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1. OBJECTIVES

KIKO is an Italian company offering professional make-up and skincare products. These products are sold through different sale channels, both in Italy and in the main international markets.

This document applies to all those who have business relationships with the company, as it contains the guidelines for the behaviours to be adopted daily in conducting the business.

KIKO S.p.A. and its subsidiaries (hereinafter the "Group" or "KIKO"), carry out their business activities in many countries around the world and, together with their staff, must comply with the applicable laws in the markets where they operate (including international conventions).

KIKO, in line with its Code of Ethics, is committed to carrying out its business in compliance with the Group's ethical principles and applicable local laws. Furthermore, KIKO has approved an Organization and Control Management Model in compliance with Italian Legislative Decree 231/2001 (the "Model").

The purpose of this document ("Guidelines") is to provide a reference framework for all Group subsidiaries, which must adopt locally and implement all the standard controls defined by KIKO S.p.A.

2. COMPANIES AND SCOPE

All employees of all KIKO international subsidiaries.

3. PROCESS AND RESPONSIBILITIES

3.1. LEGAL FRAMEWORK


The Italian Legislative Decree n. 231/2001 provides a regulatory framework for corporate liability and specifies the sanctions, (such as, fines, suspension of company activities, confiscation of assets), in connection with some crimes indicated by the law, committed or attempted, by legal representatives, Directors, Managers or their subordinates, as well as by third parties (suppliers, partners, consultants, etc.) in its interest or advantage.

Therefore, KIKO can be subject, directly and independently, to sanctions for crimes committed by these subjects unless they have acted exclusively for their advantage or in the interest of third parties and not in the interest the Group.

3.2. CRIMES INCLUDED IN THE D.LGS. ITALIAN 231/2001

The crimes provided by the Italian law and considered as relevant taking into account KIKO's activity are:

- Corruption and crimes against the Public Administration
- Information technology crimes and illegal data transfer
- Organized crimes and international crimes
- Counterfeiting of money, cards of public credit and tax stamps, instruments or signs for identification
- Violation (infringements) of industry and commerce law
- Corporate crimes
- Crimes against persons
- Market abuse crimes
- Violation of workplace health and safety laws
- Money-laundering

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- Violation of copyright law
- Crime of incitement not to testify or to bear false testimony to the Judicial Authority
- Environmental crimes
- Crimes of employment of illegal foreign nationals
- Crimes of racism and xenophobia
- Fiscal crimes

KIKO employees involved in the risk areas linked to the crimes listed above must comply with the following control guidelines:

- *Transparency*: each operation/transaction/action must be truthful, auditable, coherent and faithful;
- *Segregation of duties/Powers of Attorneys*: no one can solely manage an entire process and can have unlimited powers; the authorization and signature powers must be defined in line with the organizational responsibilities assigned;
- *Adequacy of internal rules*: KIKO's policies and procedures must be aligned with activities carried out and with the organizational features, to guarantee the implementation of all necessary controls to prevent the commission of crimes listed above;
- *Traceability*: each operation/transaction/action, as well as the related control activities, must be documented and the supporting documentation must be adequately archived.

3.3. PRINCIPLES OF CONDUCT

These Guidelines define the principles of behaviour and the standard controls that must be implemented in all KIKO's activities.


The Country Directors, and those who are in charge of specific functions, must ensure the implementation of the conducts, as described in this document.

In addition to the Code of Ethics, unless otherwise provided by local regulations, all KIKO employees must comply with the principles of conduct, which are described below, by way of example.

- CORRUPTION AND CRIMES AGAINST THE PUBLIC ADMINISTRATION

With the aim of preventing the occurrence of corruption and other crimes against the Public Administration, it is forbidden:

- to offer or grant money or other benefits to public employees or persons in charge of public services, or to their relatives, belonging to the Public Administration of the EU or foreign countries or, even to auditors and supervisor bodies in charge of drafting the official accounting documents, unless they are gifts or gratitude with low/symbolic value that can be considered as a common business courtesy;
- for obtaining an advantage, to favour the influence of a public employee or a person in charge of public service, to obtain or unduly promise, for himself or a third party, money or other gratitude;
- to make any kind of promises (i.e. recruitment, internships, consultancy, agreements, etc.) or grant advantages of any nature in favour of public employees and/or persons in charge of a public service of any Public Administration, Supervisory Bodies or Authorities and/or to similar subjects of the EU and foreign countries, or in favour of subjects in charge of drafting the official accounting documents;

