is committed to collaborating with partners that share its ethical values.

GLOBAL POLICIES

To support the Code of Ethics, KIKO has developed a complex system of **24 Global Policies**, organized into five thematic areas:

- **7 policies** concerning the **fight against corruption**;
- **8 policies** concerning **external commitments**;
- **2 policies** concerning **respect for individuals**;
- **4 policies** concerning the **safeguarding of information**;
- **4 policies** concerning **other aspects**, such as Policies for Risk Management and the Smart Working Policy.

All policies have been approved by the Board of Directors, translated into local languages, and made available to all employees globally via the company intranet. To ensure their dissemination and effective implementation, the Global Audit function sends periodic reminders to support awareness and adherence to the policies.

Specifically in the area of **anti-corruption**, KIKO S.p.A. has adopted **7 policies**:

- 1. The fight against corruption: accuracy in relations, reporting and accounting** (last updated: November 2023)
- 2. The fight against corruption: Anti-corruption** (last updated: November 2023)
- 3. The fight against corruption: Anti-laundering** (last updated: November 2023)
- 4. The fight against corruption: gifts and hospitality** (last updated: November 2022)
- 5. The fight against corruption: protecting the physical and financial assets of KIKO and both intellectual property and advertising** (last updated: January 2019)
- 6. The fight against corruption: Operations with associated parties** (last updated: January 2019)
- 7. The fight against corruption: Conflict of interest** (last updated: September 2021)

MANAGEMENT OF CONFLICTS OF INTEREST

As part of its broader anti-corruption system, KIKO has adopted a **specific policy for managing conflicts of interest**.

Approved by the Board of Directors and available on the company intranet, the policy requires all employees to immediately disclose to their manager any personal, financial, or political situation that could generate a real, potential, or perceived conflict with their role.

It should be noted that, in line with the previous year, no incidents of corruption were detected in 2024.

WHISTLEBLOWING AND MANAGEMENT OF CONFLICTS OF INTEREST

KIKO is committed to operating with honesty, integrity, and the highest standards of transparency, fairness, and responsibility. This principle extends to all employees and third parties with whom the Company interacts, requiring **compliance with the Code of Ethics, Company Policies, and Procedures**.

To strengthen this commitment, an **official whistleblowing channel** has been active since 2019, allowing employees and stakeholders to promptly report suspected wrongdoing. The related procedure, updated in September 2023 and available on the company intranet, governs in detail how reports are handled, ensuring confidentiality and anonymity.

The Whistleblowing channel's goals include:

- encourage responsible reporting of potential violations;
- provide guidance on how to submit reports;
- ensure compliance with Directive (EU) 2019/1937 and local regulations regarding the protection of the whistleblower and the reported person.

Reports must be sent exclusively through official channels:

- **Via the website:** <https://kikomilano.whistlelink.com/>
- **Via e-mail:** whistleblowing@kikocosmetics.com

Any communications received through other channels must be immediately forwarded to the Global Audit function, in full compliance with confidentiality. This function is responsible for the operational management of the system: it receives and evaluates reports, conducts the necessary investigations, and reports the findings to the competent bodies, including the Board of Directors, the Board of Statutory Auditors, and the Supervisory Board (SB).

To raise awareness, periodic reminders are sent to all internal stakeholders regarding the existence and functioning of the reporting channel. Furthermore, all agreements with external partners include ethical guidelines and information on the channels available for reporting.

CORPORATE RISK MANAGEMENT 4.3

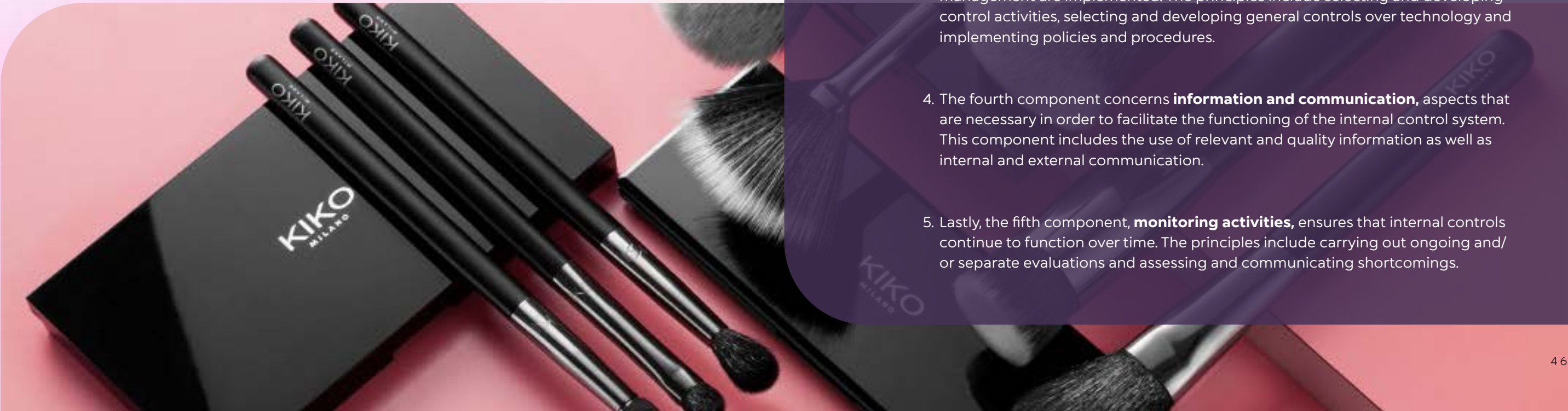
AS A GLOBAL COMPANY, KIKO IS EXPOSED TO EXTERNAL **RISK AND UNCERTAINTY** CAUSED BY FACTORS THAT ARE EITHER EXOGENOUS OR SPECIFIC TO THE SECTORS IN WHICH IT OPERATES, AS WELL AS RISKS RESULTING FROM STRATEGIC DECISIONS AND INTERNAL MANAGEMENT.

TO FACE THIS COMPLEX ISSUE, KIKO HAS IMPLEMENTED **A SERIES OF SYSTEMS AND CONTROL PROCEDURES** THAT HAVE RESULTED IN THE CREATION OF A MAP OF COMPANY RISKS, A GLOBAL RISK-MANAGEMENT POLICY AND A METHOD FOR IDENTIFYING, ASSESSING AND MONITORING THESE RISKS, REPORTING THE RESULTS TO THE GOVERNANCE BODY.

THE FOUNDATION OF RISK MANAGEMENT

The **Committee of Sponsoring Organizations (COSO)** of the Treadway Commission has developed a widely recognized framework for risk management and internal control, known as the **"COSO Framework"**. This framework is based on **five key components**, each of which contains a range of principles that provide guidelines for the implementation of an effective internal control system.

