SUSTAINABILITY REPORT 2025

ALFAPARF MILANO

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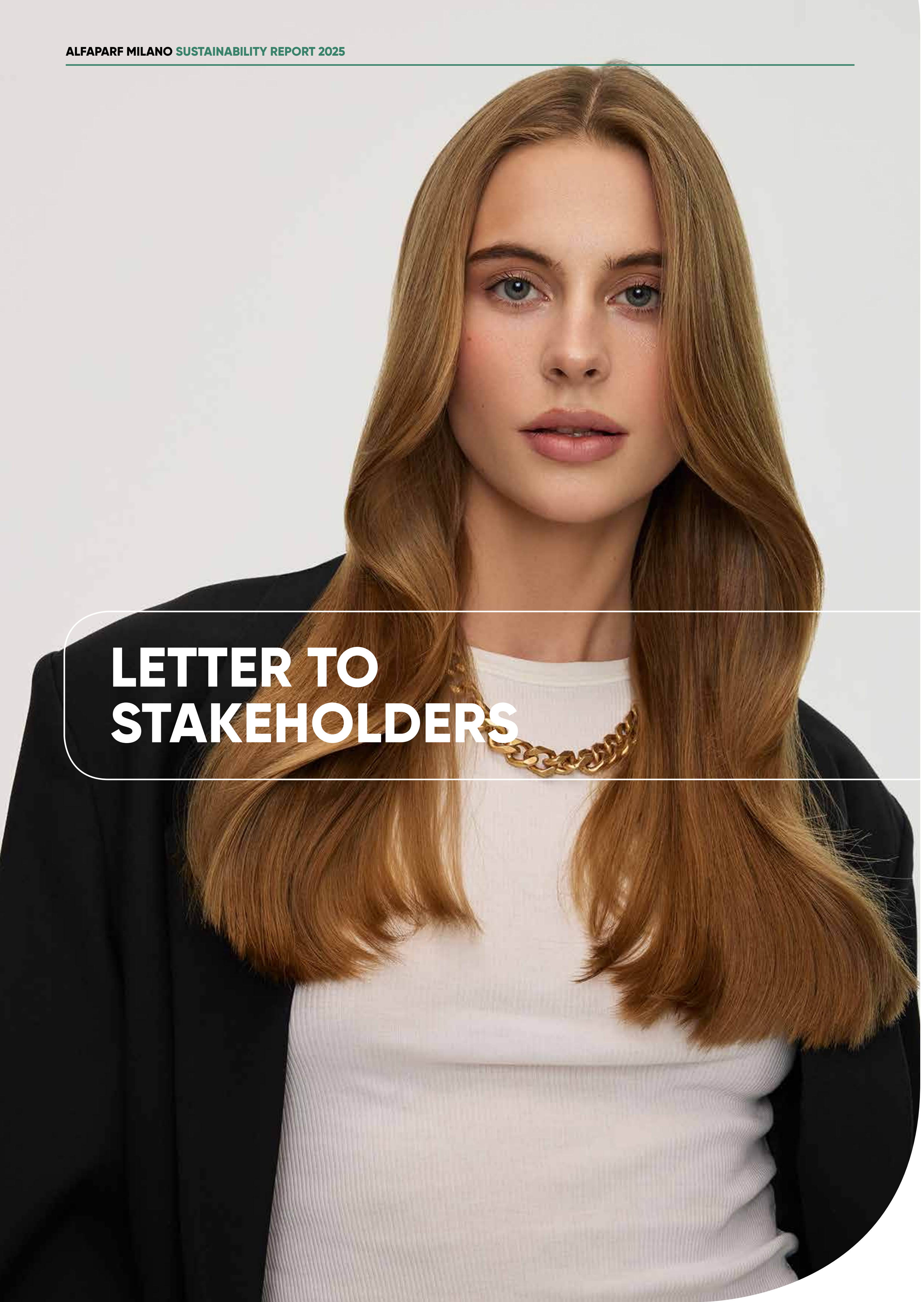


LETTER TO STAKEHOLDERS

ALFAPARF MILANO SUSTAINABILITY REPORT 2025

We are delighted to present this new edition of Alfaparf Milano's Sustainability Reporting, an important step in a journey that began in 2018 and has continued to evolve year after year, keeping pace with the Group's growth and the gradual strengthening of our commitment towards increasingly responsible, transparent and forward-looking management.

For 2025, we have once again chosen to continue our reporting process on a voluntary basis, following an approach inspired by the new European Sustainability Reporting Standards (ESRS) set out in the CSRD Directive. This decision reflects the Group's commitment to staying ahead of regulatory and market expectations, while progressively improving the quality of the information we share with all our stakeholders, and strengthening our ability to identify and manage the impacts, risks and opportunities associated with sustainability.

2025 was a year of further growth and consolidation. The Group expanded its scope through the 100% acquisition of Bioclean Commercial Ltda in Brazil and Xanitalia S.r.l. in Italy, strengthening its presence in complementary segments and reinforcing a development strategy built on quality, innovation, industrial expertise and a focus on market needs. This growth is part of an international business model firmly rooted in the values of Made in Italy and centred on creating long-term shared value.

During the year, we continued to strengthen our management systems and enhance our quality, compliance and sustainability controls. The voluntary certifications obtained and maintained by the Group, together with the regular audits and social audits carried out at certain production sites, are a cornerstone of our approach. In particular, Beauty & Business S.P.A. and Dobos S.A. de C.V. were audited in accordance with the Sedex SMETA 4-pillar framework, confirming the Group's commitment to responsible practices throughout the value chain.

A significant milestone was achieved by Beauty & Business S.P.A. which obtained UNI/PdR 125:2022 certification for gender equality in 2025, as recognition of its structured approach aimed at embedding the principles of equity, inclusion and the empowerment of people across its business processes and organisational culture. The policies adopted in relation to Diversity, Equity & Inclusion and Human Rights, the DE&I and Equal Opportunities

Roberto Franchina
Chairman
Alfa Parf Group S.p.A.

Committee, training, consultation and awareness-raising activities, and initiatives to support work-life balance provide a solid foundation for ongoing improvement.

On the environmental front, we continued to pursue the gradual reduction of our impact through measures to improve energy efficiency, optimise water consumption, upgrade production facilities and focus increasingly on the responsible use of resources. At the same time, the Group embarked on a process to define a more structured climate strategy, recognising that the transition towards more sustainable production and organisational models requires vision, method and continuity.

For Alfaparf Milano, sustainability also means caring for people, customers and communities. We continue to put our #alfaparfpeople at the heart of our business model, investing in training, skills development, health and safety, listening and organisational well-being. With regard to our customers and consumers, we have continued to strengthen our processes for monitoring, managing feedback, enhancing service quality and improving product safety, with the objective of building relationships founded on trust, transparency and continuous improvement.

Our connection with the local area remains equally strong. The Alfaparf Foundation is one of the clearest examples of this commitment, supporting initiatives in the social, educational, cultural and healthcare sectors, with a particular focus on the younger generations and community well-being. Through the Foundation and its partnerships with organisations, institutions and third-sector bodies, the Group continues to promote inclusion, access to culture, education and support for the most vulnerable members of society.

The awards received over the course of the year included Best Managed Company Award awarded to us by Deloitte Private in collaboration with ALTIS – Graduate School of Sustainable Management at the Università Cattolica del Sacro Cuore, ELITE – Euronext Group and Piccola Industria (Confindustria), as well as our inclusion, for the fifth consecutive year, amongst the Sustainability Leaders selected by Statista in collaboration with *Il Sole 24 Ore*. These recognitions represent a significant validation of the path we have embarked on. At the same time, we see them as an encouragement to move forwards responsibly, aware that sustainability is not a destination but an ongoing journey of listening, evolving and improving. We shall continue along this path, with determination and enthusiasm, investing in our vision of sustainability, as we are confident that only a company capable of growing whilst remaining true to its values can generate enduring value for people, for the communities in which it operates and for all the stakeholders who contribute to our journey every day.

ALFAPARF MILANO SUSTAINABILITY REPORT 2025

GENERAL INFORMATION

GENERAL BASIS FOR THE PREPARATION OF SUSTAINABILITY STATEMENTS

This document is Alfaparf Milano's second Consolidated Sustainability Report, drawn up on a voluntary basis, based on the provisions of Italian Legislative Decree No. 125 of 6 September 2024, as implemented by Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, or "CSRD").

The document has been prepared to the extent necessary to ensure understanding of the information relating to the Group's activities, as well as the other qualitative characteristics of the company referred to in ESRS 1, Appendix B, of the aforementioned European Directive.

The document examines the qualitative and quantitative information relating to Alfaparf Milano according to the scope and reporting period of the 2025 Annual Financial Report (from 1 January to 31 December 2025). Any deviations with regard to the scope are indicated in the relevant data and tables. In accordance with the principle of data comparability, where possible, a comparison with the previous year has been included.

More specifically, the scope of the reported social and environmental data and information includes all the companies in the Group[1]. Therefore, within the document, when Alfa Parf Group S.p.A. (or "Group" or "Alfaparf Milano", brand company of Alfa Parf Group S.p.A.) is mentioned, refers to the companies listed on the facing page.

It should be noted that data relating to raw materials (ingredients) refer to production facilities located in Italy (Beauty & Business S.p.A., Tricobiotos S.p.A.), Brazil (Delly Kosmetic Ltda) and Mexico (Dobos S.A. de C.V.). If there are any limitations on scope, these are duly indicated in the text. Lastly, the data and information presented are derived from direct surveys; where it was not possible to obtain the data, estimates were made and are clearly indicated in the text.

This Consolidated Sustainability Report does not include information required by other regulations containing sustainability reporting requirements or generally accepted sustainability provisions. Given the voluntary nature of the scheme, this report currently covers only part of the value chain. The Group intends to pursue its commitment in the coming years to take due account, as required by law, of the entire value chain when carrying out its double materiality analysis, including information deriving from its direct and indirect commercial relationships along the value chain.

Alfaparf Milano has not exercised the option to omit specific information relating to intellectual property, know-how or the results of innovation, nor has it exercised the exemption from disclosing information concerning imminent developments or matters under negotiation.

In addition, the Group has included in this Sustainability Report certain disclosures specific to the entity, communicated in line with previous years. The set of additional disclosures is duly reported in the Content Index of the report (see Appendix to this document for further details).

[1] **Compared to the previous reporting year, the scope of this document also includes the company Xanitalia S.r.l. (IT), acquired during FY 2025, and Alfa Parf Paraguay S.A. (PA), established during the same financial year.**

COUNTRY	COMPANY	PRODUCTION BRANCH	SALES BRANCH
Italy	**Alfa Parf Group S.p.A.**	**Holding**	**Holding**
Argentina	Prodicos S.A.U.	●	●
Australia	Alfhair Ltd		●
Brazil	Delly Kosmetic Ltda	●	
Brazil	Bioclean Commercial Ltda	●	●
Brazil	Delly Distribuidora de Cosméticos e Prestacao de Servicos Ltda		●
Brazil	Distribuidora Brazilira de Cosméticos e Participações		●
Brazil	Distribuidora do Rio Grande do Sul de Cosméticos		●
Brazil	Distribuidora do espirito santo de de cosmeticos		●
Brazil	Distribuidora carioca de cosmeticos		●
Brazil	Distribuidora Mineira de Cosméticos		●
Brazil	Distribuidora Paranaense de Cosméticos		●
Brazil	Distribuidora Santa Catarinense de Cosméticos		●
Brazil	Distribuidora Aparecida de Goiânia de Cosméticos		●
Chile	Cosmetica Chi.Cosm Ltd		●
Colombia	Sabama Ltda		●
Costa Rica	Costa Rica Cosméticos Cosdist SRL		●
Ecuador	E.Cos S.A.		●
France	Eugène Perma Professionnel SAS		●
Guatemala	Guatemala Cosmeticos S.A. de C.V.		●
Ireland	Xpert Cosmetics Limited		●
Italy	Beauty & Business S.p.A.	●	●
Italy	D.E.A. Project S.r.l.	●	
Italy	Tricobiotos S.p.A.	●	●
Italy	Iv San Bernard S.r.l.		●
Italy	Xanitalia S.r.l.	●	
Mexico	Dobos S.A. de C.V.	●	●
Panama	Alfa Parf Panama S.A.		●
Paraguay	Alfa Parf Paraguay S.A.		●
Peru	Percosm S.A.C.		●
Poland	Pol.Cosm Sp. Z.O.O.		●
Portugal	Maresana Lda		●
Dominican Republic	Porta Nuova S.r.l.		●
Russia	Alfa Parf Russia		●
El Salvador	Clio Cosmetics S.A. de C.V.		●
Spain	Alfa Parf Group Espana S.L.U.		●
United Kingdom	Xpert Professional UK Limited		●
Uruguay	Alfa Parf American Division Distribution S.A.		●
USA	B.I.P. Inc.		●
Venezuela	DIS.MAR Cosmetics C.A.		●
Venezuela	Industrias Veprocosm C.A.	●	

DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

This document is distributed to all stakeholders of the Group through publication on the institutional website of Alfaparf Milano at the following address: *www.alfaparfmilano.com*. For more information in this regard, please contact the Global Sustainability Department at: *sustainability@alfaparfmilano.com*.

In line with the requirements of Appendix C of the ESRS 1, this Sustainability Report has been divided into four main sections: 1 General information, 2. Environmental information, 3. Social information, 4. Information on governance. These chapters are preceded at the beginning by the Letter to Stakeholders.

For this reporting year, no information or metrics have been included with reference to the Group's value chain, including indirect emissions generated along the Group's value chain (known as Scope 3), for the measurement of which the Organisation has undertaken preliminary screening analysis activities.

ALFAPARF MILANO SUSTAINABILITY REPORT 2025

WHO WE ARE

THE ITALIAN HOUSE OF BEAUTY

Alfaparf Milano is the brand company of Alfa Parf Group S.p.A., a multinational professional cosmetics company with wholly Italian capital, which develops, manufactures and distributes hair and body products and cosmetic machinery.
The Group has nine production facilities: four in Italy, the other five in Mexico, Brazil, Argentina and Venezuela. It distributes its products all over the world, directly (through branches in 31 countries) and indirectly (through third-party distributors).

VISION

"Knowing people to understand the market"

We imagine a world in which, through the products and services of Alfaparf Milano, each person can experience beauty in their everyday life and thus achieve well-being and happiness.

MISSION

"Spreading beauty and making a difference in the lives of our customers, starting with small things"

Our mission guides our daily work and, to achieve it, we always keep four pillars in mind.

Product performance
We aim to create innovative products, services and technologies and to constantly improve their quality

Agility
We respond reactively to market developments, providing solutions quickly and effectively

Territory
We combine the uniqueness of Made in Italy expertise with needs and ideas from all over the world

Sustainability
We implement concrete actions to reduce our environmental impact and protect people's rights

VALUES

"Bringing beauty into the lives of our customers"

The management of the business and the work of our people in achieving company objectives are driven by a strong system of values.

- **Excellence:** as in the best tradition of Made in Italy, we aspire to quality excellence and perfection in every detail, integrating concreteness and imagination.
- **Agility and courage:** we are not afraid to take risks to find our way and we do so by eliminating unnecessary complications in favour of speed of execution.
- **Openness:** we move forward with our eyes, ears and hearts wide open, being especially attentive to understanding the different sensitivities of the people with whom we come in contact.
- **Integrity and responsibility:** as stated in our Code of Ethics, we embrace the values of integrity and responsibility towards Alfaparf people, stakeholders, the community and the environment.
- **Passion for beauty:** the sector in which we operate is unique and multifaceted, unleashes the imagination, creates positive experiences and helps people feel better in everyday life.

#ALFAPARFPEOPLE

From our roots as a family business, we have learned to keep people at the centre of our universe and to cultivate authentic relationships with those around us, our #alfaparfpeople: Employees, Customers, Hairstylists, Beauticians, Suppliers and Partners.

ALFAPARF MILANO SUSTAINABILITY REPORT 2025

OUR HISTORY

1980

Roberto Franchina establishes the company Alfaparf S.N.C., which produces and markets professional products for hairstylists. The ALFAPARF brand is born.

1989-1990

Following the consolidation of production in Italy, the SEMI DI LINO (flaxseed) line was launched, closely followed the next year by the launch of the permanent coloring line EVOLUTION OF THE COLOR.

Late '90

Between the end of the 1990s and the early 2000s, Alfaparf confirms its position as a reference point for the European market and expands its borders, inaugurating production sites in Brazil, Mexico and Venezuela, and opening several sales branches in Latin America, United States and Australia.

2002

Alfa Parf Group is established. This international group, with wholly Italian capital, becomes a leader in its reference market, with a turnover of around € 60 million, of which over 80% was generated abroad.

2008

The Private Label project begins, allowing the Group to exploit its know-how to acquire additional market shares, especially in coloring products, serving large third-party brands.

2009

Thanks to the acquisition of GTS Group S.p.A., Alfa Parf Group enters the market for the production and distribution of professional cosmetics and machinery used in beauty centers, becoming, in terms of size, the first wholly Italian-owned professional cosmetics company.

Since 2010

Alfa Parf Group has been pursuing a globalisation strategy, extending its export activities to Eastern Europe and Northern Europe (Russia, the Baltic, Scandinavian and Balkan countries), Africa (Tunisia, Morocco, Egypt, Senegal, South Africa) and Asian countries (India, Malaysia, Indonesia and the Middle East), making the Group increasingly international.

2015

The path of globalisation does not only concern geographical boundaries but also market boundaries and, in 2015, Alfa Parf Group entered the retail market in Brazil thanks to the "ALTAMODA È..." brand with a line of hair care products distributed in stores, retail chains, para-pharmacies and pharmacies.

2021

Thanks to the restage of the OLOS skincare brand, Alfa Parf Group launches its first line inspired by the Group's new sustainability philosophy. OLOS consciously and responsibly chooses every aspect of formulations, packaging, production and distribution.

2022

Alfa Parf Group, a brand that encompasses all the Group's brands, becomes Alfaparf Milano thanks to a rebranding activity and a new corporate identity. The Group's positioning is also strengthened by the acquisition of the majority stake in Tricobiotos S.p.A., specialised in the production and marketing of professional hair products, and of the company Iv San Bernard S.r.l., leader in the development and marketing of cosmetic products for animals.

2023

Alfaparf Milano launches the haircare brand BENVOLEO, a professional brand that brings to the haircare world a sense of transparent, responsible and participatory beauty, and that is proudly Made in Italy.

In September, the Group applied to take over Eugène Perma, a French group specialised in hair care products, under controlled receivership. The Commercial Court of Paris entrusted Alfa Parf Group with the professional hair branch of the company. Since 20 January 2024, following the integration and thanks to intensive efforts to restart the business, Eugène Perma has resumed deliveries to salons.

2024

The Group is expanding in the United States with the acquisition of APHOGEE, a brand with over 30 years of history and success. APHOGEE has become a cult brand in the field of DIY hair treatments.

2025

The Group acquired 100% of Bioclean (Brazil) and Xanitalia, companies specialised in hair removal products.

ALFAPARF MILANO SUSTAINABILITY REPORT 2025

AWARDS AND ACKNOWLEDGEMENTS

CORPORATE

BEST MANAGED COMPANIES. Alfaparf Milano was once again awarded the Best Managed Company Award, a recognition given to Italian companies that stand out for their managerial and entrepreneurial excellence. The award, promoted by Deloitte Private in collaboration with ALTIS (Graduate School of Sustainable Management at Università Cattolica del Sacro Cuore), ELITE (Euronext Group), and Piccola Industria di Confindustria, honours companies that are able to generate long-term value while addressing market challenges with vision, expertise and responsibility.

In 2025, Alfaparf Milano received this award for the sixth time in seven years, following the 2018 (the award's debut year in Italy), 2019, 2022, 2023 and 2024 editions.

The panel's assessment considered various aspects: corporate strategy, innovation capacity, internal skills, culture and commitment to people, governance, performance measurement systems, corporate social responsibility, internationalisation and supply chain relationships.

The award reaffirms the validity and continuity of a management model focused on excellence — one that successfully combines growth, sustainability and managerial quality.

SUSTAINABILITY LEADER. In 2025, for the fifth consecutive year, Alfaparf Milano was included among the Sustainability Leaders, selected by Statista, a German company specialising in market research and analysis, in collaboration with *Il Sole 24 Ore*.

The initiative identifies Italian companies that have distinguished themselves through their commitment to the three key pillars of sustainability: environmental, social and governance (ESG). The selection is based on an analysis of 45 indicators taken from financial and sustainability reports. Out of a pool of 500 large companies, the top 240 with the highest overall scores were selected.