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- to provide services in favour of third parties no in line to what is stated in the agreements signed;
- to grant and/or to pay to third parties money or give undue gifts or any other gratitude outside what is stated in the agreements signed;
- to make payments to counterparts different from what is stated in the agreements signed;
- to provide public employees (local, EU or foreign) with information or documents with intentional mistakes or with incorrect, incomplete and/or false contents, as part of any business activity carried out by the Company.

- INFORMATION TECHNOLOGY CRIMES AND ILLEGAL DATA TRANSFER


To prevent the commission of IT crimes, including illegal data processing, it is forbidden:

- to access illegally to an IT or telematics system protected by security measures against the will of the right-to-access holder;
- to destroy, delete, modify, third-party data or software or even compromise the integrity and availability of information, data or software used by local public institutions or other public authorities or of general interest;
- to transfer data, information or software with the aim of destroying, damaging, making in whole or in part unavailable, hampering the functioning of IT or telematics systems of public utility;
- to modify, through the use of digital signatures or otherwise, electronic documents;
- to create and transfer documents in digital format containing false and/or altered data;
- to fraudulently intercept and/ or distribute, by any means of information, communications relating to an IT or telematics system or communications between multiple systems.

- ORGANIZED CRIMES AND INTERNATIONAL CRIMES

To prevent the commission of organized and international crimes, KIKO takes rules of conduct inspiring:

- to ensure that any financial transaction assumes prior knowledge of the beneficiary of the relevant amount;
- to ensure that the assignments of significant value are concluded with the natural and legal persons towards which suitable verifications and controls have been carried out (by way of example and not limited to: consultation of the lists and control of the possible presence in them, personal references, etc.);
- to verify the commercial and professional trustworthiness of suppliers and commercial/financial partners;
- to ensure that the data collected in relation with third parties are complete and updated both for their correct and timely identification, and for a valid assessment of their profile;

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- to ensure the regularity of payments, in relation with the exact coincidence between payees and payers and the counterparties actually involved in the transactions and agreements;
- to carry out formal and substantial controls over the company's financial flows, related to payments to third and intercompany parties.
- COUNTERFEIT OF COINS, CARDS OF PUBLIC CREDIT AND TAX STAMPS, INSTRUMENTS OR SIGNS FOR IDENTIFICATION

To avoid the commission of these crimes, it is forbidden:

- to introduce counterfeit or altered coins in the territory of the State;
- to spend, buy, exchange, deposit (for example, with a bank), grant/take on loan, accept as collateral counterfeit or altered coins, as well as act as an intermediary in any of these or other negotiations;
- to spend or otherwise put counterfeit or altered coins received in good faith into circulation;
- to make use, in the industrial and/or commercial field, of trademarks, distinctive signs, patents, industrial designs or models counterfeited by third parties.
- VIOLATION OF INDUSTRY AND COMMERCE LAW

With the aim of avoiding crimes against industry and commerce, it is also mandatory for the recipients of this Global Policy:

- to ensure the conformity of the goods delivered to the customer with what agreed;
- to verify the compliance of the products with the law requirements applicable to the type of goods produced and sold;
- to avoid carrying out acts of violence against property or using fraudulent methods to hamper KIKO competitors' businesses;
- to avoid executing acts of competition with violence or threats against KIKO's competitors;
- to do not apply prices (including any discounts) lower than the costs of acquisitions;
- to not subject the sale of certain products to the purchase by the customer of other products that can be sold separately;
- to avoid unjustifiable discrimination between customers (therefore, it is appropriate to always check if more favourable discounts or commercial conditions granted to some customers were justified by cost savings or efficiency gains and were based on objective and transparent criteria);
- to not refuse to supply products to customers (current or potential) who request them unless it is justified by objective commercial interests (e.g. when the order is made by a customer who does not pay or does not offer adequate payment guarantees or to respect the contractual obligations).