1. The first component is the **control environment**, which establishes the basis of a solid internal control system, influencing the awareness of control of an organization. The associated principles include demonstrating a commitment to integrity and ethical values, supervising the Board of Directors, establishing structures, authorities and responsibilities, demonstrating a commitment to competence and underscoring responsibility.
2. The second component, **risk assessment**, is the process of identifying and analyzing material risks to the achievement of company objectives. This includes specifying suitable objectives, identifying and analyzing risks, assessing the risk of fraud and identifying and analyzing significant changes.
3. **Control activities** represent the third component and are the actions taken through policies and procedures that help to ensure that the directives issued by management are implemented. The principles include selecting and developing control activities, selecting and developing general controls over technology and implementing policies and procedures.
4. The fourth component concerns **information and communication**, aspects that are necessary in order to facilitate the functioning of the internal control system. This component includes the use of relevant and quality information as well as internal and external communication.
5. Lastly, the fifth component, **monitoring activities**, ensures that internal controls continue to function over time. The principles include carrying out ongoing and/or separate evaluations and assessing and communicating shortcomings.



In line with the principles of COSO, KIKO recognizes the following as fundamental for risk management:

- I. Transparency:** Every single operation, transaction and action must be justified, demonstrable and reliable.
- II. Separation of departments and powers:** No-one should be able to autonomously manage an entire process or have unlimited power.
- III. Suitability of internal regulations:** Company regulations must be in line with the operations carried out and with the level of organizational complexity, in order to prevent the committing of offences as established by the Organization, Management and Control Model.
- IV. Traceability and documentation:** Every single operation, transaction and action, as well as correlated assessment and control activities, must be documented, and the documentation must be suitably traceable.

The regulatory framework taken into consideration and used is the 2017 update of the document published in 1992, entitled “COSO - Enterprise Risk Management - Integrating with Strategy and Performance”.

RISK MANAGEMENT

KIKO S.p.A.’s Risk Management Policy defines risk as the possibility that an event may occur which could compromise the achievement of corporate objectives. In 2022, the Company formalized its first **Risk Register**, which was updated in the first quarter of 2024. Since December 2024, KIKO has also digitalized its **Enterprise Risk Management (ERM)** process, allowing each risk owner and members of the Leadership Team to:

- View the updated list of corporate risks
- Access dashboards dedicated to monitoring Key Risk Indicators (KRIs)
- Propose new risks or updates at any time

The adoption of an ERM methodology enables KIKO to identify, assess, and monitor risks, sharing analyses with the Board of Directors and Top Management. This approach ensures a proactive management of risks and opportunities. The Enterprise Risk Assessment process involved all organizational units — from first-line to second-line management — offering an updated and cross-functional view of the various risk areas.

CORPORATE RISKS

Risk identification is based on the **Risk Register**, which classifies risks into four main categories:

1. EXTERNAL RISKS

Operating in a global context, the KIKO Group is exposed to **risks related to the general macroeconomic environment**, known as external risks. These include factors such as socio-political and economic instability in various countries, the availability of infrastructure, potential international sanctions and regulatory developments, as well as financial, liquidity, market, and credit risks.

2. STRATEGIC RISKS

KIKO operates in a proactive, dynamic, and highly competitive market, where it is essential to adopt direct and flexible strategies aligned with macroeconomic changes and consumer preferences. Within this context, the company faces exposure to **strategic risks**, which arise from changes in the operating environment, failure to implement appropriate decisions, or insufficient responsiveness to shifts in the competitive landscape

Each risk is assessed based on its likelihood of occurrence and potential impact (economic-financial, operational, reputational, health and safety, environmental). Risk management is carried out by the responsible Functions (Risk Owners), supported by a continuous monitoring system to evaluate developments and define effective corrective actions.

The management of these risks is integrated into the company’s ESG strategy, structured around three pillars: **KIKO Cares for the Planet, KIKO Cares for the People, and KIKO Cares for its Governance**, as outlined in the Sustainability Strategic Plan section.

3. INTERNAL RISKS

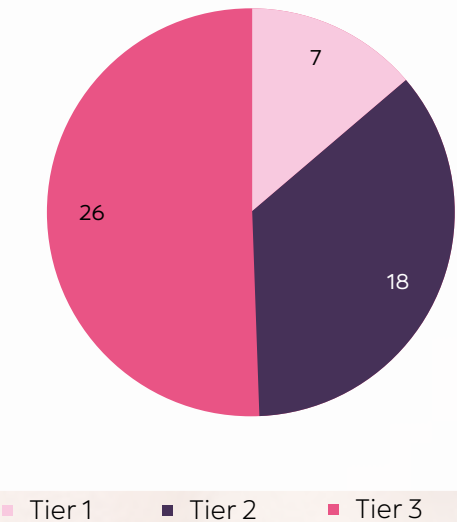
The KIKO Group has a well-structured organizational and process framework, divided into functions with clearly defined responsibilities and roles. This structure is essential for managing **internal risks**, which are linked to the inadequacy or malfunctioning of company processes, particularly those related to Core Business and Business Support operations.

4. ESG RISKS

Since 2022, KIKO has implemented a specific classification of **ESG risks**, divided into three areas:

- **Environmental:** climate change, resource availability, product sustainability, end-of-life and environmental impacts.
- **Social:** health and safety, ethical supply chain management, human rights, training, customer satisfaction, responsible marketing.
- **Governance:** anti-corruption practices, regulatory compliance, corporate integrity, and CSR-related issue management.

NUMBER OF RISKS PER TIER
ON A RESIDUAL LEVEL



The ERM activities led to the identification of a total of **51 risks**, distributed as follows:

- **14 strategic risks**
- **23 internal risks**
- **5 external risks**
- **9 ESG risks**

Risks are further classified by severity (**Tier**):

- **7 Tier 1 risks**
- **18 Tier 2 risks**
- **26 Tier 3 risks**

TIER 1:

Significant risks that require the implementation of improvement/monitoring and control plans and that also directly involve top management.

TIER 2:

Risks of medium relevance not completely controlled with management models and/or mitigation actions partially present and/or formalized, for which it is necessary to start an improvement plan by the management considering costs / benefits.

TIER 3:

Risks appropriately monitored with management models and/or mitigation actions in place and formalized.

GOVERNANCE AND CONTROL MEASURES

The risk management system is overseen by a structured governance framework. In particula:

- The **Board of Directors**, the **Board of Statutory Auditors**, and the **Supervisory Body** receive periodic updates on the main strategic and operational issues from the relevant corporate functions.
- The **Global Head of Audit** informs the governance bodies about the outcomes of audit projects, the progress of the ERM plan, and follow-up activities.
- Since **December 2024**, the **Risk and Control Committee** has been operational, with the task of supporting the Board of Directors in assessing and guiding decisions related to internal control and risk management, through a proactive and advisory approach.

