


Document Number:	CP AUD 001	Corporate Procedure	
Date:	01/07/2021	Whistleblowing	
Function	Global Audit		

1. OBJECTIVES

KIKO is committed to conducting business with honesty, integrity and the highest standards of openness, probity and accountability. KIKO expects that all employees and third parties with which it has relationships to maintain high standards in accordance with our Code of Ethics, Policies and Procedures.

The aim of this procedure is:

- To encourage employees and third parties with which it has relationships to report suspected wrong-doing as soon as possible in the knowledge that their concerns will be taken seriously and investigated;
- To provide guidance as how to raise those concerns;
- To be in compliance with European Directive (EU) 2019/1937 related to the protection of whistleblowers.

2. COMPANIES AND SCOPE

KIKO S.p.A. (“KIKO”) and subsidiaries of KIKO S.p.A. (hereinafter, jointly, also, “KIKO Group”).

3. PROCESS AND RESPONSIBILITIES

3.1. RESPONSIBILITY

The Global Audit is responsible to:

- Ensure the arrangement and the maintenance of the whistleblowing channel;
- Perform the investigation related to the communication received;
- Communicate to all governance bodies, including Board of Directors as well as the Audit Committee and “*Organismo di Vigilanza*” (hereinafter, “OdV”), the results of the investigations performed.

The activities performed by the Global Audit on the matters covered by this procedure are to be considered as operational support to all governance bodies of KIKO Group.

3.2. PROCESS

3.1.1 Guaranty of anonymity


The Global Audit function and the other departments within KIKO as well as all external parties to the extent involved in the receipt and processing of reports must ensure the absolute confidentiality and anonymity of the persons that makes such reports.

3.1.2 Bad faith reports

KIKO expects all employees to collaborate in maintaining a climate of mutual respect for the dignity, integrity and reputation of each and every person within the KIKO Group. KIKO will operate to prevent insulting or defamatory interpersonal behavior.

Reports shall be detailed, referred to relevant illegal conduct, based on precise and consistent factual elements,

The governance bodies and/or the Global Audit shall ensure adequate protection against bad faith reports, censuring this type of conducts and informing the parties/company targeted by reports found to have been made in bad faith also considering any penalties.

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3.1.3 Anonymous reports

Anonymous reports will be considered only if they are detailed with significant elements to perform proper investigations.

If key details are missing or if after a specific additional request, further details are not provided anonymous reporting will be considered invalid.

3.1.4 Communications channels

The unique official channels to communicate any reports or incident are:

- o E-mail: whistleblowing@kikocosmetics.com; or
- o Post Mail: Head of Global Audit, addressed to KIKO S.p.A. Via Pietro Paleocapa, 20. 24122- Bergamo, Italy.

If a communication is received by means of a channel other than those detailed above, the addressees of it shall send the communication received immediately to the Head of Global Audit using the official channels listed above, in compliance with principles of confidentiality aimed at protecting the effectiveness of assessments and the integrity of the persons involved also pursuant this procedure.

3.3 INVESTIGATIVE PHASE

3.3.1 Recording of the report

The Global Audit will record each report received in a specific confidential database. In addition will:

- Maintain an archive all the information regarding the communications received and the investigations performed, including all the related documentation.
- Notify the relevant governance bodies in the case of reporting relevant for the purposes of the legislation pursuant to Legislative Decree 231/2001.
- Communicate the reports to the HR and Legal departments, that will carry out any necessary activity and checks to assess disciplinary actions (if applicable) and/or the application of sanctions and/or penalties to third parties (if applicable).


3.3.2 Preliminary check and assessment

All the reports received shall be subjected to a preliminary check done by the Global Audit. The aim of the preliminary checks is to assess the factual bases of the report, in order to decide whether further assessments (internal or external) are required to conduct the investigation.

If there are no minimum requirements to proceed with the investigations pursuant to the applicable laws and this procedure, the Global Audit will communicate to the whistleblower the reason to end the investigation.

In the case of detailed reports, the preliminary assessment phase begins, during which the necessary information elements are acquired from the reporting party in order to assess the existence of conditions for carrying out an audit. The preliminary assessment phase will be timely and accurate, in compliance with the principles of impartiality, fairness and confidentiality of all the subjects involved.