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- CORPORATE CRIMES

In order to prevent the occurrence of corporate crimes, the recipients of this document are required:

- to provide, prepare or transmit accurate, correct and complete information, corresponding to reality, so as to report a fair representation of the economic and financial situation of KIKO;
- to present data and information, expressly required by current and applicable laws, concerning the economic and financial situation of KIKO;
- To ensure full compliance with the applicable laws and standards, and to behave in accordance to the principles of correctness, transparency and collaboration in carrying out all the activities for the acquisition, processing, management and communication of data and information necessary to allow a valid judgement on the financial and economic situation of KIKO.

- CRIMES AGAINST PERSONS


To avoid the occurrence of crimes against persons, the recipients of this document are required:

- to maintain a conduct based on the principles of correctness, transparency, collaboration and compliance with laws, as well as with current regulations;
- to pay wages in line with the quantity and quality of work performed and in compliance with the provisions of the national and/or local collective labour agreements;
- to not use forced and child labour;
- to comply with local labour and employment laws especially in relation to working hours and the enjoyment of holidays, work-off and leave days (e.g. marriage, maternity, etc.) and to the activities to be followed in the event of any deviations;
- to use methods of monitoring and distribution of acceptable accommodations.

- MARKET ABUSE CRIMES

In order to prevent market abuse crimes, the recipients of this document are prohibited:

- to use or communicate inside information relating to financial instruments or issuers of listed financial instruments, no matter how achieved, even outside of one's own professional activity;
- to leave documentation containing inside information where it could be easily read by people who are not authorized to know such information according to the current legislation provisions;
- to disclose to third parties inside information relating to financial instruments to be issued by assisted subjects, or concerning listed subjects and/or issuers of listed financial instruments, except when such disclosure is required by law, by other regulatory provisions or by specific contractual agreements requiring the use of this inside information exclusively for specified purposes and to maintain the confidentiality thereof;

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- to broadcast false or misleading market information through any type of media, including internet;
- to discuss inside information before strangers or, subjects not authorized to know such information according to the current legislation;
- to discuss inside information over the phone in public places to avoid that this information could be heard by strangers or by subjects not authorized to know it according to the provisions of the current legislation.

- VIOLATION OF WORKPLACE HEALTH AND SAFETY LAWS

The rules of conduct apply to whoever is required, directly or indirectly, to comply with local accident prevention regulations.


For all recipients of this document and of the Model adopted by KIKO, it is forbidden:

- to engage in imprudent, negligent or inexperienced behaviours that may constitute a danger to the health and safety within the workplace;
- to engage in conduct that may potentially lead to a danger to health and safety within the workplace;
- to refuse to use personal or collective protective devices or perform work activities in violation of the local regulations;
- to perform work activities and use equipment without having previously received adequate instructions.

- MONEY-LAUNDERING

In order to prevent money-laundering and the use of money and goods of illicit origin, it is mandatory:

- to comply with all the regulations and procedures that regulate the company's business, with reference to the procurement of goods, services and works, as well as the procedures of managing financial resources;
- to follow the principle of transparency while conducting the company activity, by paying the utmost attention to information regarding third parties with which KIKO has financial or corporate relations that can even generate suspicion of the commission of crimes related with money laundering;
- to ensure the traceability of all stages of the decision-making process relating to financial and corporate relations with third parties;
- to maintain all supporting financial and corporate documentation, adopting all the necessary security measures;
- to carry out all best practices controls, regulations, protocols and procedures in entering in new business commercial relations;
- in relations with third parties, to pay particular attention to:
 - type of relationship (continuous or spot professional service);
 - reasonability of the operation (disproportion with the usual activity);

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- consistency of the of payment methods (in relation to the nature and amount of the transaction).

Furthermore, it is expressly forbidden to receive, transmit, transfer, sell, purchase or otherwise handle goods, money or other utilities, in the awareness or doubt of their illicit origin. In particular, it is allowed to pay or receive money only for services actually received or carried out.