RISK AND CONTROL COMMITTEE

Composed of three members of the Board of Directors and a Secretary, the **Risk and Control Committee** is tasked with ensuring the effectiveness of the internal control system and the management of corporate risks. The Committee's key responsibilities include:

- Contributing to the definition and updating of the **guidelines for the internal control and risk management system**.
- Monitoring the independence and effectiveness of the **Global Audit** function.
- Reviewing the **Non-Financial Statement** in accordance with EU Directive 2022/2464.
- Overseeing compliance with the **Code of Ethics** and KIKO's **Global Policies**.

THE ECONOMIC VALUE 4.4 GENERATED AND DISTRIBUTED

IN A GLOBAL CONTEXT MARKED BY COMPLEX AND INTERCONNECTED CHALLENGES, VALUE CREATION GOES BEYOND FINANCIAL PERFORMANCE AND ENCOMPASSES A COMPANY'S ABILITY TO SHARE THE BENEFITS OF ITS GROWTH WITH ALL STAKEHOLDERS: EMPLOYEES, CUSTOMERS, SUPPLIERS, AND THE LOCAL COMMUNITY.

THIS CHAPTER AIMS TO PROVIDE A COMPREHENSIVE AND TRANSPARENT VIEW OF THE ECONOMIC VALUE GENERATED BY KIKO AND HOW IT IS DISTRIBUTED THROUGHOUT THE VALUE CHAIN.

27
KIKO Group
companies

1,257
stores

MACROECONOMIC OVERVIEW

Throughout 2024, the global beauty market experienced **a more balanced growth trajectory**, settling into a steadier pace compared to the explosive rebound seen in the immediate post-pandemic years. Nevertheless, the sector confirmed its resilience and adaptability, driven by the strength of innovation and an increasing focus on personalized experiences.

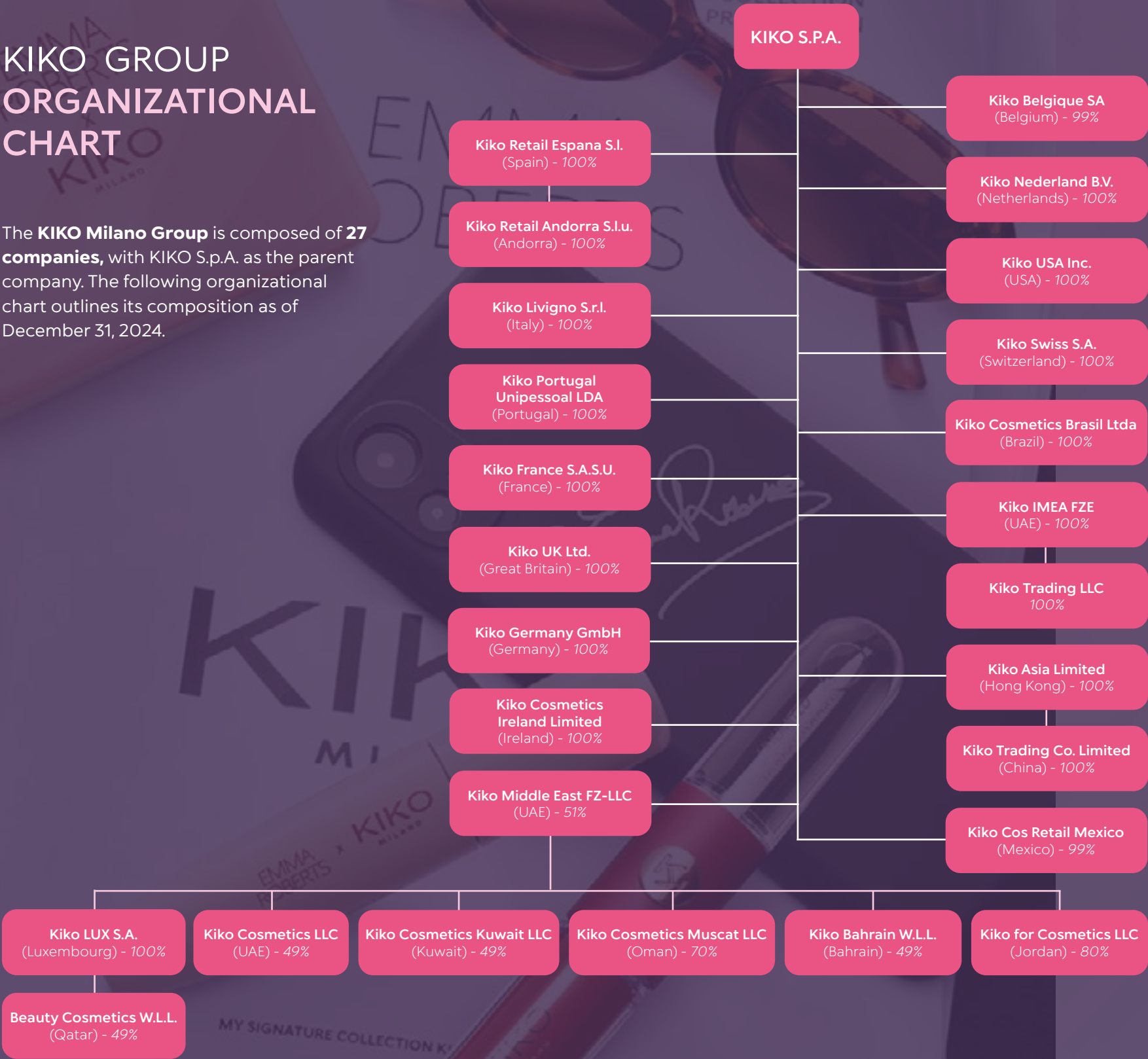
With a **turnover of around €300 billion**, the cosmetics industry continues to demonstrate not only good health but also a strong capacity to respond to change. Key drivers include global population growth, the steady expansion of middle-income groups, momentum in emerging economies, ongoing demand for high-quality and premium products at fair prices, and the rise of the dermocosmetic segment. This segment reflects the ongoing convergence of beauty and wellness, supported by the widespread use of supplements and formulations promising not only aesthetic results but also functional benefits for health and vitality. Even in the face of international uncertainty, **the sector continues to grow**, propelled by strategic regions and consistent consumer demand. From a geographical perspective, performance has varied.

The United States maintained a steady pace, bolstered by the strength of e-commerce and a consumer base still willing to invest in premium products. By contrast, **the Chinese market showed signs of slowdown** due to internal uncertainties and more cautious consumer behavior — factors that have impacted the financial results of even major international players. In sharp contrast, **countries like India and Brazil have emerged as hotspots of sustained growth**, fueled by rapid urbanization, a rising middle class, and a growing focus on personal aesthetics.



KIKO GROUP ORGANIZATIONAL CHART

The **KIKO Milano Group** is composed of **27 companies**, with KIKO S.p.A. as the parent company. The following organizational chart outlines its composition as of December 31, 2024.



KEY ECONOMIC AND FINANCIAL RESULTS

KIKO Milano continues to establish itself in the market as a Global Beauty Brand through brand elevation strategies, aligning consumer perception with the actual value of its products and services.