Alfaparf Milano's continued inclusion confirms the strength of its ESG strategies and its ongoing commitment to creating shared value — with careful attention to the environmental, social and economic impacts it generates over time.

WOMEN'S WEAR DAILY TOP 100. In the 2026 ranking of the world's top 100 cosmetics companies, compiled by the American magazine *Women's Wear Daily* (*www.wwd.com*) based on 2025 financial data, Alfaparf Milano ranks 84th.

HAIRCARE

SEMI DI LINO AND BENVOLEO

Hair Awards 2025. Nominated as:

- "Best shampoo and conditioner for dry hair" – Alfaparf Milano Professional Semi di Lino moisture shampoo and conditioner.
- "Best shampoo and conditioner for volumising" – Alfaparf Milano Professional Semi di Lino density shampoo and conditioner.
- "Best hair oil" – Alfaparf Milano Professional Semi di Lino cristalli liquidi.
- "Best hair oil" – Alfaparf Milano Benvoleo nutri care oil.

Universal Beauty Awards 2025. Award:

- "Best conditioner for mature hair" – Alfaparf Milano Professional Semi di Lino density thickening conditioner.

AHIA Business Awards Australia

The company nominated its products for the AHIA Business Awards, and was a finalist in the following categories:

- "Best in Style": Detangling Primer;
- "Best in Style": Texturizing Balm.

CERTIFICATIONS

Alfaparf Milano is constantly committed to raising the quality of the products and services offered to beauty professionals (hairstylists and beauty centres) and end customers in all market sectors. Production takes place in facilities located in Italy, Brazil, Mexico, Argentina and Venezuela. All the divisions and production departments operate synergistically through the application of a Quality Management System which guarantees the conformity of the products and services and also supports the continuous management of activities, in full respect of the environment, people, customers and local communities. Furthermore, by offering quality products conforming to EEC and non-EEC standards, it is able to meet professional needs for different market segments, distributing its products in more than 100 countries.
The production sites in Italy, Brazil and Mexico apply both international ISO standards and Good Cosmetic Products Manufacturing Practices as required by government authorities (e.g., Cofepris in Mexico, Anvisa in Brazil) and are subject to periodic inspections by them. Over the years, hand in hand with its commitment to sustainability, the Group has voluntarily decided to comply with international social, ethical and environmental standards and, in some cases, to pursue certification. In 2025, this commitment resulted in obtaining and maintaining several significant voluntary certifications: these include ISCC Plus (obtained from Tricobiotos), which certifies the traceability of raw materials, whilst the Certificado Industria Limpia, renewed in Mexico, recognises companies committed to adopting responsible production practices. From a social perspective, the Mexico facility once again confirmed ESR – Empresa Socialmente Responsable® certification, which recognises organisations that are committed to human rights, gender equality and community involvement.
These certifications are in addition to system certifications such as ISO 9001, 14001, 22716, 13485, and AEO Authorisation, confirming the Group's integrated approach to sustainability, efficiency and quality. In addition to being strategic, they lead the Group to adopt strict standards in both its business procedures and operations. Through efficient process management, these certifications are critical to ensuring high quality products that are safe for the end-user and delivered on time, while providing excellent customer service. Furthermore, the Group's "Responsible Sourcing Policy Standard" is always present in the Group's business programmes, confirming its commitment not only to quality but also to economic and social sustainability, the growth and professionalism of its resources and the health and safety of its employees.
During 2025, in addition to surveillance audits by accredited Bodies, concerning certifications according to ISO standards, several of the Group's production sites underwent several successful "social audits", which were conducted either in-person or through dedicated remote platforms with respect to their Responsible Sourcing Policy Standard. In particular, Beauty & Business and Dobos were audited by the company LRQA based on the Sedex SMETA (Sedex Members Ethical Trade Audit) – 4 pillars scheme.

ALFAPARF MILANO SUSTAINABILITY REPORT 2025

FOCUS ON

UNI/PDR 125:2022
BEAUTY & BUSINESS CERTIFICATION

Beauty & Business, the Group's Italian corporate entity, achieved UNI/PdR 125:2022 certification for gender equality in 2025, confirming its commitment to promoting a working environment based on fairness, inclusion and the empowerment of its people.
This achievement is the result of a structured process that has gradually embedded gender equality principles into business processes and organisational culture. As part of this approach, the company has implemented specific Diversity, Equity & Inclusion and Human Rights policies, established a DE&I and Equal Opportunities Committee to provide guidance and monitor progress, and drawn up a Strategic Plan with measurable objectives and dedicated KPIs.
To support the initiative, training, awareness-raising and consultation tools have been developed, including reporting channels and regular surveys, alongside enhanced work-life balance measures and support for parents, including through flexible working arrangements.
This certification marks the starting point for continuous improvement, which Beauty & Business intends to pursue by constantly monitoring performance and further developing initiatives in line with its values.

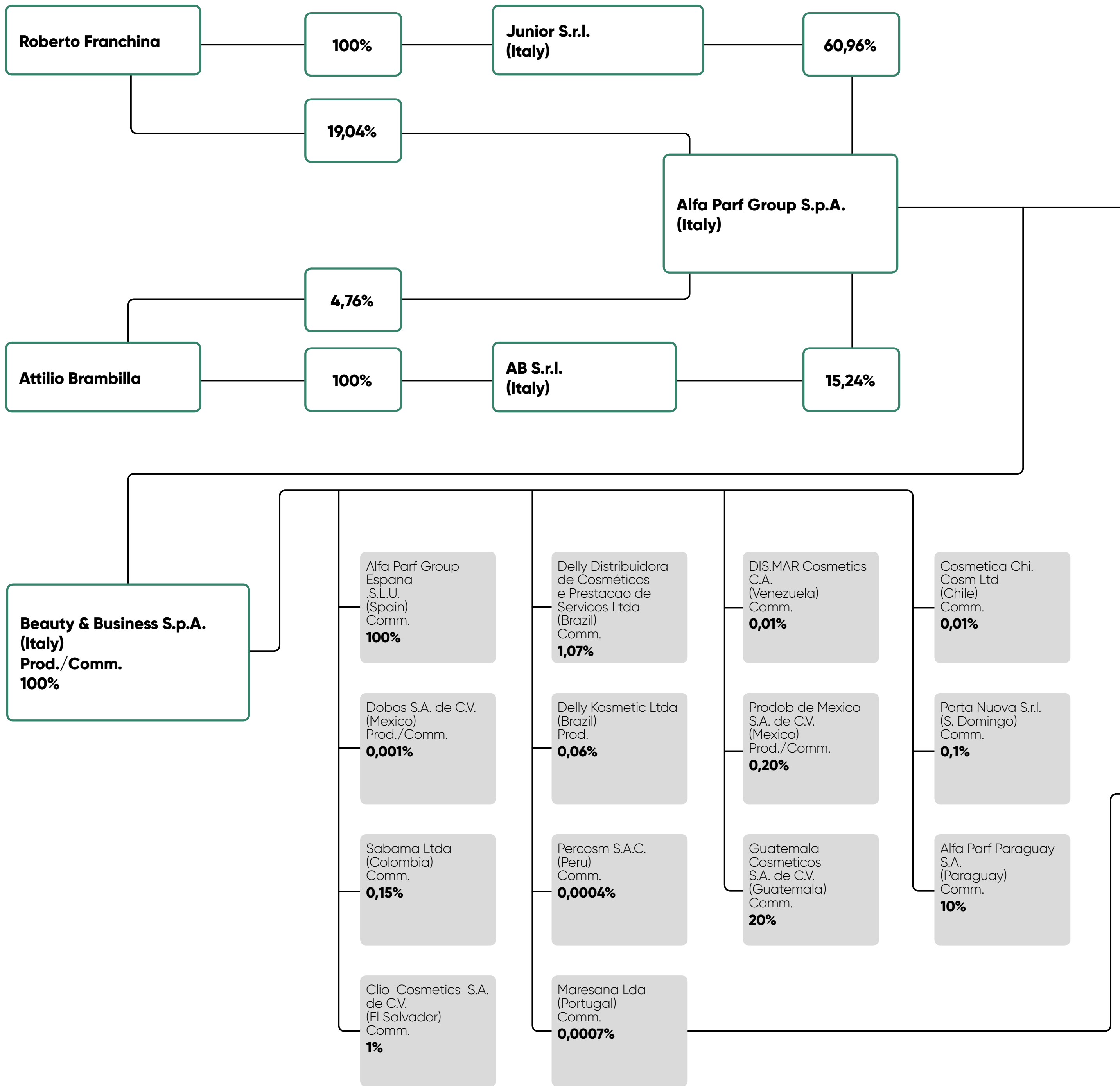
The following table summarises the state of the art of the certifications obtained by the Group.

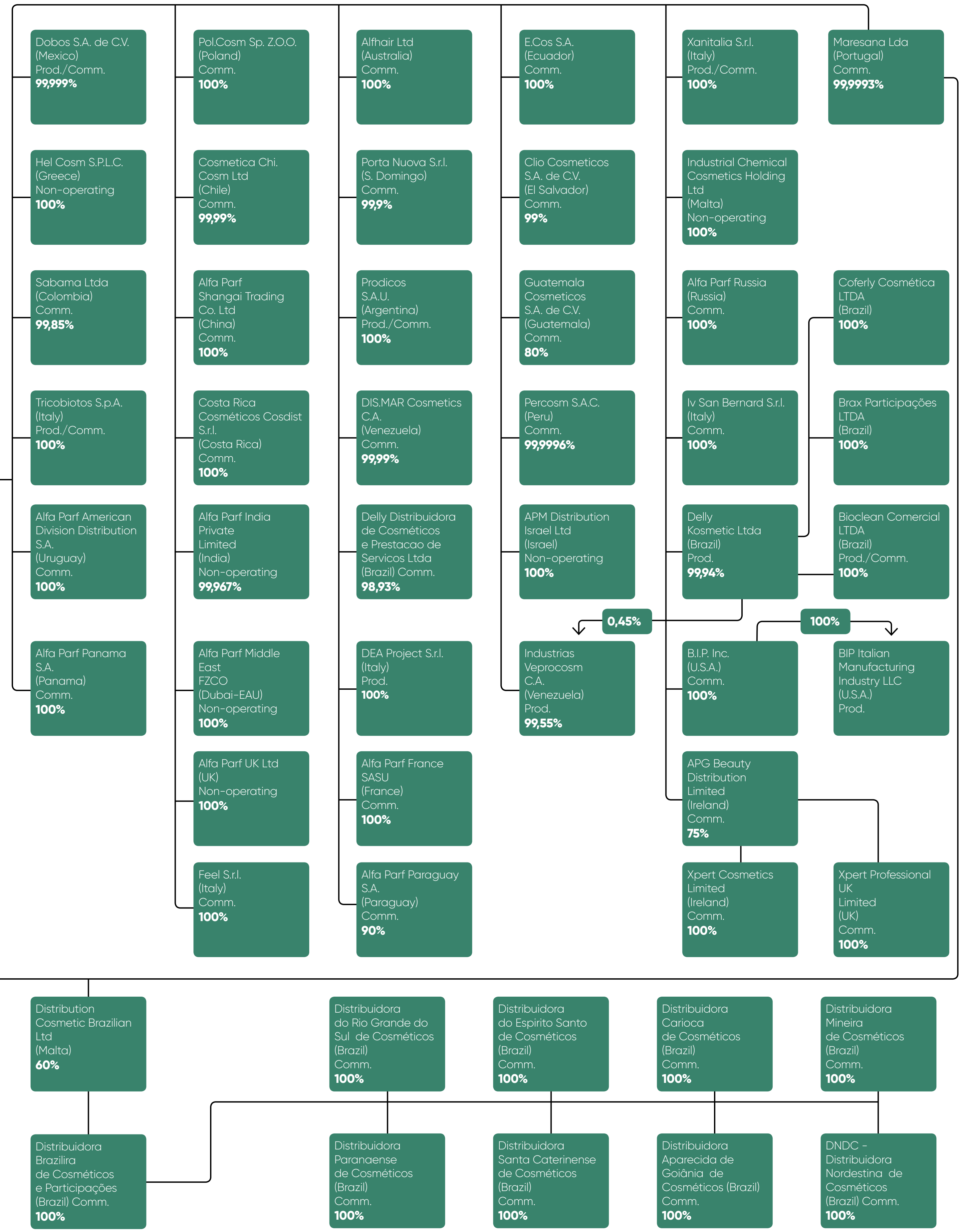
Manufacturing site	Certifications
Beauty & Business S.p.A. (Italy)	ISO 9001:2015 ISO 22716:2007 ISO 13485:2016 Kosher Halal Autorizzazione AEO Uni/PdR 125:2022
Tricobiotos S.p.A. (Italy)	ISCC Plus Certificate ISO 9001:2015 ISO 22716:2007 ISO 14001:2015
Xanitalia S.r.l. (Italy)	ISO 9001:2015 ISO 22716:2007 ISO 14001:2015
Iv San Bernard S.r.l. (Italy)	Safety Pet
D.E.A. Project S.r.l.	ISO 13485:2016 ISO 9001:2015 Medical Devices Directive 93/42/EEC, as amended, Annex II, excluding point 4
Dobos S.A. de C.V. (Mexico)	Certificado Industria Limpia ISO 22716:2007 ESR Empresa Socialmente Responsable® 2024 ISO 9001:2015
Delly Kosmetic Ltda (Brazil)	Certificado de Boas Práticas de Fabricação de Cosméticos ISO 9001:2015 ISO 22716:2007

GOVERNANCE

THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Alfa Parf Group S.p.A. is an Italian multinational corporation made up of several companies that share values and quality and performance objectives, united by solid know-how.





In conducting its business, the Group has adopted a Corporate Governance model that provides for the clear separation between administrative and control functions. The administration is entrusted to the Board of Directors, while the supervisory function is the responsibility of the Board of Statutory Auditors. Both governing bodies are elected by the Shareholders' Meeting.

Shareholders' Meeting
The Shareholders' Meeting of Alfa Parf Group S.p.A., the Group's holding company, is responsible for deciding on the most important matters, approving the financial statements, appointing the Directors, the Statutory Auditors and the Chairman of the Board of Statutory Auditors.

Board of Directors
The Board of Directors of Alfa Parf Group S.p.A. is appointed by the Shareholders' Meeting and has the task of strategically guiding the Group by making the most important decisions regarding the management of its member Companies, the direction of the business and the exercise of control and performance monitoring activities.
Roberto Franchina is Executive Director and Chairman, Attilio Brambilla is Executive Director and Deputy Chairman.

Board of Statutory Auditors
The Board of Statutory Auditors has the task of supervising the activities of the Directors and ensuring that the management and administration of the Company are carried out in compliance with the law and the Articles of Association.
Andrea Casarotti is the Chairman, Alessandro Ricci and Fabio Gallo are the Standing Auditors; Elisa Pavanello and Simone Furian are the Alternate Auditors.

Auditing company
The Auditing Company is responsible for carrying out the statutory audit of the accounts and certifying the Group's financial statements with absolute autonomy and independence from the management bodies. This activity is carried out to ensure transparency to the market and protect stakeholders on the trend of the company's economic performance.
Auditing Company: Ernst & Young S.p.A.

Sustainability Committee
The Sustainability Committee was established in 2021 with the aim of supporting the Board of Directors – through adequate preliminary and advisory activities – in promoting the gradual integration of environmental, social and governance factors into the Group's activities, with a view to creating value for shareholders and other stakeholders in the medium-long term.

COMPOSITION AND DIVERSITY OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

GOVERNING BODIES BY GENDER	2024			2025		
	Women	Men	TOTAL	Women	Men	TOTAL
Board of Directors	-	2	2	-	2	2
Shareholders' Meeting	-	2	2	-	2	2
Board of Statutory Auditors	-	4	4	1	4	5
TOTAL	-	8	8	1	8	9
PERCENTAGE	0%	100%	100%	11%	89%	100%

89% of the members of the Group's administrative, management and supervisory bodies are male and fall within the over 50 age group.

Sustainability aspects subject to monitoring
The administrative, management and supervisory bodies play a central role in monitoring sustainability issues, ensuring that environmental, social and governance (ESG) aspects are fully integrated into corporate strategies and decision-making processes. This monitoring is not limited to formal checks, but results in a concrete and structured commitment to promote the company's resilience and long-term value. Specifically, the bodies intervene systematically in the following areas:
• The Business Strategy and Model are continuously reviewed and, if necessary, adjusted to sustainability-related challenges and opportunities. The Board of Directors assesses how ESG principles influence business strategies and objectives.
• Material risks, opportunities and impacts associated with ESG issues are continuously monitored, particularly with regard to the Group's exposure to environmental (e.g. climate change), social (e.g. workers' rights, diversity and inclusion) and governance (e.g. business ethics, regulatory compliance) risks, including the potential opportunities stemming from a sustainable approach.
• Policies, objectives and dedicated resources: clear sustainability guidelines are established, with measurable objectives, specific action plans and adequate organisational, human and financial resources.
• Sustainability reporting: completeness, correctness and consistency of information in official documents are verified, ensuring that it is aligned with stakeholder standards and expectations.

Forms of surveillance
Monitoring of the sustainability aspects referred to above can take different forms, depending on the subject matter and the level of involvement.
• Information: bodies receive regular updates and reports on the evolution of ESG performance and on the evolution of risks and opportunities to which the Group is (or may be) exposed.
• Consultation: when policies and strategies are defined or reviewed, the management team consults the appropriate bodies to gather guidelines and instructions.

In order to fulfil the role of managing and controlling sustainability issues, the persons responsible for overseeing the Group's impacts, risks and opportunities, as well as those involved in the process of identifying and reporting them, participate annually in training on current regulatory developments with the support of external experts. Some of these meetings take place at the start of projects related to the identification of material sustainability issues and their impacts, risks and opportunities, so as to ensure proper identification and assessment.
The skills required include knowledge of environmental, social and governance issues, the ability to assess sustainability-related risks and opportunities, and an understanding of how these aspects are integrated into business strategy and processes.
In this context, the Board of Directors, in exercising its functions, ensures that the impacts, risks and opportunities arising from sustainability issues are supplemented in the business strategy, governance, processes, procedures and internal control system. The directors are responsible for defining strategic ESG policies and guidelines, assuming responsibility for what is actually and concretely achieved in monitoring ESG risks, and for structuring an internal control system that enables the effective identification and management of risks for the Group, as well as the collection of non-financial information. The Board of Directors defines the roles and responsibilities regarding sustainability issues, mandating the company's Departments to monitor compliance with the guidelines resulting from the analyses conducted. In particular, a document was developed concerning the assessment of business risks and their impact on the Group, which was distributed to all relevant departments. This document identifies the control

functions, areas of intervention and areas of potential overlap through which synergies are defined and developed for better coordination and collaboration between internal departments in joint risk control and mitigation activities. The impacts, risks and opportunities relating to sustainability issues are therefore monitored using a uniform methodology defined within the company's operating procedures, which each department refers to for its own area.
In addition, the Sustainability Department was established in 2021 and then incorporated into the Human Resources Department in autumn 2022, creating the HR & Sustainability Department. The Sustainability Department works closely with the Board of Directors, Management and other Corporate Departments, and defines the sustainability strategy at corporate level. Specifically, it is responsible for:

- preparing and updating the three-year Sustainability Plan;
- drawing up the Annual Sustainability Report;
- identifying business improvement objectives;
- coordinating ESG projects and activities;
- disseminating a culture of sustainability within and outside the Group;
- promoting dialogue and managing communication with internal (employees) and external (suppliers, customers, local communities, institutions, associations, organisations) stakeholders.

Information provided to and sustainability matters addressed by the undertaking's administration, management and supervisory bodies

The administrative, management and supervisory bodies – including their respective committees – are informed on a regular and structured basis about the material impacts, risks and opportunities related to sustainability issues, as well as about the implementation of due diligence and the results of the policies and actions implemented. The information is provided periodically, usually on a quarterly or half-yearly basis, and in any case at the main meetings of the Board of Directors and the relevant committees. It includes updates on the environmental, social and governance impacts identified in the company's activities and the assessment of material risks and opportunities related to sustainability, including future prospects.

This process, with the active contribution of the Sustainability Department, enables management to take into account the impacts, risks and opportunities related to sustainability when defining and monitoring corporate strategy, approving significant transactions, and managing risks. These aspects are, in fact, integrated into the decision-making processes to ensure that the choices are consistent with the company's ESG objectives and long-term vision. Moreover, trade-offs between economic performance and environmental or social sustainability are assessed, with the aim to balance accountability and performance, generating value for all stakeholders. The main aspects considered include climate change, regulatory and reputational risks, human rights along the value chain, working conditions, opportunities linked to sustainable innovation and the strengthening of corporate governance. These aspects have been assessed within the context of strategic planning, ESG performance monitoring, and corporate policy updates, confirming the commitment to the responsible management of environmental, social and governance issues.

