

Code of Ethics



March 31st 2020

KIKO
MILANO

KIKO identifies beauty trends of the moment and makes them accessible to everyone, committed to offering an incredible variety of colors, textures and high quality products, as well as a multisensory experience, but always at an affordable price.

Transparency, honesty, social and environmental responsibility are the values in which KIKO identifies itself. Passion, the pursuit of excellence and integrity of the people who work in KIKO represent the key resources for the company's success.

KIKO believes in the need for creating a stimulating and professional environment, in which everyone acts in compliance with company rules and principles, and in integrating their business activities with the respect and protection of the interests of all the individuals with whom they professionally relate.

The knowledge and respect of the Code of Ethics and the Policy ["International Guidelines"] by all those who work for KIKO S.p.A. and subsidiaries are therefore the beginning for achieving the corporate objectives.

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1. INTRODUCTION

With this Code of Ethics (hereinafter also referred to as “Code”), KIKO S.p.A. (hereinafter also referred to as “KIKO” or the “Group”) defines the set of main ethical values that inspire our way of doing business, and the rights, duties and responsibilities of all stakeholders which have business relations with KIKO.

This Code is an official company document approved by the Board of Directors and is part of the document “Organisation, Management and Control Model Italian ex Leg. Decree 231/2001” (hereinafter “Model”).

To protect its own image and safeguard its own resources, the Group will not enter into relationships of any type with subjects who do not operate in full respect of the applicable legislation and/or that refuse to respect the ethical principles and principles of conduct contained in this document.



2. MISSION

KIKO is a Group proud of its legacy and its DNA, which in the past years has become more customer oriented, digital and global. A Group where leadership is valued, talent blooms and leaders shape an unstoppable will to build a successful business and a high-performance organisation.



KIKO was founded in 1997 in Milan and since then, has revolutionised the way cosmetics are sold globally. At KIKO we believe that life is better in colour.

KIKO identifies beauty trends of the moment and makes them accessible to everyone. KIKO wants everyone to be able to create the right look, everywhere, with style but without losing individuality.

3. SCOPE AND RECIPIENTS

The provisions of this Code apply to all the Group's activities, indicate the key principles which inspire KIKO and also establish the general obligations of diligence, correctness and loyalty, which rules the compliance of all professional activities and the behaviour that must be followed in each workplace.

The principles and provisions included in this Code apply to the Board of Directors, as well as to all employees and those who have business relationships with the Group, including those without subordination relationship, consultant services, commercial representation and other relationships that can be considered as a professional service, both continuous and/or occasional (hereinafter, the "Recipients").



The respect of the principles contained within this Code of Ethics is a duty of all Recipients in order to pursue the Group objectives according to the ethical values detailed below, in full compliance with applicable legislation.

In particular, the Recipients are required to:

- adjust their own behaviour to what states in this Code of Ethics;
- immediately inform, through the Whistleblowing channel (see section 7), of any violations or suspected violation of the ethical principles of behaviour, as soon as they become aware of them;
- request, if necessary, interpretations or clarifications on the ethical principles of behaviour defined below.

The recipients therefore have the obligation to know the rules and principles contained in this Code and to reject behaviours contrary to them.

4. GENERAL RULES OF CONDUCT

KIKO is inspired by the following general rules of conduct which must be respected and followed by all those who manage, control, work and collaborate with the Group:

Integrity

All activities are managed professionally and responsibly, therefore in any situation that could potentially become controversial, will be resolved, ensuring that final decision has been taken with honesty, morality and correctness, and it is interpreted as such.

Transparency

It is guaranteed the commitment to provide clear, complete, prompt and accurate information about KIKO in all internal and external relations that the Group maintains with its all stakeholders.

Impartiality

The decisions and all actions are implemented with full respect of each person's characteristics, encouraging and rewarding integrity and sense of responsibility, respecting all diversities and rejecting any kind of discrimination related to age, state of health, gender, religion, race, political and cultural opinions, and also any personal or social condition.

Carefulness

All activities are managed with the full awareness of risks and with the aim of managing them with maximum discretion.

Honesty and Fairness

Honesty represents a core principle for all KIKO's activities and constitutes an essential value for the Group's management.