The company's value creation model — based on continuous improvement in profitability — is designed to reinvest profits into innovation, services, marketing, and omnichannel geographic expansion, and is proving capable of generating profitable and sustainable growth over time, significantly outpacing the market.

In 2024, **net revenues increased by approximately 14%** compared to the previous year. This performance is mainly driven by **strong growth in the retail and franchising channels**, which reported increases of €83.4 million (+13% vs. 2023) and €17.6 million (+34% vs. 2023), respectively. These figures highlight the Group's strong expansion, further fueled by numerous store openings during the year.

In particular, the fourth quarter of the year marked KIKO Milano's 11th consecutive quarter of growth. Overall, in 2024, the Group delivered exceptionally positive results in terms of:

- **Sales:** €900 million **(+14% vs. 2023)**
- **Net Margin:** 73.7% **(an increase of 4 basis points vs. 2023)**
- **EBITDA:** €153.5 million **(+23.7% vs. 2023)**

Business growth remained consistent across all channels, both in the last quarter and throughout the year, with franchising outperforming the average (+34% vs. the previous year), in line with the Group's strategy of channel diversification and market penetration.

Marketing investments in 2024 accounted for 5.9% of net sales, with an overall increase of 0.7 percentage points, equivalent to €11.9 million. At the same time, there was a continued strong focus on the development of digital channels, not only through the company-owned website active in 27 countries, but also by **strengthening digital sales platforms**, which have increased brand penetration among specific and complementary consumer segments.

APPROACH TO TAX

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

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

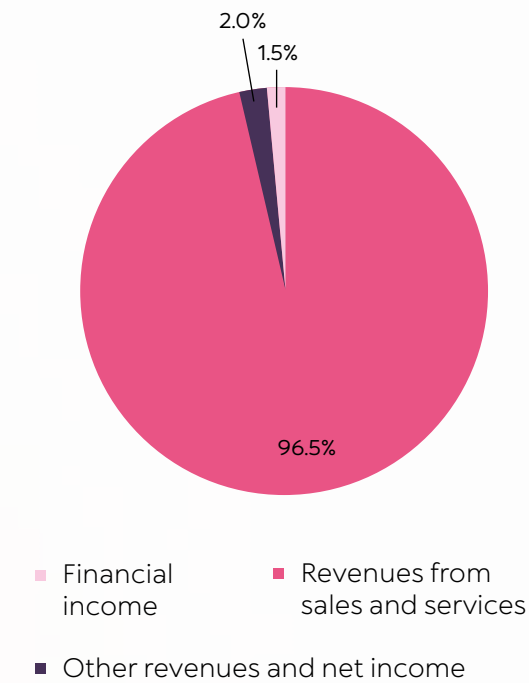
The tax team, composed of qualified professionals, regularly participates in training programs to stay up to date with regulatory developments and reduce the risk of errors. The main areas of tax risk have been mapped, and targeted measures have been implemented for effective management, including:

- **Proper tax representation of accounting records;**
- **Management of transfer pricing in cross-border transactions;**
- **Compliance with local regulations;**
- **Focus on indirect taxation and e-commerce;**
- **Optimization of tax credits.**

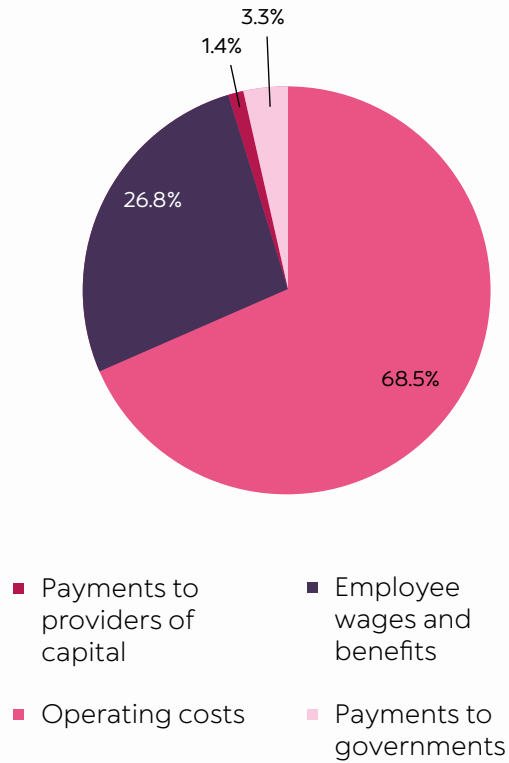
The ultimate responsibility for overseeing the tax strategy lies with the Board of Directors, which approves tax policies and receives periodic updates on tax risks and issues.

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

COMPOSITION OF THE ECONOMIC VALUE GENERATED



COMPOSITION OF THE ECONOMIC VALUE DISTRIBUTED



€932 million
economic value generated

89.4%
% of economic value distributed

In 2024, the economic value generated by KIKO amounted to over **€932 million**, of which 89.4% was distributed to stakeholders. As shown in the chart, the composition of the economic value generated is almost entirely attributable to revenues from sales and services (96.6%).

Regarding the economic value distributed, the majority was allocated to operating costs (68.5%), related to the supplier network, and to wages and benefits for employees (26.8%), underscoring the central role of human capital and the company's strong connection to its production value chain.



S

USTAINABILITY __ 5

ALONG THE CORPORATE VALUE CHAIN

KIKO recognizes **the strategic role of its value chain** as a key lever for generating positive impacts across the entire business network — from the production phase to product sales.

A continuous and responsible dialogue with **suppliers, logistics partners, manufacturers, and other stakeholders** allows the Company to promote high standards in terms of quality, ethics, environmental sustainability, and human rights.

Through an integrated and transparent management of relationships along the value chain, **KIKO is committed to strengthening the resilience and traceability of its operations**, contributing to the creation of shared value for all stakeholders involved.

This approach is reflected in the careful selection of partners, continuous performance monitoring, and the alignment on shared goals, in line with ESG principles and the Group's sustainable vision.



SUPPLY CHAIN MONITORING

5.1

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**, CONSIDERING IT A VITAL TOOL TO ENSURE PRODUCT QUALITY AND CUSTOMER SATISFACTION.

As part of its commitment to sustainable growth, KIKO has chosen to evaluate its suppliers not only based on technical criteria, but also according to their **Environmental, Social, and Governance (ESG) performance**. This approach aligns with the Company's goal of reducing impacts across the entire value chain, generating benefits both upstream and downstream.

KIKO maintains long-term and well-established relationships with its suppliers, who are grouped into two main categories: direct (product) suppliers and indirect suppliers.