Statement on due diligence

Due diligence is the process for companies to identify, prevent and mitigate their actual and potential negative impact and to account for how they address that impact[2]. Due diligence can be included in broader corporate risk management systems.
Currently, the Group has not carried out a formal due diligence process with respect to sustainability issues, but these aspects are addressed at specific points in the non-financial reporting process.

Key Elements of Due Diligence	Sections in the Sustainability Reporting
Integrate due diligence into governance, strategy and business model	Section "The role of the administrative, management and supervisory bodies" Section "Information provided to and sustainability matters addressed by the undertaking's administration, management and supervisory bodies" Section "Material impacts, risks and opportunities and their interaction with strategy and business model" Section "Description of the processes to identify and assess material impacts, risks and opportunities"
Involve stakeholders in all key stages of the due diligence process	Section "Interests and views of stakeholders" Section "Description of the processes to identify and assess material impacts, risks and opportunities"
Identify and assess negative impacts	Section "Description of the processes to identify and assess material impacts, risks and opportunities"
Take action to deal with negative impacts	No negative impacts requiring intervention have been recorded
Monitor the effectiveness of interventions and report	Alfaparf Milano reports on its due diligence systems and the results achieved in its annual Sustainability Report

[2] OECD Guidelines for multinational enterprises, Part II - General principles, p. 20.

STRATEGY

STRATEGY, BUSINESS MODEL AND VALUE CHAIN

The Group's business model, aimed at creating value for all its stakeholders through a strong and widespread presence in the reference markets, is based on five business units: Haircare, Skincare, Tech, Private Label and Pet.

HAIRCARE
Hair colouring and care products and marketing through a network of direct agents and distributors operating in professional, retail and e-commerce channels.

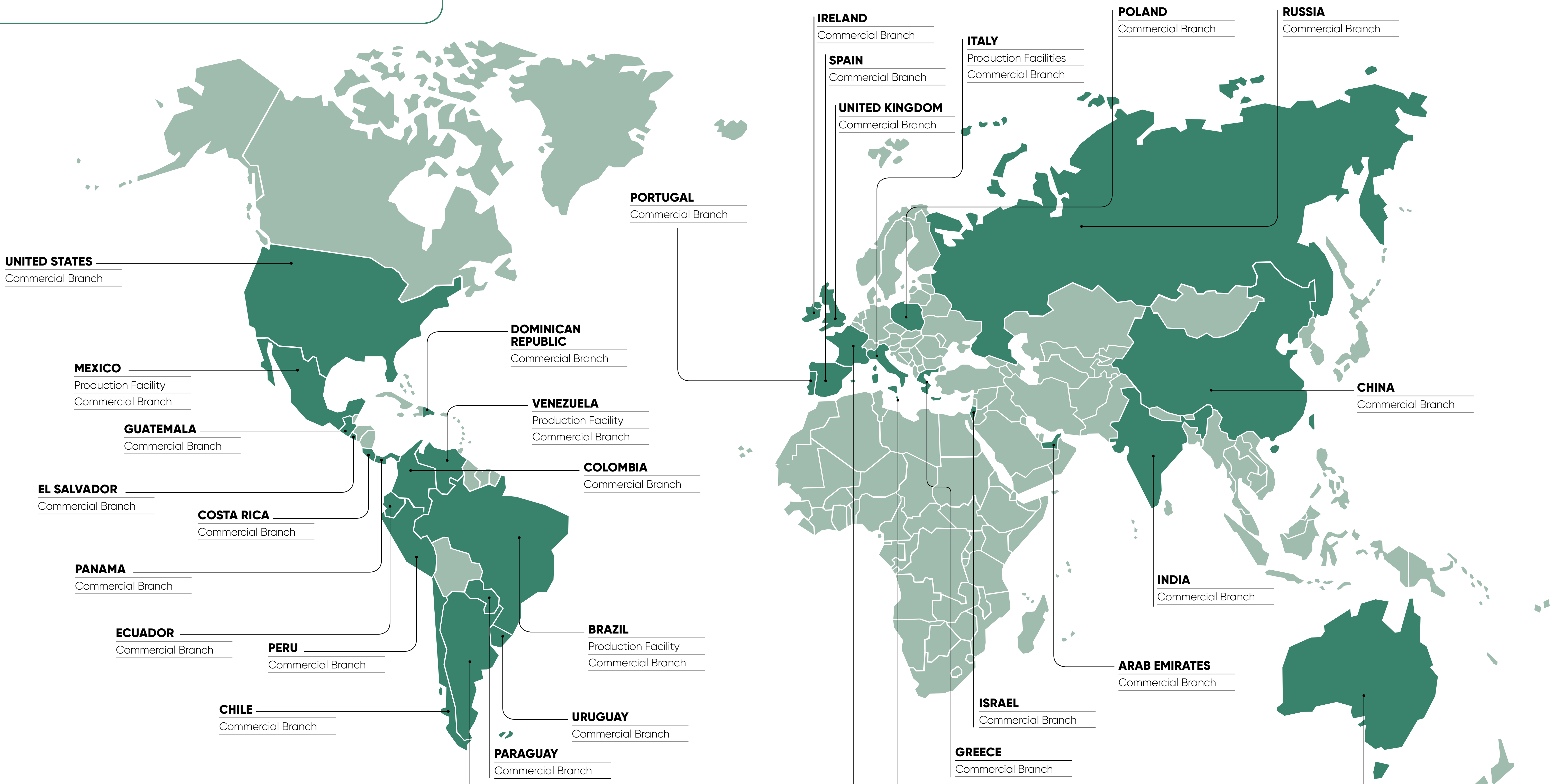
SKINCARE
Skincare, make-up and nail products and marketing through a network of direct agents and distributors operating in professional, retail and e-commerce channels.

TECH
Made in Italy aesthetic/medical equipment for beauty: design, functionality and guaranteed safety. In-house research, development and production for cutting-edge technologies.

PRIVATE LABEL
Development of products for companies that market them worldwide using the Group's expertise and know-how.

PET
Professional products for pet care and well-being, mainly dedicated to dogs and cats and distributed through grooming professionals and specialised channels.

COUNTRIES OF PRESENCE



63% of the Group's personnel are employed in production branches located in Italy, Argentina, Brazil, Mexico and Venezuela; all others are employed in sales branches located in other countries.

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BRANDS

The Group owns 23 brands (eleven in Haircare, nine in Skincare, two in Tech equipment, one in cosmetics for pets) that have a solid positioning both in Italy and abroad.

HAIRCARE

ALFAPARF MILANO PROFESSIONAL is the leading Italian brand in professional hair treatments. Founded in 1980, for over 40 years it has teamed up with professionals, creating effective and innovative products and services to meet any need. Inspired by Italian dynamism, innovation, openness to diversity, Alfaparf Milano Professional shares skills and results with a clear objective: to make the daily experience of beauty a source of pleasure and happiness for all. So that people, besides being beautiful, feel good.

SEMI DI LINO, the haircare treatment that reveals the beauty of your hair. Semi di Lino is the treatment line that keeps hair looking healthy, protected from root to tip and brighter than ever thanks to flaxseed extract and the most innovative technologies. It is a complete range that addresses all skin and hair needs through specialised lines and personalised services.

YELLOW PROFESSIONAL. EVERY MOOD. EVERY DAY. WE AMPLIFY. Salon solutions, ready to be recreated. With over 25 years of experience in professional salon solutions, Yellow Professional presents a global collection of hair treatments designed to enhance colour, shape, care and styling.
Formulations feature high-performance ingredients tailored to the specific needs of hair, highlighting every identity and expression — in the salon and beyond.
An essential range created to accompany each person on their individual beauty journey. An accessible and easy-to-understand professional system that amplifies identity, supports creativity and celebrates the freedom to express one's authenticity every day.

IL SALONE MILANO is a masstige-positioned brand offering a complete range of products (hair care, colouring, and straightening treatments) for at-home use with guaranteed professional results. It is distributed through hair salons and via selected beauty retail partners.

COLORAMORE was born in Mexico as a commercial opportunity designed exclusively for Beauty Supply stores that cater to hair stylists of all levels. It boasts formulas developed in Italy that guarantee renowned quality at a competitive and affordable price.

ALTA MODA, launched in Brazil and now distributed throughout Central America, South America and the Middle East, was created to be Alfaparf Milano's first brand for the retail market. Backed by professional Italian technology, Alta Moda offers products for hair care and colouring.

BENVOLEO is the professional haircare brand that promotes a transparent, responsible and inclusive vision of beauty, proudly Made in Italy. It features a range of customizable, high-performance professional treatment products.

SELECTIVE PROFESSIONAL, a brand of Tricobiotos S.p.A. (acquired by Alfa Parf Group S.p.A. in 2022), is distributed worldwide and offers a complete range of exclusive professional products developed to meet the needs of consumers across all countries. A brand that is 100% Made in Italy, with 30 years of experience in the professional haircare sector. From treatments to styling, Selective Professional aims to transform products into services, supporting hair stylists in their most important mission: making every woman feel beautiful. Selective Professional provides reliable, professional-grade products that can support stylists in their daily work — with the assurance of a complete range, ideal for building lasting relationships of trust and loyalty with their customers.

KEZY, a brand of Tricobiotos S.p.A., offers a wide range of products for professional use and resale that satisfy every need in a simple and effective way (thanks to the use of high-quality raw materials and practical packaging made in Italy), guaranteeing the highest quality and best performance.

EUGÈNE PERMA PROFESSIONNEL, which joined the portfolio after the acquisition of the professional hair division of the Eugène Perma Group, is 105 years old and a long-standing French competitor of the market leader L'Oréal Professionnel. Distributed, in France, in over 3,000 salons and 400 professional stores and in more than 30 countries, it is the umbrella brand of a complete professional range, positioned at the top end of the market. Eugène Perma Professionnel is the brand of product lines for colouring (Carmen, Carmen Rituel, Blush, etc.), bleaching (Solaris), haircare and treatment (Essentiel with keratin, Collection Nature with natural ingredients) and styling (L'artiste, developed in collaboration with well-known French hair stylists).

APHOGEE. A well-established American brand with over 30 years of growth and success in the United States, Aphogee offers scientifically advanced, reliable haircare solutions designed to regenerate, maintain and define all types of textured hair. The powerful pH-balanced formulas, enriched with proteins, are designed to rebuild strength, restore hydration and return hair to a visibly healthier and more resilient state.

SKINCARE

DIBI MILANO. Since 1976, it has been a benchmark for cosmetic excellence — the final frontier before aesthetic medicine. Its DNA is captured in the name: DIBI, Divisione Biotecnologica (Biotechnological Division), representing the synergy between Made in Italy research and technology, offering unparalleled results and a personalised method. The brand that is perfectly encapsulated in the DIBI CENTER, the place where the soul of DIBI Milano comes to life, with specialist beauticians acting as true beauty consultants.

BECOS. Since 1984, Becos has brought together beauty and cosmetics — a professional skincare brand close to women, celebrating and enhancing femininity. Love and passion for beauty, combined with high-quality products and effective treatments, are the ingredients of a successful, exclusively Made in Italy recipe. The brand is reflected in BECOS CLUBs — spaces where beauty reigns and women feel empowered by professional aestheticians.

In 2004, TEN SCIENCE was created from the fusion of Technology, Nature and Science. It draws on nature's most precious active ingredients and enhances them to their fullest potential with cutting-edge cosmetic technologies — a winning alchemy of naturalness and performance, Made in Italy.
The Ten Institute is where the spirit of TEN Science lives, allowing every woman to express her uniqueness.

OLOS is a benchmark for sustainable skincare, offering face and body beauty treatments. Its cosmetics are based on a *eubiotic* approach (what is good for life), designed to respect both the skin and the environment. Olos creates effective, transparent and safe formulas — for natural, authentic beauty and a more mindful approach to the future.

SOLARIUM is synonymous with a perfect tan, achieved in total safety. Specific products to meet all needs that contain a pool of innovative sun filters that ensure maximum protection and reduce the impact on the marine environment thanks to very water resistant and biodegradable (*) formulas in salt water, contained in a pack made with recycled and recyclable materials. Diving into the blue is a dream, protecting the seas must be a concrete reality.

(*) According to OECD 306 Test carried out on all products with SPF (excluding SPF30 fondotinta solare compatto-viso [SPF30 compact sun protection foundation - face]).

DEPIL BELLA is Brazil's leading brand in professional hair removal, recognised globally for its expertise and a comprehensive range that covers all phases of treatment, from pre- to post-hair removal, with solutions for both professionals and consumers. A distinctive approach that combines versatility, reliability and performance, offering a unique user experience and visible results.

RAAVI is a Brazilian dermocosmetics brand founded in 2016, specialised in body care and well-being. The products, which are dermatologically tested (not on animals), mainly use natural ingredients to provide effective yet gentle treatments. Inspired by the concepts of care, health and well-being, Raavi promotes a philosophy that combines beauty and self-care, enhancing attention to oneself and others.

Exclusive and unique, DECODERM was born from the perfect fusion of skincare and make-up, the result of cutting-edge cosmetic research. With state-of-the-art formulations, developed and produced in Italy, Decoderm guarantees maximum results and excellent application comfort. A make-up line that seduces with the timeless allure of colour and performance.

NAIL SYSTEM PRO is the new professional Made in Italy system for applying semi-permanent nail polish. The formulas are designed to be used with specially designed applicator brushes, featuring bristle cuts tailored to each product and ergonomic handles, ensuring easy and quick application. Perfect results in terms of wear and long-lasting shine, while respecting the nails.

TECH

The research, development and production of all aesthetic and medical devices are carried out by DEA Project, a Group company based in Mapello (BG).

APG TECH is the leading brand for the technologies developed and marketed by the Group to meet the full range of needs of a modern beauty centre. Design, development, production and assembly: all Made in Italy to ensure the best certification and guarantees of quality for our partners. Performance and safety are the pillars of DEA Project's research and development activities.

APG MEDICAL is the medical division for the distribution of next-generation, non-invasive, high-performance Made in Italy medical devices. The brand's mission is to support medical professionals by providing high-quality equipment that meets their needs and enhances patient well-being. Research, development and quality are the hallmarks of APG Medical by DEA Project.

PET

IV SAN BERNARD

With the entry of Iv San Bernard S.r.l. into the Group, the brand portfolio was expanded with the eponymous IV SAN BERNARD brand, one of the best-known international brands in pet cosmetics. Since 1995, Iv San Bernard has been developing high-quality products for the care of dogs' and cats' coats. With over 200 items, it exports its excellence to over 40 countries and, through the collaboration of industry professionals, has also become a Grooming Institute that trains skilled groomers every year, instilling them with a passion for the care and well-being of our animal friends. Iv San Bernard also offers accessories for dogs and cats and grooming equipment.

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SUSTAINABILITY STRATEGY

Recognising that the ultimate purpose of business extends beyond profit maximisation, Alfaparf Milano pursues a business model that is also based on the principles of sustainability, transparency and quality. It adopts specific management and organisational structures designed to create shared value for all its stakeholders, with full respect for the environment and in the interest of future generations.
Aware of the Sustainable Development Goals (SDGs) of the 2030 Agenda and the objectives of the National Recovery and Resilience Plan (NRRP), the Group is contributing first-hand to supporting the implementation of a sustainable and responsible development plan through investments in research, innovation and development, and the establishment of partnerships and collaborations with stakeholders.
For Alfaparf Milano, innovation and attention to people's well-being are the cornerstones around which ideas, projects, products and development processes revolve: innovation drives change, promoting sustainable and inclusive development for the benefit of people, businesses, communities and local areas; at the same time, attention to the well-being of both employees and customers places listening to people at the heart of the sustainability strategy.
Guided by the concepts of innovation and attention to people's well-being, Alfaparf Milano has developed a sustainability path built around the following drivers, which also form the basis of its policies governing the Group's processes and operations in line with sustainable development:

I&W **4** PRODUCT QUALITY	Research and development of innovative technological solutions and efficient and advanced methodologies to optimise production flows and limit waste, while ensuring high quality standards.
I&W **4** ENVIRONMENT	A firm commitment to choosing processes and technologies that help reduce its emissions through the adoption of practices that limit its overall ecological footprint. Research and use of cutting-edge, durable and environmentally friendly raw materials and products, favouring renewable or recyclable resources to promote a more responsible use of natural resources.
I&W **4** PEOPLE	Commitment to developing human capital and promoting a stimulating, safe and inclusive working environment, aimed at the well-being and growth of employees.
I&W **4** COMMUNITY	Impact on the well-being of the community and the local area where the Group's companies are located through collaboration with local authorities to improve the well-being of the community, as well as through the indirect economic impact generated by the availability of jobs.
I&W **4** CUSTOMERS	Commitment to improving customer well-being through the selection of a personalised range of products and services, with attention to every detail.

Sustainability is therefore a key element and a core value of our corporate culture. For Alfaparf Milano, this translates into a series of actions and projects aimed at achieving 13 Sustainable Development Goals, identified by the Group as priorities.

Based on the 13 priority SDGs, Alfaparf Milano has laid the foundations for its Sustainability Plan, which guides the Group in its strategic development choices. The Plan will be updated in 2026; it is currently based on four key pillars representing the four dimensions of sustainability – Sustainable Governance, Economic Sustainability, Environmental Sustainability and Social Sustainability.

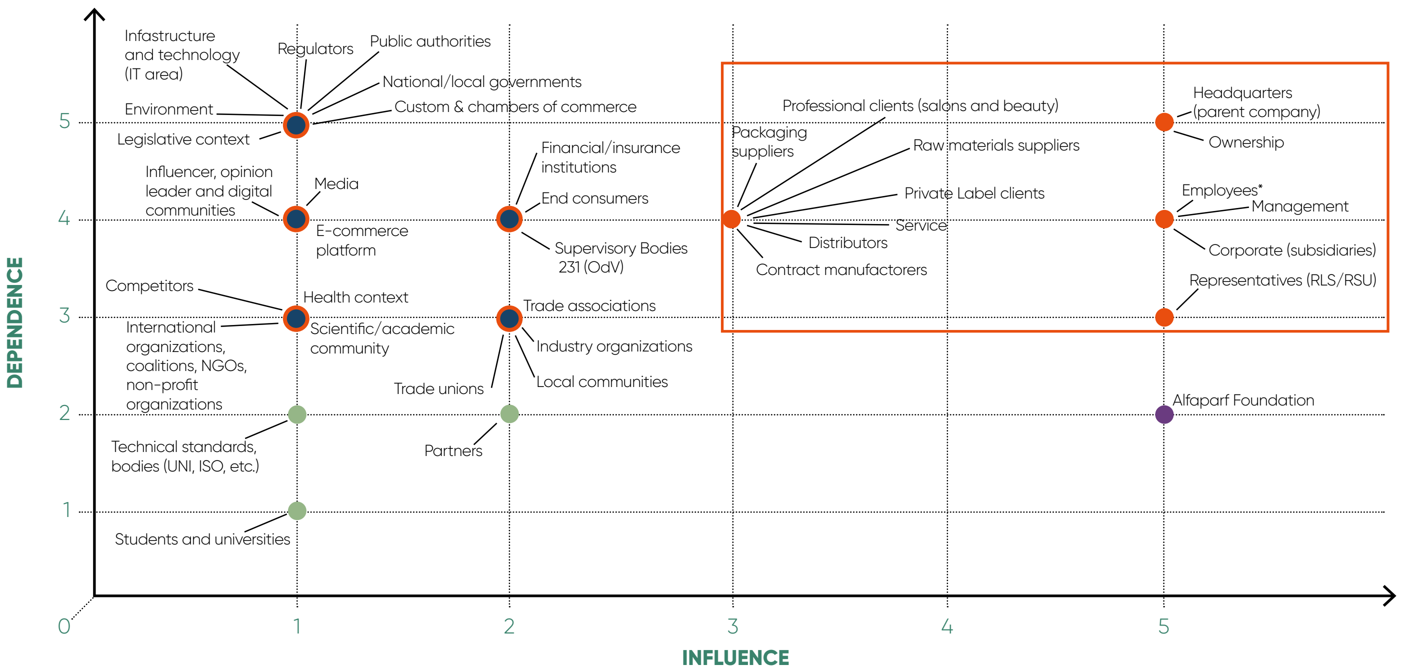
INTERESTS AND VIEWS OF STAKEHOLDERS

Stakeholders are those who, in various ways, can influence or be influenced by the activities of the Group. They represent the complexity of the organisational landscape, highlighting the network of relationships that characterise Alfaparf Milano's activities.