- VIOLATION OF COPYRIGHT LAW

In order to avoid the violation of copyright laws, the recipients of this document are prohibited:

- to spread, without authorization, intellectual works - or parts of them - protected by copyright law;
- to reproduce, transfer, distribute, communicate, or make public the content of a database without having the necessary authorization from the legitimate owner of the copyright and/or of the right to exploit it;
- to illegally obtain, archive, reproduce, distribute and/or use in the Company's activities material obtained in violation of the rules of copyrighting.

- CRIME OF INCITEMENT TO NOT TESTIFY OR TO BEAR FALSE TESTIMONY TO THE JUDICIAL AUTHORITY


To prevent the occurrence of the incitement to not testify or to bear false testimony, it is forbidden for all recipients of this document:

- to use violence or threats against an individual called to make declarations before the judicial authority in proceeding, with the aim to interfering in his/her statements;
- to offer or promise to offer money or other benefits to an individual called to make declarations before the judicial authority in proceeding, with the aim to interfering in his/her statements .

- ENVIRONMENTAL CRIME

To avoid the occurrence of crimes against the environment, KIKO is committed:

- to appoint a responsible function to monitor the compliance with the environmental legislation;
- to define the methods for identifying, communicating, implementing and updating the legal and other environmental requirements applicable to KIKO's activities;
- to promptly communicate to the public authorities any signs of risk and/or danger, accidents (regardless of their seriousness) and violations of the rules of conduct and the company procedures.

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- CRIMES OF EMPLOYMENT OF ILLEGAL FOREIGN NATIONALS

To avoid the employment of illegal foreign nationals, to all recipients of this document, it is forbidden:

- to hire foreign workers without a legal work permission, or an expired one;
- to hire under-age workers at KIKO in violation of the applicable legal provisions;
- to force workers to inadequate or exploitative working conditions.

During the selection process of suppliers for continuous services to render to KIKO, it is also mandatory to carry out the checks on the regularity of residency and work permits of the workers they employ, as well as on the conditions of work applied, also through the insertion of specific clauses in the contracts that regulate relations with them.

- CRIMES OF RACISM AND XENOPHOBIA


To avoid crimes of racism and xenophobia, it is mandatory:

- to refrain from putting in place or participating in the implementation of conduct that, considered individually or collectively, can constitute criminal offences;
- to refrain from engaging in and adopting behaviours which, although they do not constitute criminal offences, could potentially become condition for the realization of them;
- to maintain a conduct based on the principles of correctness, transparency, collaboration and compliance with the law, as well as with current regulations.

- FISCAL CRIMES

In order to prevent the occurrence of fiscal crimes, the recipients of this document are required to comply with the following:

- to refrain from indicating in tax declarations (both for direct and indirect taxes), fictitious deductions by using invoices or other documents for non-existent operations;
- to refrain from indicating in tax declarations (both for direct and indirect taxes), fictitious deductions, linked to the performance of simulated operations objectively or subjectively or to the use of false supporting documentation or other false methods.
- to refrain from issuing invoices for non-existent operations in order to allow third parties to evade income taxes or value added taxes;
- to ensure correct filing of the mandatory accounting records;
- to refrain from concealing or destroying, totally or partially, the accounting recordings or documentation to be compulsorily archived;
- to maintain a conduct based on the principles of correctness, transparency, collaboration and compliance with the law, as well as with current regulations.

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3.4. REPORTING

The recipients of this document are required to report to the related Corporate function and/or the Global Audit function any violation (or attempt) of this International Guidelines or any practices not in line with the Procedures and Global Policies issued by KIKO and KIKO's Code of Ethics.

3.5. DISCIPLINARY SYSTEM

All KIKO personnel must be inspired and comply with the provisions of this document. The compliance with the International Guidelines, the Code of Ethics and Global Policies and Procedures must be considered an essential part of the obligations for employees and for any other relationship, whatever regulated by law or contractually.

Through the governance bodies and functions specifically assigned to it, KIKO imposes, with consistency, impartiality and uniformity, sanctions proportionate to the violations of this document and in compliance with the current provisions on the regulation of labour and contractual relations.

4. DEFINITION

None.

5. VERSION

Vers.	Description	Author	Review	Approval	Date
0	Original	Global Audit	CEO	KIKO's BoD.	31/03/2020