These suppliers, 76% of whom are located in Europe, are involved in the following product categories:

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

Located 96% in Europe, indirect suppliers provide a wide range of goods and services, including:

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

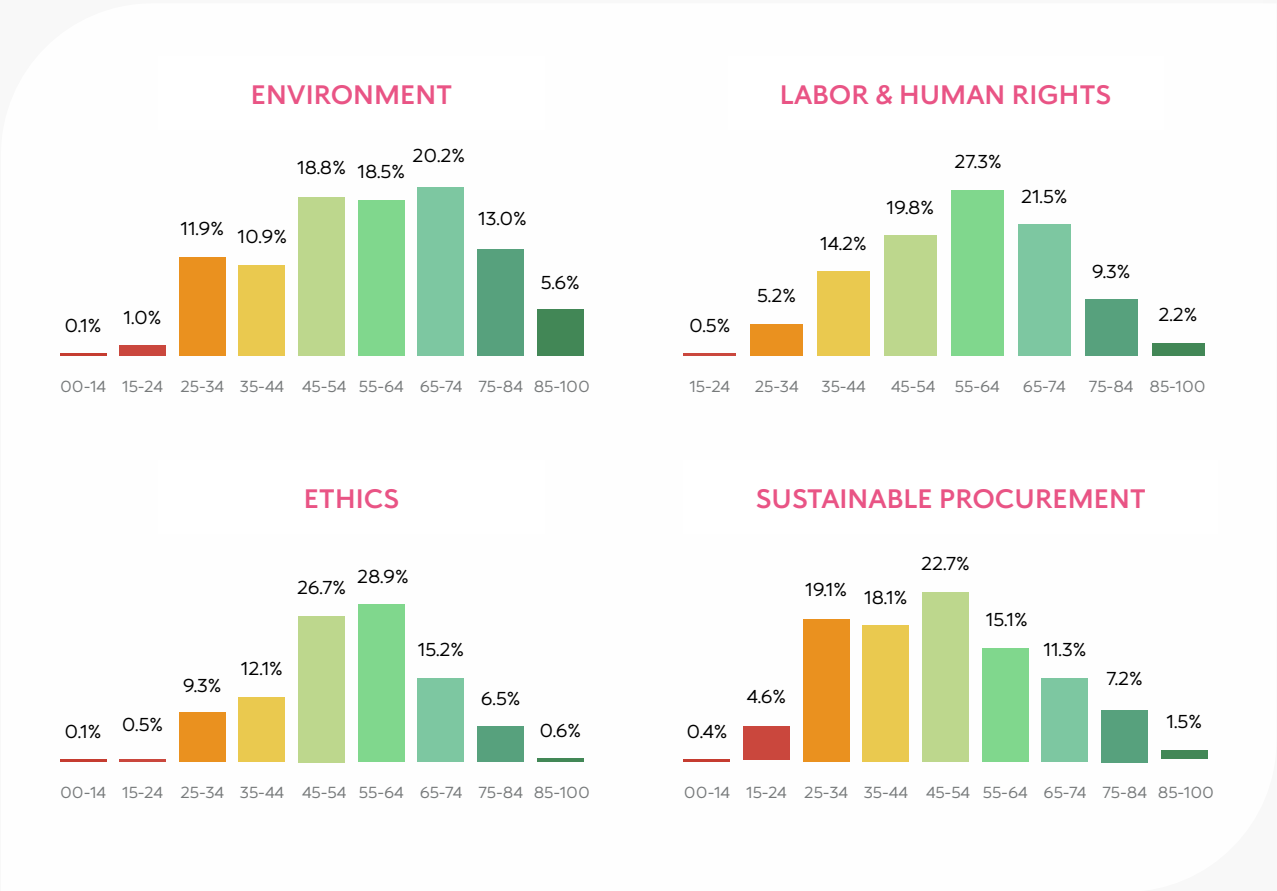
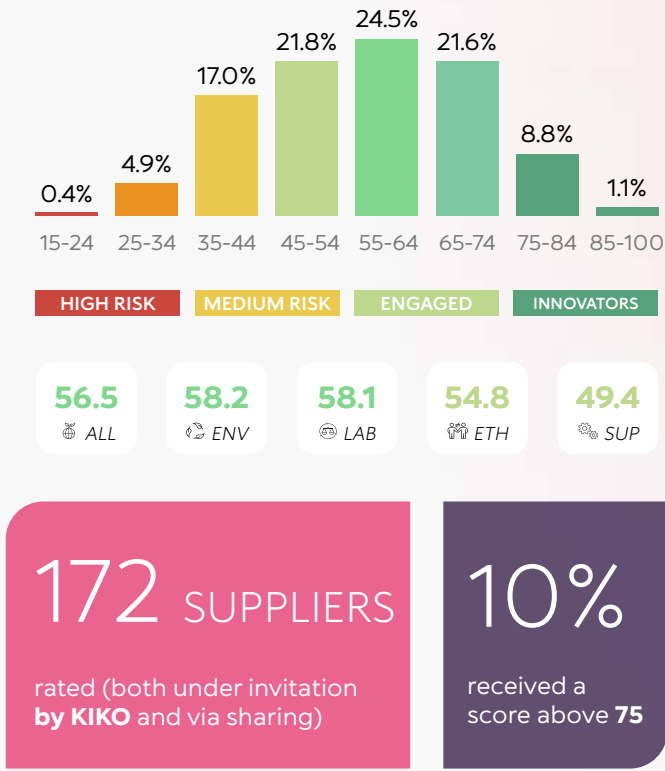


Since 2022, KIKO has engaged a selected panel of key suppliers in an ESG evaluation process via the **EcoVadis platform**, which assigns a score out of 100 based on performance in four key areas:

- Environment
- Labor and Human Rights
- Ethics
- Sustainable Procurement

To date, **172 suppliers** have been evaluated through EcoVadis by KIKO (an increase of 111 compared to 2023). Among them, 10% received a score above 75. For 47 suppliers, the assessment process is still ongoing.

Overall, compared to 2023, supplier performance has shown improvement in the majority of the four key areas assessed by EcoVadis.



Starting from 2024, KIKO also makes use of the **digital platform JAGGAER** for the strategic and operational management of suppliers. The system allows the qualification, evaluation, and monitoring processes of supply partners to be digitalized and centralized, ensuring a structured and transparent approach throughout the entire supply chain. Through JAGGAER, the Company promotes criteria of ethical, environmental, and social responsibility, ensuring that suppliers share and respect corporate standards regarding **sustainability, integrity, and regulatory compliance**. The system represents a key tool for the implementation of due diligence in the supply chain, contributing to the oversight of ESG risks and the continuous improvement of supplier performance.

Finally, to ensure compliance with contractual conditions, **KIKO regularly carries out audits and targeted inspections of its suppliers**. In particular, those involved in the supply of bulk, packaging (primary and secondary), accessories, and logistics services are subjected to qualitative process verifications in compliance with ISO 22716 and ISO 9001 regulations. In addition, the Technical Department, in collaboration with Quality Control, conducts ethical audits at suppliers located outside of Europe. The audits include inspections focused on environmental and social aspects, including health and safety in the workplace, prevention of child labor, working hours, wages, benefits, and general working conditions.