Through its Sustainability Reporting, the Group intends to provide its stakeholders with timely and transparent information about its sustainability performance and, where possible, to involve them directly in the definition of plans, measures and actions. Stakeholders have always been the main benchmark for Alfaparf Milano's business, and dialogue with them is an opportunity for the Group to grow and improve.
With this in mind, during 2025, the Group started to define a Stakeholder Engagement Policy aimed at establishing a reference model for managing dialogue with stakeholders, in order to strengthen transparency, mutual trust, and the integration of their requests into decision-making processes. Specifically, the policy aims to:
- promote continuous, structured and consistent interaction with those who, in various ways, influence or are influenced by the company's activities;
- support the achievement of environmental, social and economic sustainability objectives;
- leverage comparison to improve performance, identify critical issues and co-design long-term solutions;
- align with national and international best practices to ensure a methodical, inclusive and transparent approach.

Alfaparf Milano also implemented a process in 2025 for mapping and identifying stakeholders in accordance with the AccountAbility 1000 (AA1000) Standard. First a stakeholder map was drawn up, serving as the starting point for managing relations with the company's key stakeholders, thereby preventing potential risks and capitalising on the opportunities arising from these relationships.
Three different variables were assessed in order to understand the level of materiality for each stakeholder category:
- **influence:** the extent to which a stakeholder can influence the Group's decisions;
- **dependence:** the extent to which a stakeholder can be dependent on the Group's activities and decisions;
- **urgency:** the extent to which the stakeholder requires immediate attention from the Group (as regards the time dimension of the relationship).

This allowed developing the stakeholder relationship management matrix, which provides a concise overview of the main stakeholders and makes it possible to identify strategic stakeholders.



- Strategic stakeholders
- Stakeholder with whom to exchange information
- Stakeholder to engage and inform
- Low-priority stakeholders
- Threshold value set at **3**

* **Employees are assigned the "high" urgency parameter, as they are stakeholders requiring immediate attention from the Organization.**

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Alfaparf Milano therefore views stakeholder engagement not merely as a requirement or a consultative phase, but as a strategic component that is integrated into its governance and corporate culture. In line with its values, the organisation is thus committed to maintaining open and accessible dialogue with all significant stakeholders through channels, tools and methods that facilitate their effective and informed participation.

STAKEHOLDER CATEGORY

Level I	Level II	Engagement Methods	Engagement Frequency
People	Workers	• Induction and continuous training • Structured opportunities for discussion and internal communication • Performance reviews • Listening surveys and anonymous reporting mechanisms	Ongoing dialogue, with the organisation of ad hoc meetings, such as those held during the annual review
	Workers' Safety Representative / Trade Union Representative	• Operational site visits and on-site discussions • Regular meetings pursuant to Article 35 of Italian Legislative Decree 81/08	Ongoing dialogue
	Students, Schools and Universities	• Lessons and testimonials • Practical activities and internships • Career Day	Organisation of ad hoc meetings
Customers	Business customers (hair salons and beauty centres)	• Relationship based on closeness and continuous training, through sales networks, education, after-sales service and marketing	This varies depending on the customer's role and size
	Distributors	• Visits to the local area • Annual meetings • Technical and sales training	Every two months / annually
	End consumers	• Physical and digital channels • Customer care • Collection of feedback and reviews	Continuous
	E-commerce platforms	• Content update • Customer experience monitoring • Review monitoring	Continuous
	Private Label Customers	• Meetings and audits • Development of bespoke projects • Inter-departmental exchanges	Ongoing as part of the current project
Governance and organisational structure	Corporate (branches)	• Sharing reporting packages • Business review with the country controllers • Regular discussions on KPIs and quality/R&D information	Continuous
	Headquarters (parent company)	• Operational meetings • Strategic coordination for joint initiatives	Continuous
	Management	• Weekly and monthly meetings • Business review by sector or region • MBO process	Ongoing (with weekly, monthly and annual meetings, depending on the parties involved)

Governance and organisational structure	231 Supervisory Bodies (SB)	• Regular meetings • 231 OMM Audit • Reporting to the Board of Directors	Second annual audit plan; half-yearly reports
Partners, shareholders and investors	Financial and insurance institutions	• Face-to-face meetings and operational/formal communications aimed at ensuring business continuity and financial stability • Document exchange via dedicated portals	Ongoing, tailored to operational requirements
	Ownership	• Governance bodies • Strategic decisions	Ad hoc meetings in line with the Group's priorities
Suppliers	Service providers	• Operational reports • Joint development of energy efficiency initiatives • Audits and structured dialogue with key suppliers	Ongoing; periodic audits
	Packaging suppliers	• Involvement in packaging development activities and the management of non-conformities • National and international trade fairs • Audits and structured dialogue with key suppliers	Ongoing; periodic audits
	Raw material suppliers	• National and international trade fairs • Ongoing dialogue to share expertise • Audits and structured dialogue with key suppliers	Ongoing; periodic audits
	Subcontractors	• Operational meetings	Daily for day-to-day operations; monthly for planning
Community, Local Area and Associations	Local communities	• Social and cultural partnerships and collaborations • Financial support for local initiatives • Participation in events and official occasions • Direct relations with local authorities	Occasional, depending on the programme of events and local demand
	Environment	• Systematic management of environmental aspects and impacts through specific KPI monitoring • Energy efficiency and infrastructure projects	Ongoing; monthly monitoring and annual reviews
	Scientific and academic community	• Consultation of scientific databases • Partnerships with the education and technical sectors • Participation in training and educational initiatives • Involvement in structured projects (including European ones)	Ongoing for covering information; project-based for collaborations
	International organisations, coalitions, NGOs, non-profit organisations	• Financial support and sponsorships • Partnerships in social and cultural projects • Collaborations structured around specific initiatives	Occasional or planned, depending on the initiative

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Community, Local Area and Associations	Unions	• Institutional and one-to-one meetings • Regular meetings • Discussions on economic and organisational issues	Standard and ad hoc meetings can be arranged on request
	Alfaparf Foundation	• Half-yearly alignment meetings • Operational coordination of communications • Internal presentations on activities • Voluntary participation by employees in events	Half-yearly meetings; ongoing coordination
	Influencers, opinion leaders and digital communities	• Collaborations on product launches and campaigns • Support for in-person events • Amplifying brand and product messages	Ad hoc: triggered by specific events and campaigns
	Media	• Press office activities • Corporate press releases • Relations with specialist and generalist media • Ongoing content monitoring	Continuous
External context	Legislative context	• Monitoring regulatory developments • Updating processes and procedures • Participation in technical working groups and seminars	Ongoing, driven by obligations and deadlines
	Healthcare context	• Biological risk monitoring • Microbiological tests • Health monitoring of staff	Ongoing in accordance with internal protocol
	Infrastructure and Technology (IT)	• IT systems monitoring • Business continuity support • System security and reliability	Continuous
PA, Regulators and Authorities	National and international public authorities	• Administration and documentation management • Compliance for domestic and export/import markets	Ad hoc, according to specific needs
	Regulators	• Ongoing monitoring of legislative sources • Response to compliance requests • Regulatory database management	Continuous
	Customs and Chambers of Commerce	• Import/export management • AEO Certification	Ongoing; multi-year audits; annual self-monitoring
	Technical standards bodies (UNI, ISO)	• Certification and maintenance audits • Webinars, courses and updates	Audits at least once a year; training as required
	National and local governments	• Institutional events with local organisations • Opportunities for dialogue with local authorities • Regulatory requirements	Ad hoc discussions

Cosmetics market / reference sector	Industry partners	• Operational and project-based partnerships to meet the needs of salons and their staff • Participation in trade fairs or partnerships with the media and PR	Annual or variable, depending on the nature of the engagement
	Organisations in the sector	• Participation in round-table discussions and management meetings • Membership • Networking and institutional dialogue	Regularly or by invitation
	Trade associations	• Management and division meetings • Regulatory updates • Association information channels	Regular and ongoing updates
	Competitors	• Indirect engagement via the market, customers and trade associations or sector organisations	Occasional

In addition to the methods listed above, interactions can also take place at the stakeholders' discretion, through the listening channels established by the Group companies to report issues (whistleblowing) or to submit proposals/comments.
Furthermore, the interests and views of the main stakeholders were analysed and taken into due consideration during the double materiality assessment process, and the results of this activity were approved by the Board of Directors. For further details, please refer to the section "Description of the processes to identify and assess material impacts, risks and opportunities".

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MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL[3]

Alfaparf Milano has identified material impacts, risks and opportunities for its Organisation and along the value chain through the double materiality analysis as prescribed by the ESRS Standard. The results of the analysis are set out in the summary table below.

ESRS RA 16			Characteristics of the material impact					Impacted stakeholders	Alfaparf Milano Rewording
ESRS Topical Standard	**ESRS topic**	**ESRS sub-topic / sub-sub-topic**	**Impact**	**Positive/ Negative**	**Actual/ Potential**	**Activity generating the impact**	**Scope of impact**		
ESRS E1	Climate change	Climate change mitigation	Generation of direct and indirect CO_2 emissions (Scope 1, 2 and Scope 3), slowing down the achievement of the Paris Agreement objectives and alignment with the European Green Deal	Negative	Actual	Building energy efficiency level (e.g. LED lighting, auto-off lights, high-efficiency boilers) Presence/absence of initiatives for converting the corporate fleet and promoting low-impact mobility Volume of business travel Presence/extent of smart-working policies Presence/extent of CO_2 offsetting operations	Alfa Parf Group (in particular, production sites)	Local community Banks and insurers Government agencies Employees Environment Customers Shareholders and investors	Fighting climate change
		Energy	Maintaining dependence on non-renewable energy sources, thereby contributing to climate change	Negative	Actual	Supply from fossil sources	Manufacturing sites	Environment Shareholders and investors Banks and insurance companies	Sustainable energy management
			Raising awareness in company staff and stakeholders of the responsible use of energy	Positive	Potential	Awareness campaigns for employees on energy saving	Alfa Parf Group (all locations)	Employees Environment	
ESRS E3	Water and marine resources	Water consumption	Identifying and implementing solutions that help promote a transition to responsible use of water resources	Positive	Actual	Definition of specific objectives and targets for reducing average water consumption, in full compliance with applicable "BAT" regulations	Manufacturing sites	Environment Local Community	Water resource management
		Water discharge	Possible inadequate management of water discharge and consequent deterioration of the resource, with negative impacts on the environment and local communities	Negative	Potential	Definition of the Group's objectives for the proper management of water resources	Manufacturing sites	Environment Local community Shareholders and investors	
ESRS E5	Circular economy	Resource inflows, including resource use	Consumption, exploitation and waste of natural resources due to excessive production and the predominant use of virgin materials	Negative	Potential	Resource purchasing & management Procurement activities (manager)	Manufacturing sites	Environment Shareholders and investors, Customers	Material management and waste reduction
		Resource outflows, including resource use, and waste management	Reduction of waste and optimisation of raw material use through the recovery and reuse of production waste and unused materials	Positive	Potential	Sustainable product design and engineering Product end-of-life management	Manufacturing sites	Environment Shareholders and investors, Customers	

[3] This paragraph on DR SBM-3 of ESRS 2 also covers information requests for: ESRS E1 SBM-3, ESRS E4 SBM-3, ESRS S1 SBM-3, ESRS S2 SBM-3, ESRS S3 SBM-3 and ESRS S4 SBM-3.

ALFAPARF MILANO SUSTAINABILITY REPORT 2025

ESRS RA 16			Characteristics of the material impact					Impacted stakeholders	Alfaparf Milano Rewording
ESRS Topical Standard	ESRS topic	ESRS sub-topic / sub-sub-topic	Impact	Positive/ Negative	Actual/ Potential	Activity generating the impact	Scope of impact		
Entity specific		Packaging and recycled material	Contribution to reducing environmental impact through the use of recycled and sustainable packaging materials, minimising waste and optimising the use of resources, with positive effects on ecosystem protection	Positive	Potential	Resource purchasing & management Procurement activities (manager) Sustainable product design and planning	Manufacturing sites	Environment Local community	Packaging and recycled material
ESRS S1	Own workforce	Secure employment	Guarantee of stable employment characterised by decent working hours, adequate wages and a positive work environment through the conclusion of permanent contracts and the creation and support of corporate welfare initiatives	Positive	Actual	Business conduct Personnel management	Alfa Parf Group (all locations)	Employees Shareholders and investors	Protection of workers and secure employment
			Creation of a workplace that ensures employee retention and attracts new talent	Positive	Actual	Personnel management	Alfa Parf Group (all locations)	Employees Shareholders and investors	
			Creation of a healthy and collaborative work environment by reducing internal tensions and conflicts, while mitigating reputational damage, sanctions and legal disputes	Positive	Actual	Business conduct Personnel management	Alfa Parf Group (all locations)	Employees Shareholders and investors	
		Work-life balance	Opportunity to positively influence the physical and mental well-being of employees, with subsequent impact on each employee's actual ability to fully realise their potential, by offering a positive, healthy work environment supported by a set of programmes designed to improve employees' work-life balance	Positive	Actual	Personnel management	Alfa Parf Group (all locations)	Employees Shareholders and investors	Work-life balance and corporate well-being
			Opportunity to promote a more healthy and collaborative working environment by reducing internal tensions and conflicts, while mitigating reputational damage, sanctions and legal disputes	Positive	Actual	Personnel management	Alfa Parf Group (all locations)	Employees Shareholders and investors	
		Health and Safety	Building safety through the implementation of appropriate procedures throughout the workplace	Positive	Actual	Management of health and safety aspects	Alfa Parf Group (all locations)	Employees Shareholders and investors	Occupational health and safety
		Diversity	Opportunity to create a healthier, more inclusive, attractive and high-performing work environment, in order to protect the mental well-being of employees, foster a sense of belonging and active engagement, and respect their personalities and professional skills	Positive	Actual	Personnel management	Alfa Parf Group (all locations)	Employees Shareholders and investors	Protection of diversity and equal opportunities
		Training and skills development	Possibility for each employee to fully realise their potential thanks to stimulating career paths and the opportunity to participate in creative projects such as the Limited Edition Semi di Lino	Positive	Actual	Personnel management	Alfa Parf Group (all locations)	Employees Shareholders and investors	Training and skills development for workers
ESRS S3	Communities concerned	Local area-related impacts	Gradual improvement of social and economic conditions in the local area and communities (e.g. adequate housing, adequate nutrition, adequate health services, impact on human rights)	Positive	Potential	Meetings with representatives of local communities Social inclusion initiatives for the community Donations and sponsorships Support for initiatives aimed at disabled or elderly people	Alfa Parf Group (all locations)	Local communities Employees Customers Shareholders and investors	Sustainable development for local communities

ESRS RA 16			Characteristics of the material impact					Impacted stakeholders	Alfaparf Milano Rewording
ESRS Topical Standard	**ESRS topic**	**ESRS sub-topic / sub-sub-topic**	**Impact**	**Positive/ Negative**	**Actual/ Potential**	**Activity generating the impact**	**Scope of impact**		
ESRS S3	Communities concerned	Local area-related impacts	Creation of jobs and economic opportunities for the local population	Positive	Potential	Investments in infrastructure and long-term local projects	Alfa Parf Group (all locations)	Local communities Government agencies	Sustainable development for local communities
			Strengthening the social and cultural fabric through the promotion of civic and cultural initiatives, contributing to the vitality of the community and strengthening the company's role as a responsible player	Positive	Actual	Investments in infrastructure and long-term local projects	Alfa Parf Group (all locations)	Local communities Government agencies	
ESRS S4	Consumers and end-users	Responsible business practices	Protecting and satisfying customers through corporate behaviours, policies and actions that promote product quality and safety, sustainability, and respect for human rights	Positive	Actual	Customer engagement Product and sales management	Alfa Parf Group (all locations)	Customers and end-users Shareholders and investors	Transparency in communication with customers
		Health and Safety & Personal safety	Guarantee of the physical, chemical and biological safety of the products supplied	Positive	Actual	Design & Development team	Manufacturing sites	Customers and end-users Shareholders and investors	Health and safety of consumers and end-users
ESRS G1	Conduct of business	Business culture	Promote the establishment of sound ethical principles, including tax law practices, pursued by the Group throughout the value chain, in all contexts (e.g. geographical, social, etc.) in which it operates	Positive	Actual	All activities and initiatives carried out by Alfaparf Milano	Alfa Parf Group (all locations)	Customers Banks and insurance companies Shareholders and investors Government agencies Employees Local community Environment	Business culture
			Protection of legality and prevention of unlawful conduct (the reuse of profits from unlawful activities, extortion, etc.)	Positive	Actual	All activities and initiatives carried out by Alfaparf Milano Supervisory bodies	Alfa Parf Group (all locations)	Customers Banks and insurance companies Shareholders and investors Government agencies Employees Local community Environment	
		Supplier relationship management, including payment practices	Possibility to positively influence the ESG performance of players along the supply chain, thanks to adequate supplier selection and monitoring systems	Positive	Actual	Supply chain manager Purchasing Management	Alfa Parf Group (all locations)	Suppliers Customers Banks and insurance companies	Supplier relationship management
			Responsible and timely management of payments, thus ensuring that the supply chain is not disrupted, which could damage production	Positive	Actual	Supply chain manager Purchasing Management	Alfa Parf Group (mainly production sites)	Reputation Suppliers Banks and insurance companies	
Entity specific		Innovation, Research and Development	Across-the-board increase in efficiency and optimisation of business processes through the integration of digital technologies (digitisation of governance processes, monitoring, environmental impact, etc.), with positive effects also on public perception of the brand, strengthening the company's reputation and its relationship with local communities and institutions	Positive	Potential	Economic and financial management Team Design & Development	Alfa Parf Group (all locations)	Employees Customers	Technological development and innovation

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ESRS RA 16			Characteristics of material risks/opportunities						Alfaparf Milano Rewording
ESRS Topical Standard	ESRS topic	ESRS sub-topic / sub-sub-topic	IRO	Risk/ Opportunity	Risk classification	Internal/External	Main benefits	Scope of risk/ opportunity	
ESRS E1	Climate change	Energy	Using lower-emission and more efficient energy sources, which reduces energy consumption and related costs	O	-	-	Technology innovation Access to more credit Energy efficiency of buildings resulting in reduced energy consumption Visibility and reputation	Manufacturing sites	Sustainable energy management
			Reduction of environmental impact and operating costs through investments in solar panels and new installations, resulting in improved energy efficiency	O	-	-		Alfa Parf Group (all locations)	
ESRS E3	Water and marine resources	Water discharge	Inadequate management of water discharges (e.g. exceeding the concentration limits of pollutants, inadequate purification systems, etc.) resulting in penalties and damage to reputation	R	Market risk (financial risk)	Internal risk	-	Manufacturing sites	Water resource management
ESRS E5	Circular economy	Resource inflows, including resource use	Fluctuations in the price of strategic raw materials for Alfaparf Milano (e.g. solvents, silicones, etc.) or shortages of these materials resulting in increased procurement costs	R	Operating risk	External risk	-	Manufacturing sites	Material management and waste reduction
			Use of recycled raw materials, resulting in reduced costs associated with the procurement of virgin materials and mitigation of risks related to potential supply shortages	O	-	-	Technological innovation Market share Visibility and reputation	Manufacturing sites	
			Risk of non-compliance with environmental management standards (e.g. ISO 14001), resulting in increased operational costs, sanctions and reputational impacts linked to ineffective waste and resource management	R	Compliance risk	Internal risk	-	Alfa Parf Group (all locations)	
		Resource outflows, including resource use, and waste management	Possible waste of resources and inefficient use of materials resulting in higher disposal costs	R	Operating risk	Internal risk	-	Manufacturing sites	
Entity specific		Packaging and recycled material	Implementation of eco-design practices for packaging and cosmetic products, aimed at minimising waste and optimising the use of resources, promoting sustainability, improving the corporate image and contributing to operational cost efficiency	O	-	-	Technological innovation Development of more efficient processes Visibility and reputation Access to more lines of credit	Alfa Parf Group (all locations)	Packaging and recycled material
			Improved corporate reputation due to investments in the transition to sustainable packaging, in order to respond to increasing consumer demands for environmentally friendly products	O	-	-		Alfa Parf Group (all locations)	