All the activities performed and the behaviours held by each of the Recipients. They must be inspired by the principles of correctness, transparency, traceability and segregation of functions, in accordance to the applicable regulations and internal procedures, including those oriented to protect the Group's assets and image.

Respect to business laws

KIKO ensures the compliance of the principles of transparency, honesty, fairness and good faith while carrying out its activities, requesting the recipients to exclude any behaviour aimed, in any form, at breaking the rules of making of business.

Quality of products

KIKO is committed to listen all requests and claims received from customers in order to improve and adapt the quality of the products offered to its customers and to monitor continuously the demands of the market, striving to avoid that products with names, brands are sold with counterfeit names and/or signs, or goods with qualitative and quantitative characteristics that do not meet to what they represented or must be guaranteed to the customer.

Respect for copyrights

KIKO considers the protection of intellectual property as a fundamental value, including trademarks and distinctive signs, patents, models or designs, industrial secrets, copyrights, third party intellectual property.

It is forbidden to all recipients in any way and form for reproducing, copying and make business with the works of thirds parties, especially those protected by copyright.

Responsibility - Respect of the law

The Group is committed with compliance with laws, regulations, as well as with the procedures in force and applicable to each activity.

Therefore, all Recipients are required to follow the legal obligations relating to their activity and to carry out their work in accordance with the applicable laws and procedures with professionalism, diligence, efficiency, collaboration and fairness, making a responsible use of the tools and time available to attend the commitments assumed.

Compliance with obligations with KIKO

During the execution of their duties, the Recipients are required to pursue the general objectives and interests of the Group by refraining from activities, behaviours and acts that are in any case incompatible with their obligations with KIKO.

The activities must be carried out avoiding any situation of conflict of interest between personal activities or interests and obligations with the Group, such as to compromise impartiality or objectivity in the decisions making process.

Confidentiality and privacy

As part of its business, KIKO collects a significant quantity of personal data (employees, collaborators, customers, etc.) which is managed in compliance with all applicable privacy laws.

Protection of the environment

In all its activities, KIKO is inspired by the principles of respect and protection of the environment.

The Recipients are therefore required, to execute their duties with a sustainable behaviour, using always the resources available in the Group, trying to avoid or minimise negative environmental impacts.

Protection of the dignity

In KIKO all people have the right to be treated with equal dignity and respect. KIKO guarantees and ensures a work environment inspired by the protection of the dignity and inviolability of the person, as well as the principles of respect and fairness in interpersonal relationships. KIKO does not tolerate any form of discrimination, exploitation or harassment, and is committed to collaborate with commercial partners aligned with its values and its Code of Ethics.



5. PRINCIPLES OF CONDUCTS WITH INTERNAL PARTIES

Relations with employees

In the management of their employees, KIKO is inspired by the following principles:

- Recruit, hire, train, pay and offer equal employment opportunities without any discrimination of ethnicity, race, gender, age, sexual orientation, physical or mental disabilities, physical and / or social background, nationality, religion, opinions, political and / or union affiliation;
- Employees' development is based on merit, competence and exclusively based on professional abilities;
- Manage the hiring of employees only through labour contracts, being forbidden any form of non-compliant or elusive of employment relationship with the current regulatory provisions is not allowed;
- Promote and consolidate a culture of workplace safety in order to preserve the health and safety of employees, both physically and mentally;
- Ensure the protection of privacy of employees and their right to work without being subjected to unlawful conditioning.

During the execution of their activities, the Recipients are required to:

- Avoid the abuse of a situation of physical or mental inferiority or a situation of need; to engaging in harassment, including sexual harassment.
- Making of an intimidating, hostile, isolating or in any case discriminatory working environment towards individuals or groups of employees;
- Making competitive situations that impede individual growth and fairness in relations between employees.

Relations with Supervisory Authorities

The Recipients must conduct themselves responsibly and transparently to any request made by auditors and supervisory bodies during the execution of their respective functions. An attitude of maximum availability, collaboration and promptness must be guaranteed towards these subjects, with clear assumption of responsibility for the truthfulness, completeness and accuracy of the information provided, avoiding any form of potential pressure aimed at influencing their judgment.