With the aim of strengthening partners' adherence to ESG principles, starting in 2023 **KIKO has introduced specific clauses into commercial contracts** to formalize such commitment. Among these are: the invitation to operate in coherence with the **2030 Agenda** framework, actively contributing to the achievement of the **17 Sustainable Development Goals**; the obligation to maintain high environmental and social standards throughout the duration of the contract; as well as the requirement to transparently communicate their performance and monitor it through recognized tools, such as the EcoVadis platform.

THE CODE OF CONDUCT FOR BUSINESS PARTNERS

The **Code of Conduct**, drafted and published in 2024, aims to ensure that Business Partners share and adopt common rules, practices, and principles regarding labor standards and social responsibility, environmental protection, business ethics, and integrity. Furthermore, it is essential that suppliers also ensure that the entire production chain entrusted to external suppliers (i.e., KIKO's subcontractors) follows the same principles outlined in the Code.

KIKO's Code of Conduct is based on **3 fundamental pillars**:



BUSINESS ETHICS AND INTEGRITY

KIKO requires its Business Partners to share the values of transparency, honesty, and integrity in conducting their business activities and to act in full compliance with applicable local, national, and international laws and regulations, particularly in the areas indicated below.



HUMAN RIGHTS, LABOR STANDARDS, AND SOCIAL RESPONSIBILITY

KIKO works with Business Partners who guarantee the highest social and ethical standards, respecting human rights and the dignity of individuals. They must always act in a manner consistent with the values expressed in the Universal Declaration of Human Rights and the standards of the International Labor Organization. In addition, they are required to adopt the necessary measures and actions to identify, prevent, and address the human rights issues outlined below. The Code also reinforces expectations concerning the protection of diversity and the fight against discrimination, even outside the company.



ENVIRONMENTAL PROTECTION AND SUSTAINABILITY

KIKO intends to collaborate with Business Partners who are committed at all times to protecting the environment and complying with the standards and requirements of current local and international environmental laws and regulations. Likewise, Business Partners are required to comply with the environmental standards established by KIKO in this Code and to provide all necessary documentation to measure environmental impact, where requested.

The Company has also established a **monitoring and control system** aimed at ensuring full compliance with the Code by Business Partners, either directly or through duly appointed third parties. To report any violations of the Code, the Whistleblowing reporting channel has been made available.

The sustainability of the supply chain represents one of the pillars of the company's strategic plan, and for this reason, during the course of 2025, KIKO aims to achieve the following results:

- **Mapping of 100% of direct suppliers and 100% of certain specific categories of indirect suppliers through EcoVadis.**
- **Signing of the Code of Conduct by 100% of suppliers.**
- **Sharing of ESG assessment questionnaires and subsequent mapping for all suppliers not included in the EcoVadis platform.**

THE FRANCHISE SELECTION PROCESS

As with suppliers, KIKO applies a strict **evaluation framework** aimed at ensuring reliability and adherence to ethical principles by franchisees operating globally.

The preliminary screening of partners is carried out based on **6 parameters**:

1. Retail Expertise
2. Real Estate Expertise and networking
3. Cosmetics products and accessories import and distribution regulatory and quality
4. Financial Solidity
5. Legal Check
6. Partner Reputation



RAW MATERIALS AND CIRCULAR ECONOMY

KIKO considers the **sustainability of raw materials** not only based on their natural origin, but also by evaluating the procurement, extraction, and processing methods. A raw material is defined as “sustainable” only if it is obtained through supply chains that reduce the consumption of natural resources, minimize ecosystem impact, and ensure respect for the rights of local communities—excluding GMO materials, potentially harmful ingredients, and child labor practices.

This definition, integrated into the Company's Quality Guidelines, requires that new formulations be free from prohibited substances (Blacklist) and contain **at least 30% sustainable ingredients**. In 2024, KIKO exceeded 35%, with a goal of reaching 60% by 2030. In terms of formulations, all new products are **free from Substances of Very High Concern (SVHC) for human health and ecosystems**, and 100% of permanent products contain **no solid plastic microbeads**. The palm oil used is exclusively RSPO-certified.

KIKO also pays close attention to human and environmental health by monitoring substances such as **PFAS**: chemical agents used in everyday objects, currently under investigation for their potential negative effects on the ozone layer and on the human body, where they accumulate through water and plants, potentially damaging organs such as the liver and thyroid.

Regarding circular economy, KIKO applies an approach aimed at **maximizing the useful life of materials, promoting recyclable, recycled, or certified packaging**. Among the initiatives adopted since 2015: the use of certified kraft paper instead of white paper, increased use of biopolymers to replace virgin plastic, elimination of leaflets and magnetic closures, use of less polluting printing methods, reduction of plastic in nail polishes and packaging, greater use of PCR plastic — with a 5% share in range packs in 2024 — and the elimination of plastic in e-commerce shipments.

KIKO bases every choice on a growing sense of corporate responsibility and continuous listening to its customers, considered a key source of inspiration for ongoing improvement in the field of sustainability.

CUSTOMER RELATIONSHIPS

QUALITY, TRUST AND TRANSPARENCY

5.2

KIKO promotes **a vision of beauty that is inclusive and accessible**, offering high-quality products at a fair price. This philosophy translates into a customer-oriented strategy, based on attentive listening to consumer preferences and a constant commitment to innovation in order to meet evolving needs.

Starting from consumer feedback, the Company has embarked on a path of continuous innovation, aimed both at improving existing products and developing new solutions in line with the growing awareness of quality and sustainability. In this context, the search for sustainable ingredients that respect human rights, combined with the choice of low environmental impact packaging, represents a concrete commitment to combining beauty with responsibility.

THE QUALITY OF KIKO PRODUCTS



PRODUCT SAFETY AND PERFORMANCE

KIKO guarantees its customers high standards of safety and quality, selecting **only safe ingredients** and avoiding controversial or potentially suspect raw materials. The company anticipates, whenever possible, the adoption of not-yet-binding regulations, subjecting such ingredients to rigorous clinical tests in compliance with the highest international standards.

In the 2023–2024 two-year period, a total of **53,464 clinical, analytical, and control tests** were carried out across all product categories. Active ingredients are included in functional concentrations to ensure real efficacy, tested directly on the finished product.



ENVIRONMENTAL IMPACT

As part of its journey to reduce its environmental footprint, KIKO promotes **the use of sustainable ingredients, increases the use of recycled and recyclable materials in packaging, and adopts green energy in stores**, with the goal of reducing energy consumption and the overall environmental impact.



SCIENTIFIC RESEARCH AND INNOVATION

The evolution of the KIKO range is based on **a rigorous scientific approach and a continuous research and development process**, conducted in line with the highest standards of the cosmetics sector. The goal is to offer products that are not only safe, but also effective, capable of delivering tangible benefits to the skin of those who use them.