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ESRS RA 16			Characteristics of material risks/opportunities						Alfaparf Milano Rewording
ESRS Topical Standard	**ESRS topic**	**ESRS sub-topic / sub-sub-topic**	**IRO**	**Risk/ Opportunity**	**Risk classification**	**Internal/External**	**Main benefits**	**Scope of risk/ opportunity**	
ESRS S1	Own workforce	Secure employment	Low employee retention due to unstable and inadequate working and economic conditions, resulting in increased management and training costs for staff	R	Strategic risk	Internal risk	-	Alfa Parf Group (all locations)	Protection of workers and secure employment
			Greater difficulty in recruiting staff at all levels of the organisation chart (e.g. involuntary migration due to lack of economic advancement opportunities and/ or other factors)	R	Strategic risk	External risk	-	Alfa Parf Group (all locations)	
		Work-life balance	Increase in turnover	R	Strategic risk	Internal risk	-	Alfa Parf Group (all locations)	Work-life balance and corporate well-being
		Health and Safety	Risk of fines and/or legal action due to inadequate measures to meet health and safety regulatory requirements, including the upgrading of older installations to current standards and risks related to machine safety and regulatory compliance	R	Compliance risk	Internal risk	-	Alfa Parf Group (all locations)	Health and safety protection at work
			Ability to have a positive impact on the safety and health of staff by reducing injury rates within Alfaparf Milano and work-related stress levels	O	-	-	Quality of human resources Development of more efficient processes Productivity Innovation	Manufacturing sites	
			Reduced exposure to sanctions and legal disputes through successful implementation of health and safety systems	O	-	-		Manufacturing sites	
		Gender equality and equal pay for work of equal value	Risk of reputational and legal issues due to discriminatory and non-inclusive behaviours and practices not being addressed (e.g. gender mix, gender gap, mobbing, etc.)	R	Reputational risk	Internal risk	-	Manufacturing sites	Protection of diversity and equal opportunities
			Enhancement of resources through Diversity & Inclusion policies that foster the development of innovation and increase retention and equal pay	O	-	-	Quality of human resources Improved production processes Innovation Visibility and reputation Performance	Alfa Parf Group (all locations)	
		Training and skills development	Decline in business results due to the failure to develop and implement know-how, and reduced responsiveness to customer needs	R	Operating risk	Internal risk	-	Alfa Parf Group (all locations)	Training and skills development for workers
			Increased business attractiveness and retention through personal and professional development programmes, including investment in events and vocational training aimed at enhancing service quality	O	-	-	Professionalism of human resources Improvement of business processes Performance Productivity Visibility and reputation	Alfa Parf Group (all locations)	
			The ability for each employee to realise their full potential through challenging career paths	O	-	-		Alfa Parf Group (all locations)	

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ESRS RA 16			Characteristics of material risks/opportunities						Alfaparf Milano Rewording
ESRS Topical Standard	**ESRS topic**	**ESRS sub-topic / sub-sub-topic**	**IRO**	**Risk/ Opportunity**	**Risk classification**	**Internal/External**	**Main benefits**	**Scope of risk/ opportunity**	
ESRS S1	Own workforce	Training and skills development	Improved productivity through the creation of an appropriate training catalogue aimed at encouraging multi-skilling, enhanced by creative collaborations	O	-	-	Professionalism of human resources Improvement of business processes Performance Productivity Visibility and reputation	Alfa Parf Group (all locations)	Training and skills development for workers
ESRS S3	Communities concerned	Local area-related impacts	Social commitment initiatives in the area where Alfaparf Milano operates and opportunities for partnerships, resulting in increased stakeholder confidence and enhanced reputation	O	-	-	Visibility and reputation Improvement of local social capital Business opportunities	Alfa Parf Group (all locations)	Sustainable development for local communities
			Partnership opportunities	O	-	-		Alfa Parf Group (all locations)	
			Development of leadership within the Group ensuring business growth and continuity	O	-	-	Improvement of local social capital Visibility and reputation	Alfa Parf Group (all locations)	
ESRS S4	Consumers and end-users	Access to quality information	Full and transparent communication of information to consumers, resulting in increased consumer confidence and less exposure to sanctions and legal disputes	O	-	-	Business opportunity Reputation Improved operational logistics flows	Commercial offices	Transparency in communication with customers
		Responsible business practices	Adopting responsible business practices and building long-term relationships with suppliers who share the same ethical standards, creating a stable, resilient and safer supply chain	O	-	-		Commercial offices	
			Opportunities to promote international diversification and growth through acquisitions and business integrations that meet shared ethical standards, ensuring responsible management of business synergies	O	-	-		Alfa Parf Group (all locations)	
		Health and Safety & Personal safety	Use of safe, high-quality raw materials, increase in consumer confidence, and sales growth	O	-	-	Business opportunity Reputation Market share	Manufacturing sites	Health and safety of consumers and end-users
			Increase in market share thanks to the quality of services offered as a distinguishing factor compared to competitors	O	-	-		Alfa Parf Group (all locations)	
ESRS G1	Conduct of business	Business culture	Minimising the risk of sanctions and legal fees	O	-	-	Visibility and reputation IP Protection Business opportunities	Alfa Parf Group (all locations)	Business culture
			Less difficulty in addressing regulatory changes, integrating sustainability into the business strategy and tending to continuously monitor developments in the regulatory framework	O	-	-		Alfa Parf Group (all locations)	

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ESRS RA 16			Characteristics of material risks/opportunities						Alfaparf Milano Rewording
ESRS Topical Standard	**ESRS topic**	**ESRS sub-topic / sub-sub-topic**	**IRO**	**Risk/ Opportunity**	**Risk classification**	**Internal/External**	**Main benefits**	**Scope of risk/ opportunity**	
ESRS G1	Conduct of business	Supplier relationship management, including payment practices	Conduct of a qualified supplier or subcontractor that does not comply with Alfaparf Milano's quality and sustainability standards and applicable regulations (e.g. CSDDD, Critical Raw Materials Act), which adversely affects reputation	R	Reputational risk	Internal risk	-	Alfa Parf Group (all locations)	Supplier relationship management
		Active and passive corruption (prevention and detection including training)	Implement systems to prevent corruption, consequently reducing exposure to sanctions and legal liability, and improving the corporate image	O	-	-	Reputation Access to more lines of credit	Alfa Parf Group (all locations)	Fighting corruption
Entity specific		Innovation, research and development	Risk of cyber attacks and data security breaches, which can lead to reputational damage and legal sanctions	R	Operating risk	Internal risk	-	Alfa Parf Group (all locations)	Technological development and innovation
			Threats of data breaches and business continuity disruptions, considered critical especially for IT and administrative functions, with potential negative impacts on the ability to innovate and develop new products	R	Operating risk	Internal risk	-	Alfa Parf Group (all locations)	

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DOUBLE MATERIALITY ANALYSIS

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Assessing materiality is at the core of Alfaparf Milano's sustainability strategy, as it helps ensure that the Company's efforts remain focused on the areas of greatest impact, and maintain appropriate relationships with stakeholders.

In recent years, several standard-setting and regulatory bodies started to refine the concept of sustainability materiality. In particular, the Corporate Sustainability Reporting Directive (CSRD), adopted by the European Union, focuses on the concept of "double materiality".

In 2024, Alfaparf Milano launched its initial double materiality analysis, inspired by the mandatory requirements of the European Sustainability Reporting Standards (ESRS) issued by the European Financial Reporting Advisory Group (EFRAG). This provides information needed to understand the Company's impact on society and the environment and, conversely, how ESG aspects related to material sustainability issues affect its Enterprise Value.

According to this approach, a sustainability issue is material if it is considered a priority from the perspective of impact materiality, financial materiality, or both.

A sustainability issue is material from an impact perspective when it pertains to the undertaking's material actual or potential, positive or negative impacts on people or the environment over the short-, medium- or long-time horizons. Impacts include those related to the company's own operations and the upstream and downstream value chain, including through its products and services and its business relationships. Business relationships include those located in the enterprise's value chain, upstream and downstream, and are not limited to direct contractual relationships.

A sustainability issue is financially material if it triggers, or may reasonably be expected to trigger, material financial effects on the undertaking. This is the case when a sustainability issue generates risks or opportunities that have, or can reasonably be expected to have, a material influence on the development of the undertaking, its financial position, results of operations, cash flows, access to finance or cost of capital in the short, medium or long term. Risks and opportunities may arise from past or future events. The financial materiality of a sustainability issue is not limited to aspects under the undertaking's control, but includes information on material risks and opportunities attributable to business relationships that are outside the scope of consolidation used in the preparation of Sustainability Reporting.

Context analysis

The materiality assessment was carried out on the basis of a preliminary analysis of the context in which the Group operates, which included an assessment of internal documents, policies, management systems and the risk control system, as well as a cycle of interviews with the Management team to complement the documentary analysis.

Subsequently, a benchmark analysis was carried out to identify sustainability issues that could be material to the target sector. The benchmark analysis took into account the list of sustainability issues covered by the thematic ESRS, broken down into topics, sub-topics and sub-sub-topics (RA 16 ESRS 1 of Delegated Regulation (EU) 2023/2772).

For the impact materiality analysis, 15 competitors and comparables of Alfaparf Milano were identified and evaluated in relation to the topics identified as material in the 2023 Sustainability Report.

For the financial materiality analysis, the benchmark analysed reference ESG reporting frameworks in the sector (TCFD, TNFD, SASB), ESG-related observatories and research (Global risk Report 2024, Business & Human Rights Research Centre, Encore[4]) and the Group's ESG plan.

Following this initial analysis, 20 sustainability issues emerged that are potentially material for Alfaparf Milano. They confirmed the Group's areas of interest and defined the areas on which to focus attention with regard to the topics, sub-topics and sub-sub-topics listed by the standard itself and associated with the ESRS Topical Standards. In addition, Alfaparf Milano identified a number of "entity-specific" issues, on the basis of which it then drew up a specific disclosure for its organisation regarding the material impacts, risks and opportunities. For each entity-specific topic not covered by ESRS information requests, all minimum disclosure requirements were reported within the respective sections, drawing on the ESRS 2 requirements with respect to specific policies, actions and objectives.

The 20 issues that emerged from the benchmark analysis were then linked to impacts, risks and opportunities (IRO) directly attributable to the Group's activities and were subsequently assessed.

As this is still a voluntary initiative, the assessment was conducted by an internal Working Group composed of sustainability managers with the active support of the relevant departments. The analysis focused mainly on identifying the material impacts, risks and opportunities for Alfaparf Milano, without delving too deeply into its value chain.

[4] Platform recognised by the European Commission and promoted by the UN with the aim of identifying impacts and dependencies on natural and social resources for financial institutions and businesses. The platform allows the user to select the industry, sub-industry and activity type to narrow the scope of analysis and identify specific dependencies for a particular business. Please note that Encore only lists dependencies and potential direct impacts of production processes on ecosystem services and natural capital, excluding dependencies and impacts that occur through the supply chain.

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Materiality of impact

With regard to impact assessment, the Working Group was provided with a special tool with a numerical rating scale, which asked them to rate severity, understood as a concept that encompasses the factors of magnitude, scope, and irremediable nature of the impact, and the likelihood of negative and positive impacts occurring. In addition, the time horizon was also taken into account, assessing how much the impact associated with a sustainability issue changes over a given period. More specifically, the assessment considered changes in the short to medium term (from now to 5 years' time) and in the long term (beyond 5 years).

SEVERITY RATING SCALE

1	Low	Insignificant impact
2	Medium	Moderate impact, with minor damage/benefit
3	Medium-high	Significant impact, with obvious damage/benefits
4	High	Moderate impact, with widespread damage/benefit
5	Very high	Very significant impact

LIKELIHOOD OF OCCURRENCE RATING SCALE

1	Very low	Rare event
2	Low	Unlikely event
3	Moderate	Possible event
4	High	Likely event
5	Very high	Frequent event

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Financial relevance

With regard to risks and opportunities, an assessment was requested of the magnitude of the possible financial effects and the likelihood of the risk/opportunity occurring, using the same numerical rating scale mentioned above.
Specifically, the magnitude was used to assess the extent to which the risk or opportunity has a significant influence on the Organisation's development, its financial position, results of operations, cash flows, access to financing or the cost of capital in the short, medium or long term. With regard to risks, the inherent risk was taken into account for the assessment of materiality. In addition, the time horizon was also taken into consideration, assessing how much the risk/opportunity changes over a given period. More specifically, the assessment considered changes in the short to medium term (from now to 5 years' time) and in the long term (beyond 5 years).

MAGNITUDE RATING SCALE

1	Insignificant risk/opportunity	Negligible damage/benefit
2	Moderate risk/opportunity	Minor damage/benefit
3	Material risk/opportunity	Potential for material damage/benefit
4	High risk/opportunity	Expected material damage/benefit
5	Maximum risk/opportunity	Highly significant damage/benefit

LIKELIHOOD OF OCCURRENCE RATING SCALE

1	Very low	Rare event
2	Low	Unlikely event
3	Moderate	Possible event
4	High	Likely event
5	Very high	Frequent event

Results of the analysis

Each IRO category was assigned a specific materiality threshold set close to the value obtained by calculating the average of "overall scores" achieved by the IROs belonging to that category. Each IRO with an overall score above the threshold defined above is considered material, and each sustainability issue with at least one impact, risk or opportunity considered material is also considered material.
Following the assessment, of the 20 potentially material issues identified through the benchmark analysis, 17 were found to be material, in relation to which the Group discloses information in accordance with the relevant disclosure requirements of the respective thematic ESRS.
Please refer to the section "Material impacts, risks and opportunities and their interaction with strategy and business model" to view the two tables describing, for each material issue, the related impacts (positive and negative), risks and opportunities that exceeded the materiality threshold and therefore made the issue material.
The final stage of the double materiality analysis determined which qualitative and quantitative information relating to the material issues should be reported in this Consolidated Sustainability Report. To this end, the Group followed the procedures set out in ESRS 1 (including Appendix E), the Implementation Guidance "EFRAG IG 1 – Materiality Assessment" and the additional paper "Links between AR16 and disclosure requirements".
During 2025, no significant matters emerged that could affect the outcomes of the double materiality assessment conducted during the previous reporting period. Therefore, the Group deemed the material impacts, risks and opportunities identified through the assessment carried out in 2024 to remain valid.

ESRS DISCLOSURE REQUIREMENTS COVERED BY THE CORPORATE SUSTAINABILITY STATEMENT

Please refer to Appendix A of this document for further information on the list of disclosure requirements reported and with reference to the EU Datapoint Table.

ENVIRONMENTAL INFORMATION

NOTICE PURSUANT TO ARTICLE 8 OF REGULATION (EU) 2020/852 (TAXONOMY REGULATION)

This section sets out the results of the first voluntary qualitative analysis of eligibility information, in accordance with Regulation (EU) 2020/852 (Taxonomy Regulation), relating to FY 2025. This section does not constitute a declaration of full compliance with the Regulation, as there is currently no applicable regulatory obligation.
The Taxonomy Regulation sets out uniform criteria at EU level for defining environmentally sustainable economic activities, in relation to the following six environmental objectives:
1. climate change mitigation (CCM);
2. climate change adaptation (CCA);
3. sustainable use and protection of water and marine resources (WTR);
4. transition to a circular economy (CE);
5. pollution prevention and control (PPC);
6. protection and restoration of biodiversity and ecosystems (BIO).

In January 2026, the European Commission adopted Delegated Regulation (EU) 2026/73, which supplements and amends Delegated Regulation (EU) 2021/2178. The new Regulation introduces simplifications to the disclosure requirements set out in the EU Taxonomy, as well as revisions to the methods for calculating KPIs, with the aim of reducing the administrative burden on European businesses.
The activities eligible for the climate change mitigation and adaptation objectives are any activities explicitly included in the list of economic activities set out in Annexes I and II to Delegated Regulation (EU) 2021/2139 and subsequent amendments provided by Delegated Regulation (EU) 2023/2485, regardless of whether that economic activity meets one or all of the technical screening criteria set out in that document. As regards the remaining four environmental objectives, the eligible activities are listed in Annexes I to IV of Delegated Regulation (EU) 2023/2486 which set out the activities associated with the sustainable use and protection of water, the transition to a circular economy, the prevention and reduction of pollution, and the prevention and restoration of biodiversity and ecosystems, respectively.
The aligned activities correspond to the environmentally sustainable activities referred to in Article 3 of Regulation (EU) 2020/852, which jointly meet the following criteria:
• **a substantial contribution** to the achievement of one or more environmental objectives;
• no significant adverse impact on any of the other environmental objectives ("**DNSH**" principle[5]);
• compliance with **minimum safeguards**[6].

The analysis carried out by Alfaparf for FY 2025 focused solely on identifying **eligible** activities in relation to the six climate objectives mentioned above.

[5] "Do No Significant Harm".
[6] To assess compliance with minimum safeguards, reference may be made to the following guidelines: the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the International Labour Organisation's (ILO) Declaration on Fundamental Rights and Principles at Work, the eight ILO core conventions, and the International Bill of Human Rights.

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Identification of eligible activities

Alfaparf, with particular reference to its parent company Beauty & Business S.p.A., analysed its economic activities in order to assess their alignment with the descriptions set out in Regulation (EU) 2021/2139, Regulation (EU) 2023/2485 and Regulation (EU) 2023/2486 in relation to its business activities and those connected with its corporate operations, also taking into account the NACE codes.
Following this preliminary screening, the economic activities eligible for inclusion in the Taxonomy were defined, involving the key business functions involved in the identified activities. The table below summarises the results.

ACTIVITIES PURSUANT TO REG. (EU) 2021/2139 AND REG. (EU) 2023/2485

CCM 7.3	Installation, maintenance and repair of energy-efficiency equipment
CCM 7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
CCM 7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
CCM 7.6	Installation, maintenance and repair of renewable energy technologies
CCM 8.1	Data processing, hosting and related activities
CCM 9.3	Professional services related to energy performance of buildings
CE 1.2	Manufacture of electrical and electronic equipment
EC 5.1	Repair, refurbishment and remanufacturing
CE 5.2	Sale of spare parts
CE 5.4	Sale of second-hand goods

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FIGHTING CLIMATE CHANGE

TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

To date, Alfaparf Milano has not yet developed a Transition Plan for climate change mitigation. Despite this, the Group has launched a process aimed at defining and formalising a climate strategy, which will be developed by the end of 2027. The strategy includes numerous measures aimed at reducing environmental impact, including energy efficiency initiatives, replacement of high-consumption equipment, optimisation of water consumption and improvement of production facilities. These initiatives are described in detail in the section "Actions and resources in relation to climate change policies".
All these activities, together with the gradual strengthening of the monitoring system, form the basis for defining a Climate Transition Plan based on clear, measurable objectives that are aligned with European regulations.

POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

Alfaparf Milano has not currently adopted a policy that specifically governs its climate change mitigation and adaptation commitments. However, the Group is pledged to strengthening its environmental management and reporting tools, with the aim of gradually aligning itself with applicable regulatory and strategic requirements.
The guidelines that outline the Group's environmental strategy – including climate change mitigation and adaptation, water resource management, transition to circular economy models and energy efficiency – are defined by Beauty & Business, which operates as the Group's corporate entity. Through its guidance and coordination role, Beauty & Business provides a common framework to ensure that Group companies adopt consistent policies and actions that are internationally harmonised and aligned with the Group's sustainability values and objectives.
As part of this transition phase, the Group has begun preliminary work on defining a structured Policy, which will be formalised by the end of 2027 and will include:

- a Climate Change Policy;
- an Operational Plan with environmental objectives, actions and indicators;
- monitoring tools for climate-related physical and transition risks.

The actions already undertaken demonstrate a growing focus on integrating climate factors into business processes, through a continuous improvement approach that is consistent with the Group's strategic guidelines on sustainability.

ACTIONS AND RESOURCES IN RELATION CLIMATE CHANGE POLICIES

Alfaparf Milano undertakes to conduct its activities in an environmentally sustainable manner, by reducing negative impacts, safeguarding biodiversity, protecting ecosystems and minimising resource consumption. This commitment translates into an operational approach to prevent, control and reduce environmental impacts through innovative technical solutions, proactive involvement of suppliers and business partners, and the promotion of environmental awareness among employees and customers[7].

During 2025, the Italian Beauty & Business branch strengthened its contribution to climate change mitigation through the implementation of technical and managerial actions aimed at improving energy efficiency and streamlining consumption. Although there is no formal decarbonisation strategy, the initiatives launched represent the first operational steps towards a gradual reduction in environmental impact.

In fact, Beauty & Business has continued its efforts to improve the efficiency of its production and infrastructure processes, with a particular focus on the digitalisation of its production facilities, consumption monitoring, the modernisation of production lines, and a more efficient management of resources. The activities are part of a phase of progressive strengthening of the facility's environmental and technical-operational oversight, with the aim of providing increasingly accurate data to support future decisions regarding energy efficiency, water consumption and production continuity.

The key initiatives launched include the networking of various equipment and plants, including production lines, mixing systems, compressors, scrubbers and refrigeration units. This development makes it possible to remotely monitor the operational status of systems, check for any downtime or faults, and access data and graphs that are useful for analysing operational performance and energy consumption. Specifically, monitoring the compressors makes it possible to assess compressed air consumption and identify potential ways to optimise energy. Revamping and modernisation work was also carried out during the year on a number of production lines, in order to improve their reliability, safety, control and operational continuity. These measures help make plants more efficient, easier to monitor and better aligned with a more modern, data-driven production model.