Use of KIKO equipment, devices and structure, including IT tools

The Recipients must avoid using IT tools, or electronic equipment and devices, for purposes contrary to the law, public order or ethical behaviours.

Furthermore, the Recipients must not commit or encourage third parties to commit crimes against individuals or in violation of human rights.

Therefore, all Recipients are required to protect and safeguard all Group assets and to use them in a proper way and in accordance with social interest, avoiding their inappropriate use.

The Recipients are also required to avoid using these assets to engage in conduct that could damage, change, deteriorate or destroy the IT systems, software and information of KIKO and / or third parties, as well as non-authorized access to computers or telecommunications between third parties.

Health & Safety

The Group will make all organisational, instrumental and economic resources available, with the aim of guaranteeing the health and safety of all employees in the workplace, by defining procedures and instructions aimed at safeguarding the health and safety of workers.

Money laundering prevention

The Recipients must avoid being involved in illegal activities related to money laundering.

Therefore, the Recipients must comply with all local and international anti-money laundering laws and regulations.

The Recipients are also required to carry out all necessary controls in order to ascertain, as far as possible, the ethical standards and the reputation of the counterparty before beginning any business relation or signing agreements of any kind.

Accounting and Management information

The Recipients are required to adequately record all transactions carried out in order to guarantee the tracking of decision-making and authorisation process of the same.

Each transaction must be supported by the adequate documentation, in order to be able to carry out checks on their characteristics and reasons and which allow to identify who authorised, performed, registered and verified it. For this purpose, the information relevant to KIKO's accounts, whether general or analytical, must be inspired by the principles of timeliness, transparency, correctness, completeness and adequacy.



6. PRINCIPLES OF CONDUCT WITH EXTERNAL PARTIES.

Relations with clients

The Recipients are committed to encourage maximum customer satisfaction for all the Group's sales channels by providing truthful and accurate information on the services provided, so that they are well informed.

This is why, the Recipients are required to follow all company procedures define for the management of customer relations, in order to attend their expectations and interests.

KIKO is also committed to full respect the consumer protection law, and all regulations related to information and advertising of products and services offered.

Relations with suppliers

The selection of suppliers of goods and / or services, must comply with the principles contained in this Code of Ethics and must also act in accordance with the provisions contained in the specific procedures adopted by KIKO, in order to guarantee the highest ethical standards in the procurement process of goods and / or services.

Taking this into account, all Recipients must select potential new suppliers, verifying their integrity, and reputation and must base their choice on objective parameters, such as the quality and price of the goods or services to be purchased, as well as the guarantees assistance, timing, efficiency and availability.

The Recipients, during their business relationships with suppliers, are required to act in full compliance with the anti-money laundering legislation, avoiding the implementation of suspicious transactions in terms of correctness and transparency and / or potentially suitable for facilitate the receiving or laundering of money from illegal or criminal activities.

It is forbidden to have any kind of relationship with people or organisations included in international terrorist lists such as the EU list at: http://eeas.europa.eu/cfsp/sanctions/consol-list/index_en.

Relations with third parties, institutions, supervisors and public administrations

KIKO is inspired by the principles of correctness, loyalty, truthfulness of declarations, transparency and collaboration in all relations with third parties, institutions, supervisors and public administrations.

Each Recipient is therefore required to reject any pressure from public or private subjects aimed to obtaining money, goods or other benefits as a way to obtain an advantage in favor of the Group, as well as to avoid unduly promising and / or offering money or other benefits to public or private subjects in order to obtain advantages for the Group.

The Recipient who receives an offer or a request for benefits from a third party, except for gifts of commercial use or of modest value, is required to immediately inform their Line Manager and to the Human Resources and Global Audit functions.

Furthermore, the Recipients are required to give their total collaboration to the supervisory and control authority and to the public administrations that may request it, related to their relationship with the Group and, more generally, not to unlawfully interfere in any inspection activity and / or investigation.

The negotiations, assumptions of commitments and the execution of relationships with national, EU and international public institutions are done exclusively by the functions assigned and / or authorised for this purpose. In addition, the documentation that summarises any relation with public institutions must be adequately archived.