To ensure high standards in terms of **quality and safety**, KIKO has implemented a rigorous control system that involves the entire supply chain. The **Quality Guidelines**, contractually shared with all suppliers, establish the quality and compliance requirements that each partner must adhere to. In addition, the Company has drawn up a **“Blacklist” of ingredients** whose presence is prohibited or limited for reasons related to sustainability or respect for human rights.

Regulatory compliance is ensured through an internal protocol aligned with EU Regulation 1223/2009. Each new product, before being placed on the market, undergoes a strict safety assessment, supported by clinical, stability, and microbiological tests. Controls also continue in the warehouse for products at risk of contamination. Added to this is a Cosmetovigilance system, which allows for the monitoring of any adverse effects reported by consumers even after the sale.

To oversee these activities, KIKO has established **an internal Scientific Directorate, composed of Quality Managers, Global Regulatory personnel, and Product Engineers**, who report directly to the CEO and work in collaboration with external laboratories and regulatory authorities. The effectiveness of the system is further confirmed by ISO 9001:2015 certification, obtained in 2002, and by the implementation of a Quality Management System dedicated to the sale and distribution of cosmetics.

To protect the consumer throughout the entire customer journey, KIKO has established procedures aimed at ensuring complete, clear, and transparent information. Every advertising communication is subject to an internal review process involving both the Legal Department, for regulatory compliance verification, and the Quality Control team, which assesses the consistency of the information with the product testing results. This process is subject to annual audits and, also in 2024, no non-conformities were identified concerning product communication.

KIKO also carefully manages the post-sale relationship with its customers, offering **dedicated channels to collect feedback, inquiries, and complaints**. Customer Service, active across multiple channels, is monitored through post-contact surveys, which allow for the detection of performance indicators such as::

- the number of contacts required to manage a single case;
- the percentage of escalations to a second level of assistance;
- the average handling time of a complaint.

To further enrich customer experience, the introduction of the **KIKO Customer Survey** in physical stores is under evaluation, with the objective of measuring customer satisfaction regarding products and in-store service.



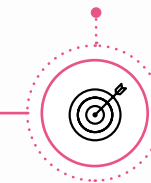
TECHNOLOGY

Years of research and comparative analysis on high-tech ingredients, on formulas and active ingredients to offer distinctive and innovative products, in line with the latest advances in cosmetic research.



EFFECTIVENESS

We create intelligent and highly strategic products to respond to the specific needs of our customers, trying to satisfy them to the full.



TRANSPARENCY

The complexity of the cosmetics industry can be paralyzing for consumers. Our products are accompanied by detailed instructions and fulfil all promises made.



PRACTICALITY

The convenient formats and contemporary and functional packaging are developed with cool shapes and eye-catching designs.



SAFETY

Every formula undergoes a safety assessment by an expert (as required by EU Regulation 1223/2009) and clinical trials to test it dermatologically, ophthalmologically (for products relating to the eye area) and to ensure it is noncomedogenic.



PERCEPTION

We create products with the aim of offering moments of well-being and pleasure with unexpected, soft and melting textures, as well as vibrant and elegant fragrances.



LUXURY

We carry out in-depth research to select the purest and highest quality materials to obtain the most effective, pleasant and safe combinations. Every aspect of product development, from formulation to packaging is managed with the utmost care.



P

RIVACY

PROTECTION

5.3

STARTING FROM MAY 25, 2018, **REGULATION (EU) 2016/679** ON THE PROTECTION OF NATURAL PERSONS WITH REGARD TO THE PROCESSING OF PERSONAL DATA, KNOWN AS THE **GENERAL DATA PROTECTION REGULATION (GDPR)**, BECAME DIRECTLY APPLICABLE IN ALL MEMBER STATES OF THE EUROPEAN UNION. THE REGULATION REPEALED DIRECTIVE 95/46/EC.

The objective of the GDPR is to safeguard the right to the protection of personal data, ensuring that all processing is carried out in accordance with the principles established by the regulation. Moreover, it aims to harmonize the European legislative framework in light of the new digital context, preventing disparities that could hinder the free flow of data within the single market.

KIKO'S PRIVACY MODEL

In 2023, KIKO approved a new Privacy Model aimed at adapting the governance of personal data to the Group's new needs, also in relation to the implementation of the Unified Commerce strategy, which assigns a central role to data processing.

In line with the principles of the GDPR, KIKO established an interdisciplinary Privacy Team composed of representatives from the main company departments involved in data processing (Legal, HR, CRM, Customer Care, IT, E-commerce). The Team is responsible for overseeing the implementation of the Model, defining data processing strategies, and ensuring regulatory compliance. The Privacy Team, with the support of an external Data Protection Officer (DPO), reports periodically to the Chief Executive Officer. Under the Privacy Team operate the Internal Privacy Representatives, i.e., the heads of functions responsible for processing activities and related obligations. All employees involved in data processing are designated as Authorized Persons for processing, in accordance with Article 29 of the GDPR, and are required to comply with the instructions provided by the Company.

When KIKO entrusts processing activities to external entities, they are appointed as Data Processors pursuant to Article 28 of the GDPR, through the signing of specific Data Processing Agreements.

To ensure consistent privacy management across the Group, KIKO has extended the Privacy Model to all its subsidiaries subject to the GDPR (including those based in the United Kingdom). Each subsidiary has adopted an organizational model aligned with that of the parent company, and the respective Country Directors or other function heads have been appointed as Internal Privacy Representatives, with the obligation to report to the Privacy Team of KIKO S.p.A. and involve it in case of any issues. In these entities as well, the appointment of Authorized Persons and Data Processors follows the criteria defined by KIKO S.p.A.

MONITORING AND CONTINUOUS IMPROVEMENT ACTIVITIES

The Model has proven to be an effective tool to:

- support the DPO's activities in monitoring and supervising processing operations;
- assist in the implementation of cross-functional projects (CRM, e-commerce, HR);
- update privacy notices and consent mechanisms in relation to new processing activities resulting from the Unified Commerce project.

The records of processing activities of both the Data Controller and the Data Processors — concerning KIKO S.p.A. and its Subsidiaries — have been updated and monitored by the DPO. Moreover, in line with the principles of "Accountability" and "Privacy by Design & by Default", the process of eliminating paper-based privacy documentation has been completed.

In 2024, KIKO initiated an annual local assessment activity in all GDPR-subject Subsidiaries to verify the management of areas considered "sensitive in terms of privacy", identified on a case-by-case basis by the central Privacy Team.

In parallel, the Company and its subsidiaries undertook the necessary actions to comply with:

- **Directive (EU) 2022/2555 (NIS2 Directive)**, concerning the security of network and information systems;
- **the new Regulation (EU) 2024/1689**, which introduces harmonized rules on artificial intelligence (AI Act).



GRI_

CONTENT INDEX

STATEMENT OF USE



KIKO S.p.A. has reported the information cited in this GRI content index for the period from January 1 to December 31, 2024, with reference to the GRI Standards 2021.