In terms of energy efficiency, work also continued on replacing traditional light bulbs with energy-efficient LED systems. The refurbishment has already covered a significant part of the facility, including offices, production departments and packaging areas, whilst the remaining areas – in particular the warehouse – are due to be completed during 2026. A second charging point for electric vehicles has also been installed in the company car park, bringing the total number of available charging points to four. The actions carried out so far are part of the direct activities (Scope 1 and 2), with an operational focus on the national production site. The interventions mainly concerned industrial and logistical areas, related to production, air conditioning and storage. No specific actions have yet been implemented upstream or downstream of the supply chain, nor are external stakeholders involved to date. The activities were managed internally, coordinated by the Operations Department. Finally, the Company strengthened its internal monitoring system for the main environmental KPIs, with a specific focus on analysing energy and resource consumption in relation to the production volumes of the Group's three manufacturing branches (Italy, Mexico and Brazil). This approach allows for an objective assessment of the efficiency of production processes and the timely identification of any areas for improvement.

The indicators monitored shall specifically include:

- electricity consumption per ton of semi-finished goods and per number of pieces produced;
- natural gas consumption per ton of semi-finished goods produced;

[7] **Currently, the Group has not identified any negative environmental impacts on its stakeholders.**

- water consumption per ton of semi-finished goods produced;
- and other parameters related to the in-house production of semi-finished goods and packaging.

In addition to these specific indices, absolute energy consumption is also constantly monitored to ensure a complete overview of the direct environmental impact of production activities. The positive trend of these indicators over the year demonstrates the effectiveness of the measures taken to improve overall energy performance.

At the same time, the Group reaffirmed its commitment to ecological transition and the ongoing improvement of energy efficiency in industrial processes. Throughout 2025, the Italian branch Tricobiotos continued its efforts to improve the energy efficiency of its plants and achieve more sustainable resource management, in line with the provisions of the Industry 5.0 Act, completing the project launched in 2024 with the achievement of third-party certification.

As far as lighting is concerned, since 2022 the entire facility – including production areas, warehouses and offices – has been equipped exclusively with low-power LED systems, helping to reduce the site's energy footprint.

The Brazilian branch has also implemented numerous technical solutions over time to increase the energy efficiency of its production processes and infrastructure. Specifically:

- all mixer motors have been equipped with frequency inverters since 2018, contributing to more efficient energy management and higher accuracy in production cycles;
- in 2022, the entire plant was equipped with LED lighting, which significantly reduced electricity consumption. In addition to this measure, translucent tiles were installed in production areas and warehouses in 2024, allowing natural light to enter and further reducing the need for artificial lighting during daytime hours;
- furthermore, in 2023, the branch achieved an important milestone: 100% of the electricity it uses comes from certified renewable sources, strengthening its commitment to a more responsible and environmentally friendly production model;
- a new gas scrubbing system was installed in 2025, designed to control and reduce atmospheric emissions generated by production processes;
- a new one-tonne reactor (BCI 19) was also purchased and installed, which has led to increased production capacity and an improvement in the facility's overall operational efficiency.

Since 2018, the Argentina branch has also started a gradual process to replace all incandescent lamps with LED systems, with the aim of optimising the energy efficiency of its indoor lighting. This measure, which is still in the process of being completed, contributes to reducing electricity consumption and improving environmental conditions in production departments and offices.

In addition, the Mexico branch continued initiatives during 2025 to reduce its environmental impact and contribute positively to the management of climate change impacts, risks and opportunities. In particular, work started on replacing the boiler with a new unit equipped with more modern technology, capable of optimising gas consumption during production phases. The positive effect of this upgrade was reflected in the plant's increased energy efficiency. In addition, LED systems with twilight sensors were introduced, which automatically adjust light levels according to the amount of natural light. Finally, a cooling system pump was replaced with a more efficient solution, helping to reduce the plant's overall energy consumption.

Throughout 2025, the Chilean branch also continued to strengthen its environmental management, with the aim of minimising the impact of its operations on the surrounding environment and ensuring compliance with current legislation. These initiatives are all part of the Group's commitment to a responsible approach to environmental sustainability.

In particular, the branch implemented measures to improve the efficient use of resources, with a focus on optimising energy and water consumption, as well as on responsible waste management through proper sorting and disposal. At the same time, good environmental practices were promoted amongst staff, helping to raise awareness and strengthen oversight of environmental aspects in daily activities.
In this context, the Portuguese branch also embarked on a programme to reduce the environmental impact of its business travel by converting its fleet to bi-fuel vehicles (gas and petrol), replacing those fuelled exclusively with diesel. This measure has led to a significant reduction in particulate matter and nitrogen oxide emissions compared with previous transport solutions.
At the same time, the branch uses electricity from renewable sources, supplied through its energy provider, thereby helping to reduce the indirect emissions associated with electricity consumption.

FOCUS ON

WORLD ENVIRONMENT DAY 2025

To mark **World Environment Day 2025**, the Group's companies organised a range of local initiatives, each with its own focus but all sharing the goal of **strengthening environmental awareness and generating a tangible impact on urban green spaces, reforestation and biodiversity**, whilst directly involving the public.
In **Italy**, we distributed young native trees (holm oaks and cypresses) to employees to plant at home, promoting a simple yet lasting gesture and encouraging the selection of hardy species suited to the local area; the initiative was presented as the first step in a broader project which involved initiatives to promote urban greenery in collaboration with local partners in 2025. In **Brazil**, staff were given a symbolic gift (Italian cypress seeds) as an invitation to "cultivate change", linking sustainability to individual responsibility and long-term continuity.
In **Mexico**, the initiative was linked to a structured pollinator garden project (Parque Machado). This reforestation project focuses on planting flowering plants and trees (e.g. jacaranda, lavender, daisies) with expected benefits for biodiversity (habitat for bees, butterflies, hummingbirds and beneficial insects) and for urban resilience, whilst also tackling issues such as the urban heat island effect, air quality and threats to pollinators (soil loss, pesticides, climate change). In **Venezuela**, the team carried out a day of reforestation on the slopes of Avila/Waraira Repano, with the support of public bodies and "forest firefighters": the initiative involved planting 30 trees (Apamate and Pionia), with the stated benefit of protecting the river basin in the park near the facility.
In **Chile**, the initiative promoted an endemic species (Peumo), chosen for its resilience and its benefits to the ecosystem (low water requirements, support for local wildlife): two specimens were purchased and nurtured; once fully grown, they will be donated to a Scout foundation involved in reforestation, thereby creating a link between the company's actions and the local community. In **Argentina**, this initiative involved giving each employee a tree, as a symbol of widespread commitment and individual responsibility, in line with the global initiative. In **Peru**, the branch adopted an approach focused on the protection of forest ecosystems: through ARBIO Perú, an Amazon rainforest tree (Shihuahuaco) was "adopted" for one year, contributing to the conservation of a natural heritage of high biodiversity value, with a symbolic investment shared amongst employees and the issue of a certificate. In the **Dominican Republic**, the initiative took the form of distributing various plants (succulents, cacti and tropical house plants) with a focus on long-term care and maintenance, raising awareness and personal commitment, whilst also including local and endemic species mentioned by the team.
In **Australia**, the branch joined World Environment Day by making a donation to the organisation Carbon Positive Australia. This allowed 30 trees to be planted, contributing to reforestation initiatives and the protection of local ecosystems.
Overall, the 2025 initiatives combined community engagement, tree planting and reforestation, biodiversity conservation (particularly through projects focusing on pollinators and the Amazon rainforest) and a focus on local and resilient species, strengthening the link between sustainability and concrete actions in the areas where we operate.

ALFAPARF MILANO SUSTAINABILITY REPORT 2025

TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

In 2025, Beauty & Business continued the process to strengthen its environmental monitoring system, with the aim of more systematically assessing the effectiveness of its climate-related actions, and establishing a solid information base to support the future definition of environmental objectives. Although no measurable, results-oriented climate targets have yet been set, activities are already underway to collect, analyse and monitor environmental data, particularly relating to energy consumption and greenhouse gas emissions (Scope 1 and 2).
The key monitoring processes are based on:
• the annual collection and comparison of data relating to energy consumption and GHG emissions;
• continuous monitoring of key environmental KPIs;
• oversight by Operations, Health, Safety & Environment (HSE) and Sustainability departments, also with a view to aligning with ESRS requirements.

Even in the absence of a formal system of climate targets, the company has adopted internal indicators to assess the efficiency of its activities and monitor the effectiveness of the measures implemented. In addition, for the two-year period 2025-2026, Beauty & Business has planned two significant investments to improve energy efficiency and reduce the environmental impact of its production processes.
The first project concerns the construction of a photovoltaic system at the new industrial warehouse currently under construction. The energy produced will be used directly by the plant, contributing concretely to the decarbonisation of industrial activities. The system will be sized on the basis of the plant's historical consumption and integrated with existing infrastructure, allowing significant energy autonomy and a reduction in emissions associated with electricity supply.
The second project involves the replacement of the current steam generation system with new high-efficiency boilers. The new solution will ensure more effective management of thermal consumption and advanced control through automatic supervision systems. This measure will significantly improve the facility's energy performance, promoting more sustainable and modern energy resource management.
This process also includes investments made in the supply of electricity and gas, through which Beauty & Business and Xanitalia expect to achieve significant reductions in their GHG emissions by 2026.
Beauty & Business also plans to continue the process it has begun through further efficiency-enhancing and modernisation measures. These include completing the revamping on certain production lines, upgrading laser systems, optimising production lines and control systems, replacing boilers, and commissioning the photovoltaic system connected to the new Osio 3 site. The latter represents one of the company's most significant environmental initiatives, as it is expected to increase its self-generation of electricity and cover a significant proportion of the facility's energy requirements.
Tricobiotos has also planned significant investments in 2025 for the technological renewal of various production equipment, as part of an integrated project inspired by Industry 5.0 principles. The measures will involve key machinery in the mixing, water treatment and packaging stages, with the aim of improving energy efficiency, reducing consumption and optimising the overall performance of the plants. In this context, in 2024 the Argentina branch also started to define technical and design-related tasks for new efficiency measures, with implementation planned for the two-year period 2025-2026. Among the actions currently being developed is the upgrading of the systems to increase the operating pressure of the steam boiler. The project involves installing safety valves – which have already been purchased – to enable the reactors to operate at higher pressures, thereby speeding up heating times and allowing the plants to operate simultaneously.

Once completed, the project will significantly reduce natural gas consumption, with benefits in terms of thermal efficiency and streamlining of production cycles, at a relatively low investment cost.

At the same time, the Mexico branch has planned further measures for the two-year period 2025-2026, including the modernisation of its mixer heating and cooling systems, the introduction of more efficient plant washing technologies and the exploration of opportunities for in-house energy production, such as solar or cogeneration solutions.

ENERGY CONSUMPTION AND MIX

In 2025, Alfaparf Milano consumed a total of 29,332 MWh[8] of energy, 17% more than in 2024 (25,172 MWh). Although still mainly attributable to fossil sources, the share of renewable energy shows a slight increase due to the increased use of biomass. A significant share of consumption is attributable to the Group's production facilities – located in Italy[9], Mexico, Brazil, Argentina and Venezuela – which recorded a total consumption of 22,533 MWh in 2025, rising by about 26% compared to 2024. This significant increase is largely attributable to the expansion of the scope of consolidation and, in particular, to the inclusion of the Italian production branch Xanitalia S.r.l.

A significant share of the reported energy consumption is due to the use of the company's fleet, consisting of vehicles supplied to executives, commercial and sales teams, and pooled cars available to operational staff. The vehicles are mainly powered by diesel, petrol and LPG.

Throughout the year, work continued at the Beauty & Business and Xanitalia sites to improve the efficiency of the energy supply process. In particular, new supply contracts were signed providing for the purchase of Guarantees of Origin (GO) covering 100% of the requirements of the PODs served, together with the implementation of an emissions offsetting mechanism based on the purchase and cancellation of voluntary VER credits covering the entire life cycle of the gas purchased.

The first table on the facing page details the total energy consumption recorded by Alfaparf Milano during the financial year 2025.

The initiatives and investments supported by the Group have enabled significant results to be achieved in terms of electricity consumption from renewable sources. The second table on the facing page shows the positive trend in self-produced electricity from renewable sources (consumed and sold) compared to the previous reporting period (+10%).

[8] With regard to the reporting period, the scope of the data also includes the Paraguayan sales branch and the recently acquired production branch, Xanitalia S.r.l.
[9] The figures do not include the IV San Bernard branch.

ENERGY CONSUMPTION AND MIX[10] (MWh)

	2024[11]	2025
Consumption of fuels from coal and coal products	-	-
Consumption of fuels from crude oil and petroleum products[12]	9,517	9,564
Consumption of fuels from natural gas	8,166	10,190
Consumption of fuels from other non-renewable sources	2	1
Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired	4,563	6,508
Total consumption of energy from fossil sources	**22,249**	**26,262**
Share of fossil sources in total energy consumption	***88%***	***90%***
Total consumption of energy from nuclear sources	**-**	**-**
Share of nuclear sources in total energy consumption	***0%***	***0%***
Consumption of fuels for renewable sources, including biomass	38	56
Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired	2,751	2,865
Consumption of self-produced renewable energy without the use of fuels	114	126
Total consumption of energy from renewable sources	**2,903**	**3,047**
Share of renewable sources in total energy consumption	***12%***	***10%***
TOTAL ENERGY CONSUMPTION	**25,151**	**29,309**

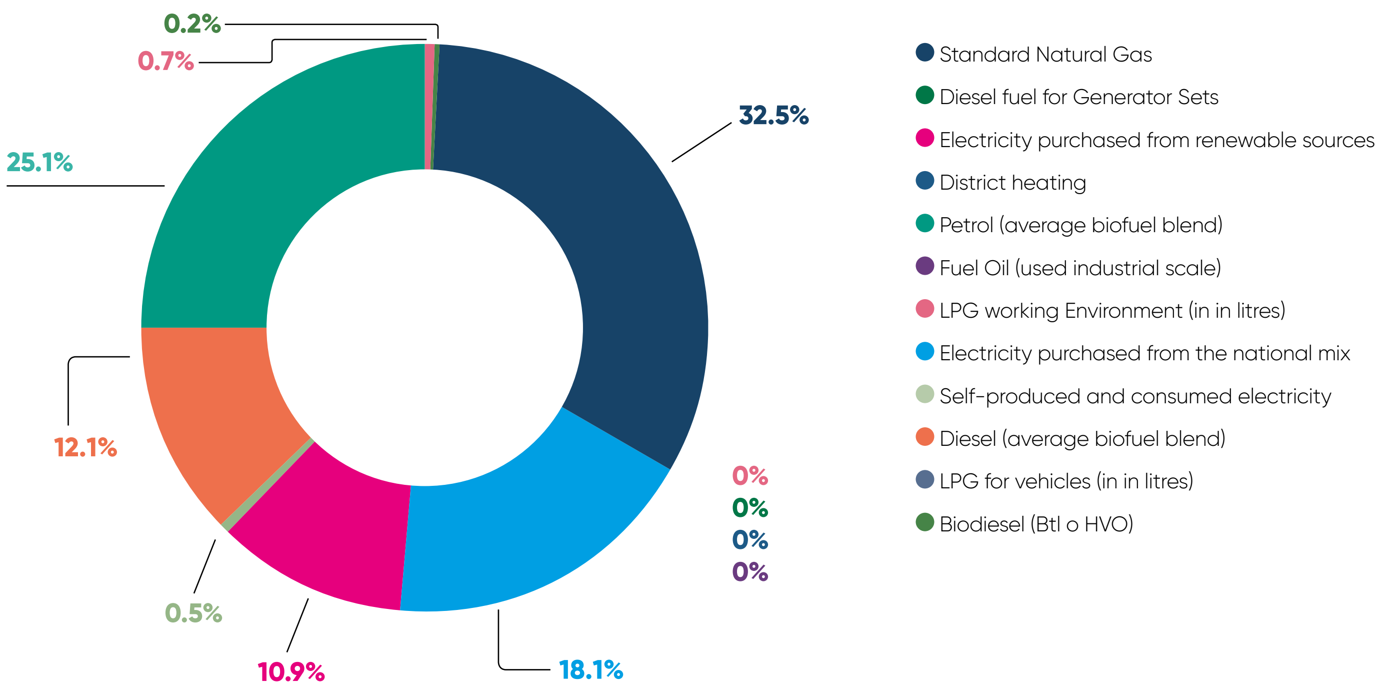
SELF-PRODUCTION OF ELECTRICITY FROM RENEWABLE SOURCES (MWh)

	2024	2025
Self-produced renewable electricity: consumed and sold	**135**	**149**
Self-produced and consumed renewable electricity	114	126
Self-produced and consumed electricity from renewable sources	21	23

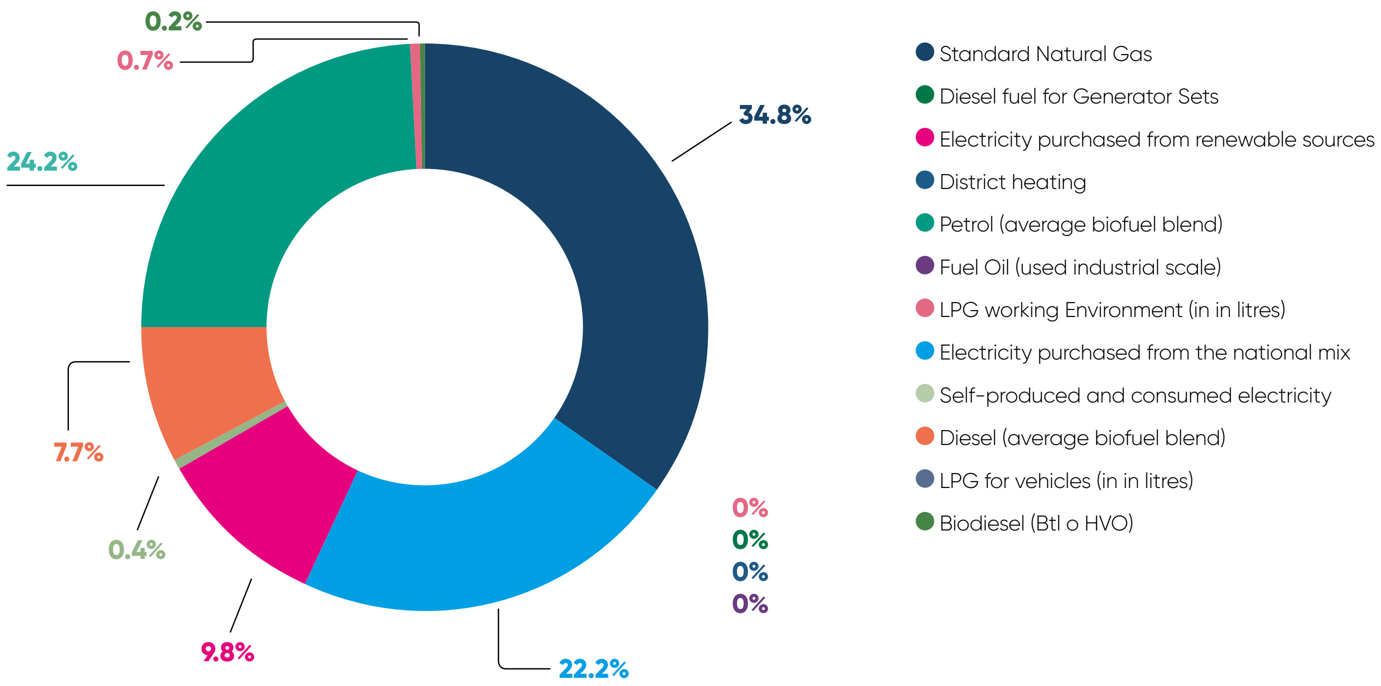
With regard to energy intensity linked to production activities – specifically, the MWh of electricity consumed in relation to net revenues generated – carried out in plants operating in sectors with a high climate impact[13], the 2025 data do not show any significant changes compared to the previous year. In 2025, the recorded value was 0.000079 (MWh/€)[14]. The indicator confirms the substantial stability of the group's average energy efficiency[15].