Bank incomes and payments

It is forbidden to all Recipients to make or accept payments in cash to / from third parties with which the Group has business relationships beyond the limits established by the applicable legislation. Payments or incomes that exceed allowed amounts must be made in compliance with the provisions of the specific organisational procedures adopted by KIKO, exclusively through the use of bank channels that ensure their traceability and transparency.

Donations, sponsorships and gifts

Any form of gift that is or that can be interpreted as exceeding best business practices or that may appear to be aimed to gain undue favourable treatments in the activities connected to the Group is prohibited.

Contributions

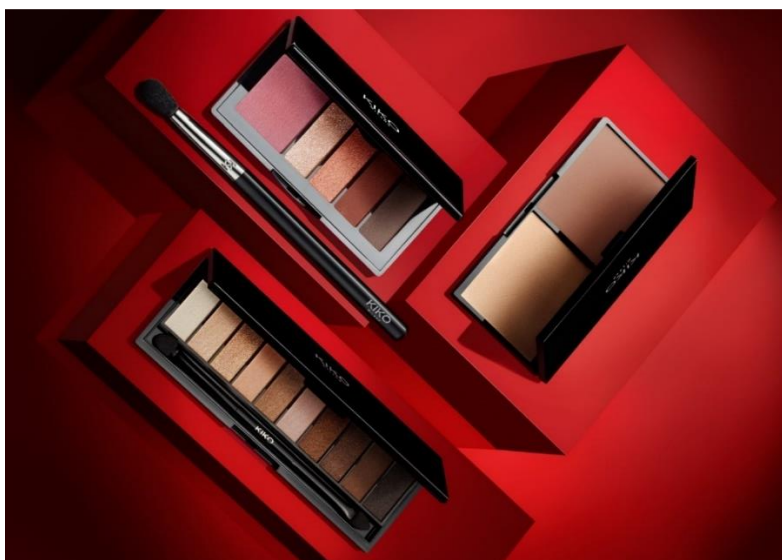
As a general rule, contributions are forbidden to political and trade union parties, committees and organisations.

However, contributions may be made to non-profit institution and / or institutions that have as per mission cultural or national values and in absolute compliance with the applicable laws.

Fair competition

KIKO carries out its activities, inspired by the principles of fairness, fair competition and transparency towards its competitor in the market.

The Recipients are committed to not produce damage to the image of competitors and their products and / or services.



7. COMMUNICATION OF THE CODE OF ETHICS AND SANCTIONS

To ensure the respect of this document, KIKO deems it essential to disclose its contents through specific communication activities adapted to the recipients, as well as constant monitoring of compliance.

In this sense, the Group informs all recipients the provisions and the application of the Code of Ethics, and the obligation of its compliance. Specifically, KIKO will ensure to

- the distribution of the Code of Ethics to Recipients;
- interpret and clarify any request received about the provisions contained therein;
- verify the compliance by all Recipients of the Code;
- update any provisions in the Code if necessary due to new needs as they emerge.

The Recipients are therefore required to actively participate in the training meetings organised by the Group and to promptly report any violation or suspected violation of the Code of Ethics. In this sense, the protection for those who reports in good faith, is guaranteed as well as ensuring no retaliation or negative professional consequences.

KIKO's Code of Ethics can be found on the company intranet, accessible for all Recipients, as well as on the Group's website.

Any violation or suspected of violation of the principles and provisions contained in this Code by the Recipients must be communicated promptly, through the following channels:

- (a) whistleblowing@kikocosmetics.com
- (b) or by postal email to:

KIKO S.p.A.
Via Pietro Paleopaca, 20
24122 - Bergamo (BG), Italia
(addressed to: Global Head of Audit)

Sanctions

The compliance of this document is part of the obligations of each of the relationship that the Recipients have with KIKO. Therefore, in the event of violation of the provisions included in this Code of Ethics and / or in the policies and procedures or provisions of the law referred, it will apply of the sanctioning measures including in the Model to the Recipients responsible of them.

8. FINAL PROVISIONS

The Code of Ethics has been approved by the Board of Directors of KIKO. Any update to it, due to regulatory needs or evolution / changes of the Group's business, will be approved by the KIKO Board of Directors and promptly communicate to all Recipients.