GRI	INDICATOR DETAILS	PARAGRAPH	NOTE
GRI 2 - General Disclosures			
2-1	Organization details	1.1 Business model and brand identity	
2-2	Entities included in the organization's sustainability report	Methodological notes	
2-3	Reporting period, frequency and contacts	Methodological notes	
2-4	Restatements of information	Methodological notes	
2-5	External assurance		This report is not subject to external assurance.
2-6	Activities, value chain and other	1.1 Business model and brand identity	
2-7	Employees	3.1 Human resources management	
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	
2-15	Conflicts of interest	4.2 The pillars of corporate responsibility	

GRI	INDICATOR DETAILS	PARAGRAPH	NOTE
2-16	Communication of critical concerns	4.2 The pillars of corporate responsibility	
2-22	Statement on sustainable development strategy	1.4 KIKO's strategic path towards sustainability goals	
2-25	Processes to remediate negative impacts	1.4 KIKO's strategic path towards sustainability goals Letter to stakeholders	
2-26	Mechanisms for seeking advice and raising concerns	4.2 The pillars of corporate responsibility	
2-28	Membership associations	3.5 The impact on the community	
2-29	Approach to stakeholder engagement	1.2 Stakeholder engagement	
2-30	Collective bargaining agreements		100% of employees covered by collective bargaining agreements in Italy
GRI 3 - Material Topics			
3-1	Guidance to determine material topics	1.3 Material topics and impacts identification	
3-2	List of material topics	1.3 Material topics and impacts identification	
3-3	Management of material topics	1.3 Material topics and impacts identification	
ECONOMIC PERFORMANCE			
3-3	Management of material topics	4.4 The economic value generated and distributed	



GRI	INDICATOR DETAILS	PARAGRAPH	NOTE
GRI 201 - ECONOMIC PERFORMANCE (2016)			
201-1	Direct economic value generated and distributed	4.4 The economic value generated and distributed	
PROCUREMENT PRACTICES			
3-3	Management of material topics	5.1 Supply chain monitoring	
BUSINESS ETHICS AND INTEGRITY			
3-3	Management of material topics	4. Corporate governance and economic performance	
GRI 205 - ANTI-CORRUPTION (2016)			
205-1	Operations assessed for risks related to corruption	4.3 Corporate risk management	
205-3	Confirmed incidents of corruption and actions taken		There are no incidents of corruption
TAX RISK MANAGEMENT			
3-3	Management of material topics	4.4 The economic value generated and distributed	
GRI 207 - TAX (2019)			
207-1	Approach to tax	4.4 The economic value generated and distributed	
207-2	Tax governance, control and risk	4.3 Corporate risk management	
RESEARCH AND DEVELOPMENT			
3-3	Management of material topics	5.2 Customer relationships: quality, trust, and transparency	
RAW MATERIALS			
3-3	Management of material topics	5.1 Supply chain monitoring	

GRI	INDICATOR DETAILS	PARAGRAPH	NOTE
ENERGY			
3-3	Management of material topics	2.1 Energy consumption and efficiency strategies	
GRI 302 - ENERGY (2016)			
302-1	Energy consumption within the organization	2.1 Energy consumption and efficiency strategies	
302-3	Energy intensity	2.1 Energy consumption and efficiency strategies	
EMISSIONS			
3-3	Management of material topics	2.2 The carbon footprint	
GRI 305 - EMISSIONS (2016)			
305-1	Direct (Scope 1) GHG emissions	2.2 The carbon footprint	
305-2	Energy indirect (Scope 2) GHG emissions	2.2 The carbon footprint	
305-3	Other indirect GHG emissions (Scope 3)	2.2 The carbon footprint	
305-4	GHG emissions intensity	2.2 The carbon footprint	
WASTE			
3-3	Management of material topics	2.3 Waste management	
GRI 306 - WASTE (2020)			
306-1	Waste generation and significant waste-related impacts	2.3 Waste management	
306-2	Management of significant waste	2.3 Waste management	
306-2	Waste generated	2.3 Waste management	
306-3	Waste diverted from disposal	2.3 Waste management	

GRI	INDICATOR DETAILS	PARAGRAPH	NOTE
306-5	Waste directed to disposal	2.3 Waste management	
SUPPLIER ENVIRONMENTAL ASSESSMENT			
3-3	Management of material topics	5.1 Supply chain monitoring	
EMPLOYMENT			
3-3	Management of material topics	3. Growth, well-being and inclusion: our commitment to people	
EMPLOYEE HEALTH, SAFETY AND WELLBEING			 
3-3	Management of material topics	3.4 Well-being and safety at work	
GRI 403 - OCCUPATIONAL HEALTH AND SAFETY (2018)			
403-1	Occupational health and safety management system	3.4 Well-being and safety at work	
403-3	Occupational health services	3.4 Well-being and safety at work	
403-5	Worker training on occupational health and safety	3.4 Well-being and safety at work	
403-6	Promotion of worker health	3.4 Well-being and safety at work	
TRAINING AND EDUCATION			
3-3	Management of material topics	3.3 Training and individual performance management	
GRI 404 - TRAINING AND EDUCATION (2016)			
404-1	Average hours of training per year per employee	3.3 Training and individual performance management	
404-2	Programs for upgrading employee skills and transition assistance programs	3.3 Training and individual performance management	
DIVERSITY AND INCLUSION			 
3-3	Management of material topics	3.2 Celebrating diversity and promoting inclusion	

GRI	INDICATOR DETAILS	PARAGRAPH	NOTE
GRI 405 - DIVERSITY AND EQUAL OPPORTUNITY (2016)			
405-1	Diversity of governance bodies and employees	3.2 Celebrating diversity and promoting inclusion	
IMPACTS ON THE LOCAL COMMUNITY			
3-3	Management of material topics	3.5 The impact on the community	
GRI 413 - LOCAL COMMUNITIES (2016)			
413-1	Operations with local community engagement, impact assessments, and development programs	3.5 The impact on the community	
413-2	Operations with significant actual and potential negative impacts on local communities	3.5 The impact on the community	
CUSTOMER HEALTH AND SAFETY			
3-3	Management of material topics	5.2 Customer relationships: quality, trust, and transparency	
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			
3-3	Management of material topics	5.2 Customer relationships: quality, trust, and transparency	
GRI 417 - MARKETING AND LABELLING (2016)			
417-1	Requirements for product and service information and labelling	5.2 Customer relationships: quality, trust, and transparency	
CUSTOMER PRIVACY			
3-3	Management of material topics	5.3 Privacy protection	

GRI	INDICATOR DETAILS	PARAGRAPH	NOTE
GRI 418 - CUSTOMER PRIVACY (2016)			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		There are no substantiated complaints regarding breaches of customer privacy and loss of customer data.

Report drafted with the
methodological support of



GIORGIO ARMANI
KIKO
MILANO