[10] The conversion factors used to convert energy consumption into MWh were derived from the UK Government document GHG Conversion Factors for Company Reporting (2025 version), published by the UK's Department for Energy Security and Net Zero.
[11] The methodology used to calculate the Group's energy consumption and related emissions was updated in 2025; consequently, a restatement has been proposed in relation to the figures published in the previous reporting period.
[12] Fuel from crude oil and petroleum products refers to the consumption of petrol, diesel and LPG for the company fleet and the consumption of diesel fuel for generators.
[13] The "high climate impact sectors" are the sectors listed in sections A to H and section L of the NACE classification (as defined in Commission Delegated Regulation (EU) 2022/1288). Only the Group's production sites included in the scope of consolidation operate in high climate impact sectors, as they are part of the following NACE sections: G -Wholesale and retail trade (Beauty & Business S.p.A.); (Dobos S.A. de C.V.); (Brazil ALL); (Prodicos S.A.); (Tricobiotos S.P.A.); (D.E.A. Project S.r.l.); (Xanitalia S.r.l.). It should be noted that, although it is a production site, the operating unit in Venezuela is not included in the reporting scope for high climate impact sectors.
[14] Energy intensity is calculated as the total consumption reported in MWh over the total net revenues associated with activities in high climate impact sectors. The denominator for intensity calculation therefore includes the value of the revenues reported in item A.1 ("Revenues from sales and performance") of the 2025 Profit and Loss Account of the Group.
[15] There are no significant deviations at individual facilities.

Energy Consumption 2024



Energy Consumption 2025



FOCUS ON

SUSTAINABLE MOBILITY: THE MOBILITY PROJECT WITH EDENRED

In 2024, Tricobiotos launched a sustainable mobility project in collaboration with Edenred. The aim of the project was to simplify and make employees' commutes more environmentally friendly. The project was implemented using the Edenred Mobility digital platform, a modular solution that is easily accessible via an app (iOS and Android), which allows users to record their journeys and encourages them to use alternative means of transport to private cars. The initiative was further developed through the drafting of the 2025 Home-to-Work Travel Plan (HWTP), which aims to promote more sustainable transport solutions and reduce the environmental impact associated with the daily commutes of staff. The Plan is complemented by the use of the mobility app, which lets users monitor their travel habits and suggests alternatives geared towards an increasingly responsible future.
The implementation of the Plan has made it possible to estimate an overall reduction in CO_2 emissions of approximately 578.79 kg (0.51 tonnes), thanks to the use of transport methods with a lower environmental impact. An internal competition has also been launched amongst staff to support the initiative; it is based on data collected via the platform, with rewards being awarded through the company's welfare scheme to employees who have stood out for adopting more sustainable travel habits. The initiative has helped strengthen public engagement while promoting greater awareness of the environmental impact of everyday travel choices.

GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS[16]

Given the nature of Alfaparf Milano's business and the focus on environmental protection, energy consumption and the consequent production of greenhouse gases (GHG) are constantly monitored, with particular reference to the production facilities, which are responsible for 78% of the Group's total emissions (Scope 1 and 2 location-based).

In 2025, there was a 15% increase in CO_2e emissions (Scope 1 + Scope 2 location-based) compared to the corresponding 2024 figure. This is partly due to the extension of the reporting scope, which also takes into account the companies acquired during 2025, i.e. the sales office in Paraguay and the production branch Xanitalia S.r.l.

With regard to indirect Scope 3 emissions, Alfaparf carried out an initial screening analysis in 2025, aimed at mapping the main emission categories along the value chain and supporting the gradual development of the monitoring system. The results of the screening analysis show that the vast majority of Scope 3 emissions are attributable to the "purchased goods" category, which represents the most significant component in terms of overall emissions. This is followed by the "waste", "upstream transport" and "employee commuting" categories which, although accounting for a smaller proportion, are significant in terms of understanding the overall impact along the value chain. This evidence provides a preliminary information base, which is useful for guiding the subsequent steps of further analysis and prioritisation of Scope 3 actions.

With reference to direct and indirect emissions generated by operational activities, none of the plants' emission points exceeded the limits of the respective permits, thanks in part to the monitoring and process control activities that resulted in high performance standards.

The table below shows greenhouse gas (GHG) emissions generated directly by the Group through its regular operations (Scope 1) and indirectly through the electricity purchased and consumed (Scope 2).

[16] For this reporting year, GHG emissions generated along the value chain (Scope 3) were not calculated. The Group is committed to measuring and monitoring its total GHG emissions for the next reporting periods. Moreover, the methodology used to calculate the Group's energy consumption and related emissions was updated in 2025; consequently, a restatement has been proposed in relation to the figures published in the previous reporting period.

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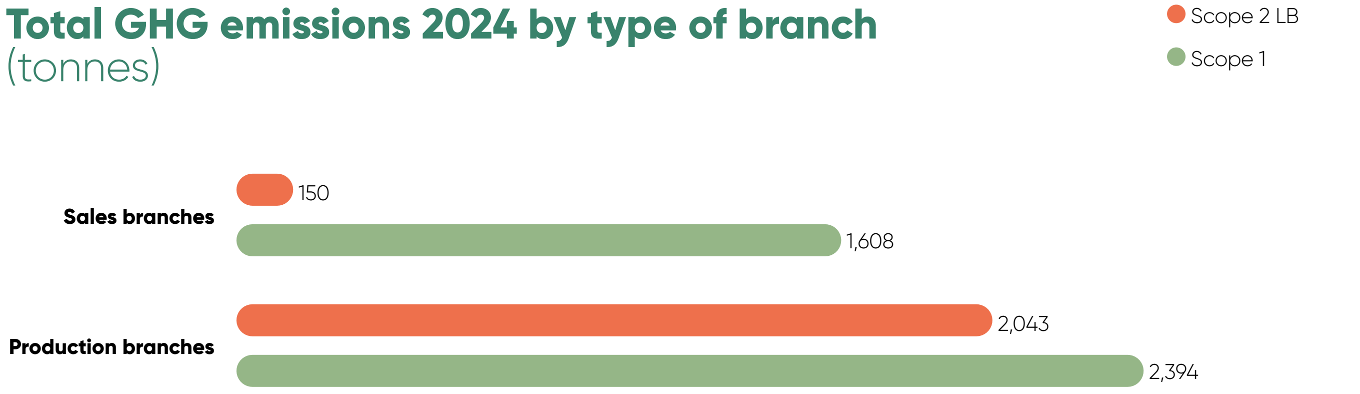
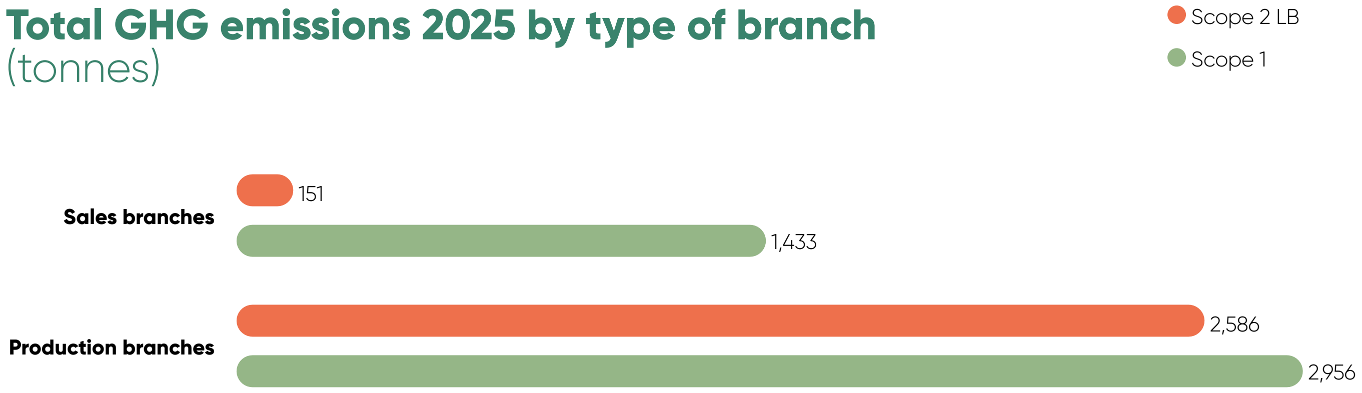
GROSS GHG EMISSIONS
(tCO_2eq)

	2024	2025
Gross Scope 1 GHG emissions 1[17]	4,003	4,389
Gross Scope 2 GHG location-based emissions[18]	2,193	2,737
Gross Scope 2 GHG market-based emissions[19]	2,790	3,756
Total location-based GHG emissions (Scope 1 + Scope 2)	**6,196**	**7,126**
Total market-based GHG emissions (Scope 1 + Scope 2)	**6,793**	**8,145**

Total GHG emissions 2024 by type of branch
(tonnes)



Total GHG emissions 2025 by type of branch
(tonnes)



[17] The emission factors used to calculate Scope 1 tCO_2e are taken from the UK Government GHG Conversion Factors for Company Reporting (version 2025) document published by the UK Department for Energy Security and Net Zero (previously they were instead developed by DEFRA). There are no Scope 1 GHG emissions covered by regulated emissions trading schemes (ETS).
[18] The emission factors used to calculate Scope 2 tCO_2e are taken from the following sources: Documentation of Scope 2 and 3 separation of electricity GHG emissions in ecoinvent 3.12 (2025) and UK Government GHG Conversion Factors for Company Reporting (2025 version), published by the UK Department for Energy Security and Net Zero (previously they were instead developed by DEFRA).
[19] The emission factors used to calculate Scope 2 tCO_2e are taken from the following sources: Documentation of Scope 2 and 3 separation of electricity GHG emissions in ecoinvent 3.12 (2025) and UK Government GHG Conversion Factors for Company Reporting (2025 version), published by the UK Department for Energy Security and Net Zero (previously they were instead developed by DEFRA).

WATER RESOURCE MANAGEMENT

POLICIES RELATED TO WATER AND MARINE RESOURCES

Currently, Alfaparf Milano has not yet adopted a formalised policy for managing the impacts, risks and opportunities associated with the use of water and marine resources.
The lack of a specific document on this topic is linked to the evolutionary phase of the Group's sustainability strategy, which in recent years has focused on consolidating environmental data and gradually aligning with regulatory requirements. However, some Group companies – including Beauty & Business – have already taken practical action to improve the efficiency and responsible management of water resources (for further information, see the section "Actions and resources related to water and marine resources").
As part of the development process undertaken, a structured environmental strategy is expected to be defined by the end of 2027, which will also include a section dedicated to water, with:
- quantitative targets for reducing water consumption;
- efficiency indicators for water use per unit of product;
- commitments to prevent pollution and protect water and marine resources.

ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES

Water plays a central role for the Group, not only as the main raw material used in product formulation, but also for its essential function in the washing and sanitising of machinery and tanks, with a significant impact in terms of both water consumption and the generation of industrial waste water requiring management.
During 2025, the Group's production branches continued to implement measures aimed at reducing water consumption and improving the efficiency of water use and discharge systems. Among the most significant measures were weekly consumption monitoring, the organisation of regular meetings to analyse and plan reduction measures, electrical power control, and maintenance of electrical substations.
Work was carried out at Beauty & Business's Italian production site on the reverse osmosis systems and water softeners, with the aim of improving the availability and quality of the water used for mixing and washing processes. Optimising the system has made it possible to overcome a number of operational challenges relating to water availability and to ensure that the plants operate more reliably. In addition, the water pasteurisation system was upgraded to include the archiving of process charts, thereby helping to ensure greater control over operating conditions.
Tricobiotos simultaneously installed a new reverse osmosis filtration system in 2025 with a capacity of 2,000 litres per hour, which provides two separate, redundant units with a production capacity of osmotised water that is 50% greater than that of the previous system. This initiative also ensures improved efficient energy thanks to its 5.0 interconnection features.
At the same time, the Brazilian branch has implemented a structured plan for the efficient management of its water resources: since 2020, all bulk goods have been unloaded directly into drums or pallets without the need for washing, thus eliminating a phase with high water consumption. Furthermore, as part of its production processes, several initiatives had already been launched in 2024, including the use of chillers (cold water) across 100% of mixers, aimed at reducing cooling times and, consequently, limiting water consumption in thermal cycles; the introduction of a closed-loop circuit to enable the use of hot osmotised water during processing, reducing mixer heating times and further decreasing water consumption. In 2025, the branch also implemented a system for the collection and redistribution of reused water, intended exclusively for flushing toilets and cleaning floors in the changing rooms and toilets located in the production areas and along the logistics flow.

These measures are part of a broader programme that includes weekly consumption monitoring, regular planning meetings and checks on plant efficiency, all with the aim of not exceeding 3.6 m³ of water per tonne of product manufactured.
The Mexican branch also launched a major efficiency programme in 2024 aimed at improving the operational sustainability of its plants and reducing the environmental impact of energy and water consumption. Specifically, solutions were implemented for more rational water use, including the installation of a new, more efficient osmosis system and sensor-activated taps in the toilets. The branch also invested in the construction of a biodigester for water treatment in 2025. Moreover, further measures were taken to reduce water consumption, including:
- replacing washbasin taps with motion-sensor taps to reduce water consumption in the bathrooms;
- replacing obsolete steam guns with more modern models to reduce any wastage of hot water and steam;
- improving the filtration system of the dye weighing machine to reduce pollutant emissions;
- installing spray balls for washing the mixers to standardise water consumption during this operation.

With regard to the Argentina branch, a project was launched in 2025 to improve the management of wastewater generated by the facility's toilet facilities. The project included the installation of two biological digesters for sewage, capable of treating wastewater on site and producing water suitable for irrigating the company's green areas. In addition to avoiding transport and external disposal, the project will help reduce operating costs and promote a circular and sustainable water management model.

TARGETS RELATED TO WATER AND MARINE RESOURCES

At present, Alfaparf Milano has not yet defined and formalised specific environmental objectives related to water and marine resource management. However, the effectiveness of the actions taken is monitored through a structured internal system for collecting and analysing water data, aimed at promoting increasingly efficient and responsible use of this resource.

In particular, Beauty & Business has launched an environmental assessment process involving the Operations, Maintenance, HSE and Sustainability Departments, which are responsible for monitoring and improving water flows. The process includes:
• continuous monitoring of industrial water consumption, as well as compliance with the discharge limits set out by existing authorisations (AUA);
• the integration of data into corporate environmental KPIs;

The current monitoring system, although operational, is being upgraded. In line with the definition of the environmental strategy planned by the end of 2027, the Group plans to:
• formalise water targets and associated indicators to be used to monitor future progress;
• carry out a technical assessment of water recovery and reuse projects;
• conduct a feasibility analysis of low-water (or water-free) formulations, already underway on some product lines.

WATER CONSUMPTION

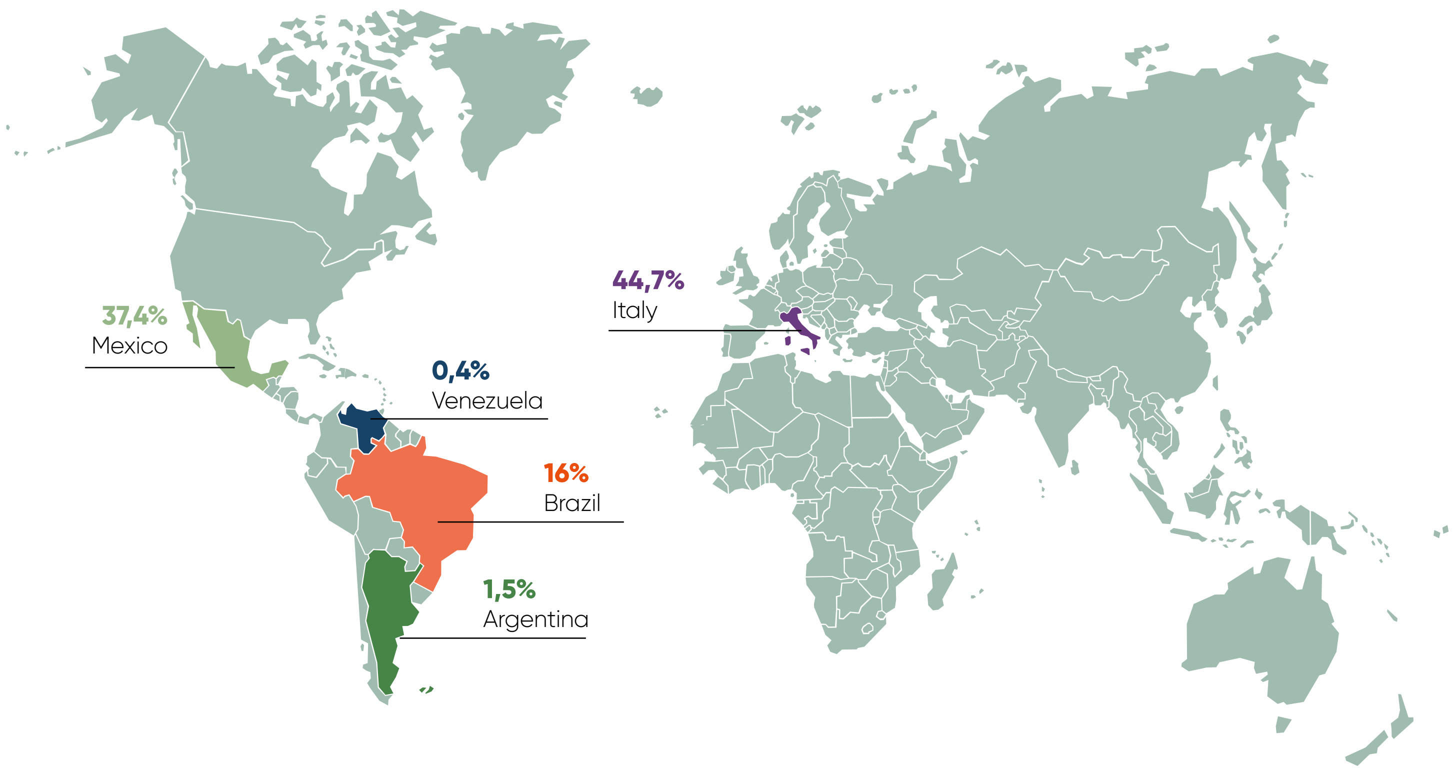
In 2025, Alfaparf Milano withdrew a total of 134,300 m³ of fresh water, recording an increase of about 14% compared to 2024 (117,664 m³). This increase is partly due to the expansion of the Group's scope with the addition of the Italian production branch Xanitalia in 2025. The water was used mainly for production and sanitation purposes, and came almost exclusively from the municipal water supply network. A small portion of water was drawn from wells, particularly at the Argentina production facility.
Efficient water management is a key issue for the Group, also considering the impact that water has on production cycles and the generation of industrial waste water.
In 2025, total water discharge amounted to 69,313 m³, a slight increase compared with 2024 (67,555 m³). The volumes discharged derive mainly from water used for civil and sanitary purposes and treated through internal systems, while the portion from industrial processes was limited and within the authorised parameters.
As part of its ongoing efforts to improve efficiency, the Group continued the initiatives launched to optimise water use, significantly increasing the volume of water recycled and reused – which rose from 751 m³ in 2024 to 2,404 m³ in 2025 – demonstrating its commitment to more circular and sustainable practices.
Water intensity is calculated as the ratio between total water consumption and net revenues generated by the Group's production facilities operating in climate-impacting sectors[20], representing the volume of fresh water consumed per million Euros of turnover. In 2025, water intensity was 0.017%, slightly higher than the value recorded in 2024 (0.015%).
This figure confirms the effectiveness of the efficiency measures implemented in the Group's production plants and the consolidation of the control systems already introduced in previous years.

[20] The "high climate impact sectors" are the sectors listed in sections A to H and section L of the NACE classification (as defined in Commission Delegated Regulation (EU) 2022/1288). Only the Group's production sites included in the scope of consolidation operate in high climate impact sectors, as they are part of the following NACE sections: G - Wholesale and retail trade (Beauty & Business S.p.A.); (Dobos S.A. de C.V.); (Brazil ALL); (Prodicos S.A.); (Tricobiotos S.P.A.); (D.E.A. Project S.r.l.); (Xanitalia S.r.l.). It should be noted that, although it is a production site, the operating unit in Venezuela is not included in the reporting scope for high climate impact sectors.

RESOURCE USE AND CIRCULAR ECONOMY

The Group manages the entire production cycle of its lines internally, from design, research and development to production and marketing. This approach not only ensures comprehensive quality control, but also strengthens the Group's ability to achieve product sustainability objectives. The company's strategy is to focus on a product that is high performing, of excellent quality, and capable of meeting the needs of all types of customers, while minimising the environmental impacts of production process and protecting the rights of people and communities.