Based on the results of the verification and preliminary assessment:

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- For those reports relating to violations of the Code of Ethics or the “*Modello di Organizzazione, Gestione e Controllo ex DL 231/2001*” (hereinafter, the “Model”), the Global Audit with the support of the OdV of KIKO, evaluates whether to carry out further verifications or whether to activate a following phase of “Investigations” (see point 3.3.3);
- For reports relating to violations of the Internal Control System, without impacts on the Model, the Global Audit evaluates whether to carry out further verifications or whether to activate a following phase of audit, in accordance with the Board of Directors (if necessary depending on the significance of the report received);
- Reports related to Human Resources (mobbing, racism, etc.) will be sent to the HR department for the adoption of proper measures.
- Other reports of management type are addressed to internal competent bodies, once received permission from the reporting party.

Global Audit will follow up the investigations lead by others departments (if any) and will request a formal report about it and its results, if necessary.

3.3.3 Investigation

The investigation begins on the basis of the report received through the official channels. Audit activities may be carried out directly by the Global Audit or executed by a third party monitored by it.

In carrying out the audit, the work team shall implement the operating standards methodologies of the Audit function and may avail itself of the support of the competent corporate functions and, where deemed appropriate, of specialized external consultants.

3.4 REPORTING

3.4.1 Report


Global Audit shall ensure the following reporting flows:

- Quarterly reports: this type of reporting is included in the periodic report to the OdV and the Board of Statutory Auditors of KIKO, including also specific points on the warnings.
- Audit Report: if an audit has been launched, the report will be sent promptly to the CEO of KIKO, the Audit Committee (if any) and if applicable to the HR Department. It also will be share with the OdV if the report is related to the DL 231/2001.

The reporting will not include the identity of the reporting parties, unless there is explicit written authorization from the reporting person and, in any case, compliance with the current legislation applicable to all subjects involved will be guaranteed.

The reporting system from and to the OdV contemplated in the Model drawn up pursuant to Legislative Decree No. 231/2001, shall continue to apply.

In its annual reporting activities, the Global Audit function will include a dedicated section about the Whistleblowing channel, the communications received, investigations done and results of all them. During the year and depending of the seriousness of the communications received, the Global Audit will report to the Audit Committee (if any) and/or directly to the Board of Director immediately.

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3.5 DISCIPLINARY SANCTIONS OR PENALTY TO THIRD PARTIES

The HR Department evaluates to apply any potential disciplinary sanctions to the employee(s) involved in the illegal conduct based on the reports received, the results of the activity and checks carried out and the applicable laws. If the communication comes from a third party or it is involved, the Legal department will define the sanctions based on agreements in force (if any) and applicable laws, according to the results of the audit investigation.

3.6 ARCHIVING OF DOCUMENTS

In order to ensure the management and the traceability of reports and related investigative activities carried out pursuant to this procedure, the Global Audit ensures the archiving of all related support documents in compliance with current legislation. The Boards of Directors and/or the OdV reserves the right to make requests and checks on the process of documentation concerning the issues related to the Model.

The documentation will be also available to attend public authorities request in line with what is stated in the EU Directive 2019/1937.

4. DEFINITIONS

Code of Ethics: document that expresses the ethical commitments and responsibilities in the management of business and corporate activities undertaken by directors, executive managers and employees of KIKO Group, adopted in compliance with Legislative Decree 231/2001.

Legislative Decree 231/2001: means the Italian Legislative Decree No. 231 of 8 June 2001.

“Modello di Organizzazione, Gestione e Controllo ex Legislative Decree 231/2001” or Model: the organizational model contemplated under Legislative Decree 231/2001 that introduced a regime of corporate administrative liability for certain types of offences; this is the document adopted by resolution of the Board of Directors of KIKO and updated later in relation to subsequent legislative interventions.

Organismo di Vigilanza or OdV: entity supervising the functioning and observance of the Model.

Anonymous Report: any and all reports forwarded by persons whose identity is not specified and cannot be traced.


Bad faith reports: any and all reports, totally unfounded, made just with a view to occasioning harm or prejudice to employees, members of corporate bodies and/or the independent auditors of KIKO Group or even third parties (customers, suppliers, consultants, collaborators) maintaining business relations with KIKO Group.

5. ATTACHMENT

Annex 1: Information pursuant to art. 13 of regulation (EU) 2016/679.

6. LINKS

Code of Ethics of KIKO
Modello di organizzazione, gestione e controllo (MOGC)

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7. APPROVAL

Author	Review	Approval	Date
Global Audit	Legal HR	CEO	01.07.21