Pieces produced in 2025 by production site



The production of 2025 was in line with that of 2024. In particular, the Italian facilities recorded a significant 33% increase in the production of parts compared to the previous financial year, thanks to the inclusion of Xanitalia S.r.l. within the Group's scope. As regards the facilities in Mexico and Argentina, however, there was a decrease in production compared with the previous financial year, although this was offset by a significant increase at the branch in Brazil. Venezuela instead maintained a stable level of production, recording a slight increase in output, albeit a modest one in relation to the overall figures.
The Italian facilities produced about 45% of the Group's total production (Alfaparf Milano and Third-Party Customer products), followed by the Mexican facility (about 37% between own-brand and third-party products) and the Brazilian facility (16%).

POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Currently, the Group has not yet adopted a formalised, independent policy for managing the impacts, risks and opportunities associated with resource use and the circular economy. The Group has nevertheless launched operational initiatives consistent with the principles of the circular economy, such as optimising consumption, monitoring waste and improving resource efficiency. A structured policy is expected to be defined by the end of 2027, with the aim of fully integrating resource management into decision-making and reporting processes.

ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Although no independent policy on resource management and the circular economy has yet been formalised, during 2025 the Group's production branches launched several initiatives aimed at optimising their processes. More specifically, Beauty & Business intensified its activities focused on efficient resource management and the transition to circular economy models, with a view to gradually reducing the environmental impact of its use of raw materials, energy and packaging.
Among these, work continued on reducing waste along the production line and in packaging processes. Projects were also launched to downsize packaging, use recycled materials and switch to recyclable single-material solutions. These initiatives will help us reduce our production of non-recoverable waste and achieve greater circularity in packaging.
The effectiveness of these actions is monitored, with increasing attention to material efficiency, waste management and packaging sustainability. The company implemented an operational monitoring system that includes:
• periodic collection of environmental data on resource consumption (energy, water, materials), waste generation and packaging characteristics;
• direct involvement of the technical and purchasing departments, in collaboration with the innovation team, to assess the sustainability of the design solutions adopted;
• verification of industrial waste flows, distinguishing between waste intended for recovery, disposal or recycling;
• drafting of internal management reports and annual environmental reviews[21].

During 2025, the Brazilian branch commissioned a certification body (EU RECICLO) to ensure the reintegration of post-consumer packaging into the production cycle, as part of the National Solid Waste Policy, including the 33% offset requirement for primary packaging.

TARGETS RELATING TO RESOURCE USE AND CIRCULAR ECONOMY

At present, Alfaparf Milano has not yet set formalised targets to support a dedicated policy on resource use and circular economy. However, the Group has defined a number of actions for the two-year period 2025-2026. Specifically:
• formalising a policy on resource use and the circular economy, which will include operational strategy, related actions and targets, and monitoring KPIs;
• conducting feasibility analyses on projects for the reuse or recovery of generated waste, including possible process by-products and washing water.

[21] As per SGI documentation and in accordance with the Sustainability Report.

RESOURCE INFLOWS[22]: INGREDIENTS

To guarantee products with high-performance formulations that are safe and meet the highest quality standards, Alfaparf Milano has placed research, selection and in-depth knowledge of raw materials at the centre of its development strategy. This distinctive expertise is one of the Group's main strengths, and is widely recognised and appreciated in the markets in which it operates.
With regard to the classification of raw materials used in the production cycle, there are a large number of fragrances (perfumes) and active ingredients, which are key categories for the positioning and recognition of Alfaparf Milano products and brands. This leads to a natural increase in the number of codes belonging to these types of ingredients, in an amount proportional to the development of brands and Third-Party Customer business and thus constitutes an indicator of the development of new references and, secondarily, of the business itself.
The information and technical characteristics of all purchased ingredients, as well as the approval of alternative suppliers to guarantee continuity of supply, are constantly managed and monitored. One of the most complex but essential activities is the management of documents relating to the raw materials used, which is essential for promptly implementing updates from suppliers and responding effectively to regulatory changes. The IT system used for collecting and managing technical specifications and quality control tests – covering incoming raw materials, intermediate products and finished products – is fully integrated into the company's management systems network, ensuring consistency and traceability of data throughout the supply chain. Documentary information relating to raw materials and finished products is also supplemented, when necessary, by external laboratory analyses, which help to strengthen the quality and safety of the final product. In addition, in order to collect and analyse information regarding the CLP classification of substances and mixtures for the safety of the raw materials used, in 2022 Alfaparf Milano acquired licences and implemented specific software that allows the risks associated with certain raw materials to be monitored and that indicates the protective equipment needed to handle them. Analytical testing activities continued regardless, in order to support the classification of products and bulk in the cases where the CPL software did not provide a level of information deemed sufficient for full ingredient knowledge.

[22] Please refer to the "entity specific" disclosure with reference to incoming packaging.

The data relating to ingredients purchased by the Group are shown below, broken down by macro-category and origin.

INGREDIENTS PURCHASED, BROKEN DOWN BY MACRO-CATEGORY AND ORIGIN
(tonnes)

2024

	Ingredients derived from non-natural raw materials	Ingredients derived from natural raw materials	Total	Ingredients from certified sources (Natrue, RSPO, Cosmos)
Dyes	102.2	0.8	103.0	3.1
Active ingredient	200.9	77.6	278.5	23.4
Perfume	72.6	52.7	125.3	3.8
Solvent	437.7	110.3	548.0	40.3
Plant extracts	6.3	2.3	8.6	0.1
Silicones	210.5	1.1	211.6	0.0
Surfactants	1,526.5	1,063.9	2,590.3	901.8
Additives, preservatives and resins	2,546.5	738.4	3,284.9	110.7
Emulsifiers and emollients	910.7	1,284.8	2,195.5	216.4
Other[23]	1,108.1	0.1	1,108.2	0.1
TOTAL	**7,122.0**	**3,331.9**	**10,453.9**	**1,299.8**

2025

	Ingredients derived from non-natural raw materials	Ingredients derived from natural raw materials	Total	Ingredients from certified sources (Natrue, RSPO, Cosmos)
Dyes	108.8	0.5	109.3	3.1
Active ingredient	216.8	79.3	296.1	32.4
Perfume	118.8	3.1	121.9	7.6
Solvent	679.3	115.5	794.8	32.6
Plant extracts	8.1	0.3	8.4	0.1
Silicones	241.7	1.4	243.1	-
Surfactants	1,766.7	900.4	2,667.1	893.6
Additives, preservatives and resins	2,259.9	687.7	2,947.6	88.9
Emulsifiers and emollients	1,155.3	1,124.0	2,279.3	336.2
Other[24]	1,168.2	1.0	1,169.2	0.1
TOTAL	**7,723.6**	**2,913.2**	**10,636.8**	**1,394.5**

[23] With regard to the company Tricobiotos, the item "Other" includes the following ingredients: buffering/pH regulating agents, organic chelators, mattifying/perlating agents, sunscreens, paraffins, film-forming/fix/cond. agents, proteins, reducing agents, antioxidants, oxidants, esterquats, consistency factors, lanolins, vegetable oils/butters and sanitising agents.
[24] With regard to the company Tricobiotos, the item "Other" includes the following ingredients: alcohol, buffering/pH regulating agents, organic chelators, mattifying/perlating agents, sunscreens, paraffins, film-forming/fix/cond. agents, proteins, reducing agents, antioxidants, oxidants, esterquats, consistency factors, lanolins and vegetable oils/butters.

In 2025, a total of almost 10,600 tonnes of ingredients were purchased, representing a slight increase (of 2%) compared to the previous reporting period. The Group's commitment to the use of naturally derived and/or certified ingredients in skin and hair formulations therefore continues. In 2025, the purchase of ingredients of natural origin remained around 27% of the total ingredients purchased for the production of Alfaparf Milano products and Third-Party Customers. Certified origin ingredients, which account for 13% of total purchases, also recorded a slight increase compared to the previous year.
In this context, Alfaparf France has specifically carried out reformulation work to eliminate ingredients considered controversial or potentially subject to future European regulatory restrictions (D5, Basic Blue 99, Basic Brown 16). The laboratory has simultaneously developed new shades free of critical ingredients such as resorcinol and PPD, ensuring a high level of safety for consumers and anticipating regulatory developments in the sector.

FOCUS ON

YELLOW PROFESSIONAL – INGREDIENTS (VEGAN APPROACH)

With its relaunch in 2024, Yellow Professional has reaffirmed its vegan approach: 98% of Yellow Professional products are currently formulated without ingredients of animal origin or animal derivatives. This choice meets its two-fold objective of achieving performance and ethical responsibility: vegan formulas that guarantee high-level professional results without resorting to animal-based raw materials, instead using equally effective plant-based or synthetic alternatives. For Yellow Professional, "vegan" means that nothing in the formula comes from animals – from honey to keratin, collagen to lanolin, etc. – proving that effectiveness and ethical values can be combined across virtually the entire product range. Almost all Yellow Professional products are vegan, confirming the brand's ongoing commitment to increasingly innovative, ethical and sustainable cosmetic solutions.

TECHNICAL AND PROMOTIONAL ITEMS

Even when selecting technical and promotional items, the Group makes conscious and responsible choices, choosing recycled materials and certified partners for the supply of tools and accessories to its hairdressers and beauticians. Starting in July 2022, the technical tools essential for colour services - and beyond - supplied to professional customers, such as bowls, brushes and bottles under the Alfaparf Milano Professional and Yellow Professional brands, have been made of 100% recycled plastic, while the t-shirts and colour towels are made of cotton supplied by an Oeko-Tex Standard 100 certified partner.
As for the gadgets that accompany the beauty routine of Alfaparf Milano brand products, the trend is to choose accessories that are functional but at the same time environmentally friendly thanks to the use of recycled plastic, or the replacement of disposable accessories with reusable versions.
Recycled and recyclable materials are also favoured in promotional and display materials. In particular, for window and counter advertising signs, a format and technical structure have been chosen that minimise the use of cardboard, saving approximately 1,500 kg of cardboard per year. Another widely used communication tool is window stickers with a double image on the front and back. Thanks to careful market research, a 100% recyclable polypropylene substrate has been identified to replace multi-layer polystyrene, which must be disposed of in non-recyclable waste. This will help reduce the weight of each individual product with estimated savings of approximately 5,000 kg of plastic.

RESOURCE OUTFLOWS

The total amount of waste produced by the Group in 2025 is shown on the facing page, broken down into hazardous and non-hazardous waste, with details of recovery or disposal operations.
The Group generated a total of 30,071 tonnes of waste in 2025, representing an increase on the previous financial year. This increase is partly due to the expansion of the Group's scope, following the inclusion of the Italian production branch Xanitalia in 2025, which had not previously been included in the scope of the financial statements. 90% of total waste generated is classified as hazardous (equivalent to approximately 27.19 tonnes), with a very significant share represented by waste water from washing (97%). Excluding waste water, hazardous waste accounts for around 3% of the Group's total waste output. By contrast, 59% of non-hazardous waste (totalling approximately 1,705 tonnes) consists of empty packaging of various kinds (plastic, paper, glass, aluminium, wood or mixed materials that cannot be separated). As regards disposal methods, 64% of the waste produced by all Group branches was destined for recovery operations. Of this, 65% was destined for re-use, while the remainder for other recovery operations, including recycling (5%). Of the 36% of waste destined for disposal, only 5% was for incineration and landfill operations respectively, while the remaining 95% was destined for other disposal operations.
When the figure is adjusted to exclude wastewater, the proportion of waste sent for recovery is significantly higher, highlighting that the majority of the Group's waste produced is utilised through recovery and recycling operations rather than being sent for disposal.
The hazardous waste generated by the Group is largely relevant to its sector, consisting mainly of non-compliant or expired finished products containing hazardous substances (dyes, bleaches, hydrogen peroxide, hazardous lotions, etc.) and packaging containing or contaminated by hazardous substances, as well as organic waste containing hazardous substances (hazardous dyes, hazardous lotions, hazardous raw materials, hazardous bleaches, hazardous dyes) and gases in pressurised containers. All hazardous waste is delivered to specialised carriers and disposed of outside the Organisation's boundaries.
In relation to the management of special waste, a collection point has been set up at Beauty & Business for cosmetic products, equipment, paper, cardboard and bottles in order to enable non-factory visitors to start a separate upstream collection process of discarded products/samples.

ALFAPARF MILANO SUSTAINABILITY REPORT 2025

WASTE GENERATED
(tonnes)

2024	WASTE DESTINED FOR RECYCLING/RECOVERY				WASTE DESTINED FOR DISPOSAL				TOTAL WASTE GENERATED
	Prep. for re-use	Recycling	Other recovery operations	Total waste recovered	Incine-ration	Disposal in landfill	Other disposal operations	Total waste disposed of	
Hazardous waste[25]	12,921.8	2.1	272.4	13,196.3	116.4	7.2	8,856.6	8,980.3	**22,176.6**
Non-hazardous waste	86.7	922.2	668.2	1,677.1	100.0	169.6	63.1	332.6	**2,009.7**
Total waste generated	13,008.5	924.3	940.6	14,873.4	216.4	176.8	8,919.7	9,312.9	**24,186.3**

2025	WASTE DESTINED FOR RECYCLING/RECOVERY				WASTE DESTINED FOR DISPOSAL				TOTAL WASTE GENERATED
	Prep. for re-use	Recycling	Other recovery operations	Total waste recovered	Incine-ration	Disposal in landfill	Other disposal operations	Total waste disposed of	
Hazardous waste	12,503.3	3.4	4,694.1	17,200.7	205.5	18.7	9,762.6	9,986.8	**27,187.5**
Non-hazardous waste	5.1	1,006.9	1,013.5	2,025.6	6.0	274.5	577.8	858.3	**2,883.9**
Total waste generated	12,508.3	1,010.3	5,707.6	19,226.3	211.5	293.3	10,340.4	10,845.2	**30,071.4**

[25] **The Group does not generate radioactive waste as provided for in Article 3(7) of Council Directive 2011/70/Euratom.**

ENTITY-SPECIFIC INFORMATION. PACKAGING AND RECYCLED MATERIAL

POLICIES ADOPTED TO MANAGE MATERIAL SUSTAINABILITY MATTERS

Although the Organisation has not formally adopted a sustainable packaging policy, it is committed to complying with specific nationally and internationally recognised third-party regulations and initiatives on packaging[26]. Over the years, the Group has implemented a process for managing environmental impacts related to product packaging[27]. The process pays particular attention to improving the sustainability of the packaging used and using more sustainable and recyclable materials to effectively meet the real, current and future needs of its stakeholders[28]. In particular, the approach adopted focuses on integrating eco-design criteria right from the design and development stage, encouraging the selection and adoption of recycled or easily recyclable materials, and promoting the gradual reduction of virgin and non-biodegradable plastics. The Group has also undertaken awareness-raising and information activities on these issues, including during the distribution and marketing of products, in order to facilitate the correct disposal and recycling of packaging.

In this context, risk management is addressed with close attention to standards and regulations, thus preventing any reputational or operational risks that could arise from non-compliance. At the same time, this approach allows us to respond effectively to the market's growing demand for sustainable products, while improving competitiveness and strengthening our corporate image as an innovative and responsible company.

As proof of this commitment, all the materials used in Alfaparf Milano product packaging fall within internationally defined environmental macro-categories and are considered recyclable at the end of their service life, in accordance with environmental recycling standards. All the packaging in contact with the product is in compliance with cosmetic regulations and with the laws in force in each country where the products are marketed.

[26] These include the European Directive on Packaging and Packaging waste (94/62/EC and subsequent amendments, including the recent directives on single-use plastics) and the related European Union environmental standards. The company also adheres to the goals and guidelines outlined by the initiatives of the United Nations Global Compact and is committed, where relevant, to following international standards of environmental sustainability such as ISO 14001 and ISO 9001.

[27] The approach is applied uniformly across all territories in which the Group operates: in Italy, other European countries and international markets, maintaining consistency in the quality and environmental standards adopted. Any exclusions may relate to minor or marginal activities or outsourced activities that are not directly under the direct control of the holding. However, even in such cases, the Organisation encourages and monitors compliance with the defined minimum requirements for environmental protection.

[28] For more details on how we involve the Group's stakeholders, please refer to the Social Information chapter.

ACTIONS AND RESOURCES IN RELATION TO MATERIAL SUSTAINABILITY MATTERS

The Group recorded a significant increase in requests in 2025 from third-party customers and business partners aimed at developing formulation and packaging solutions with enhanced sustainability credentials. The main requests concerned the integration, within production processes, of post-consumer (PCR) and post-industrial (PIR) recycled materials, particularly in relation to plastic components (e.g. PE, PET, PP), aluminium materials and certified cellulose-based materials. The requests concerned both reducing the environmental footprint of primary and secondary packaging and ensuring compliance with regulatory requirements and international protocols related to the circular economy, recyclability and the traceability of materials. At the same time, the need to expand the availability of solutions that comply with globally recognised standards (e.g. certified recycled content, single-material packaging, lower-carbon materials) became evident.

In this context, the Group has implemented several concrete actions to manage the impacts, risks and opportunities related to packaging and the use of recycled materials, allocating specific resources for their implementation. Already in 2024, the Group had implemented the systematic introduction of eco-design criteria during packaging design, a significant increase in the proportion of recycled and recyclable materials used in packaging[29], and the launch of pilot projects for the progressive replacement of plastic packaging with alternative and more sustainable solutions. In particular, following the integration with Eugene Perma, the Italian Beauty & Business branch launched a joint project involving the Purchasing, R&D, Innovation and Production departments to define a more sustainable and cost-efficient packaging standard. This approach was further strengthened in 2025 by systematically assessing, during the development of new products, restyling initiatives and product line extensions within the professional cosmetics sector (skin care, hair care and hair colouring), the reuse or revamping of existing packaging and equipment wherever technically feasible. Operational alignment across the various corporate functions and branches was further strengthened through the sharing of common technical specifications and standardised packaging design criteria, with a view to ensuring greater consistency, control and traceability throughout the entire value chain.

This approach has improved production efficiency, optimised logistics and stock management, reduced the complexity of components and promoted greater standardisation, including across the Group's various branches, thereby enhancing both environmental and organisational benefits.

In addition, the Group launched a structured programme to gradually replace non-recyclable packaging with highly recyclable solutions (up to 100% where technically feasible), while ensuring consistency with aesthetic and marketing positioning requirements and, where applicable, assessing the introduction of refill solutions that comply with the regulatory and safety requirements applicable to professional cosmetic products. In this context, in 2025 the Italian branch Tricobiotos prioritised the incorporation of post-consumer materials (PCR) into primary and secondary packaging. This approach was designed to enhance existing formulations and avoid unnecessary chemical and physical modifications, whilst ensuring maximum product stability and reducing the use of virgin raw materials and the associated environmental impacts across the supply chain. Furthermore, in order to strengthen its sustainable practices, the Venezuelan branch switched from polyethylene packaging to PET packaging. Owing to its high recyclability, PET can be transformed into new plastic products such as textile fibres, thereby helping to reduce waste and protect the environment. During 2025, the Group continued its commitment to reducing the environmental impact of packaging, consolidating its efforts initiated in previous years.

[29] This is also thanks to strict supplier selection criteria, with a particular focus on those able to guarantee recycled materials or materials with a lower environmental impact.

Although no new large-scale structural projects were introduced, the activities undertaken ensured continuity and solidity in the packaging sustainability strategy, in line with the company's ESG objectives.

FOCUS ON

OLOS WITH LIFEGATE TO REDUCE THE ENVIRONMENTAL IMPACT OF ITS PACKAGING

Through its partnership with LifeGate, OLOS has chosen to take concrete steps to reduce its environmental impact and offset the CO_2 emissions from the production of the packaging for its face and body products for consumers. Over four years, OLOS has achieved total CO_2 emissions of 55,586 kg, which have been offset by funding certified projects for climate and environmental protection in Madagascar. Through this initiative, OLOS has contributed to the conservation and protection of an area of 48,661 m^2 with around 9,800 trees.
The steps OLOS followed to participate in this project were:
1. study of lightweight packaging made of recycled and recyclable raw materials;
2. estimation of greenhouse gas emissions generated by packaging using a scientific method based on Life Cycle Assessment (LCA);
3. offsetting of calculated emissions with the purchase of carbon credits generated through the creation and protection of growing forests in Madagascar.

In May 2024, OLOS joined LifeGate's "Water Defenders Alliance" project, which was designed to protect and safeguard the marine waters around the island of Procida. Over the course of the one-year project, a total of 208 kg of microplastics and microfibres, as well as floating waste comprising plastic and wet organic matter contaminated with polystyrene and hydrocarbons, were collected. This initiative is significant for the number of harmful fragments removed from the environment. A year later, starting in May 2025, OLOS renewed its support for environmental protection by partnering with CESTHA, Italy's largest centre for the rehabilitation of marine reptiles located in Marina di Ravenna, and actively supporting a major marine conservation project. Through the OLOS project, the organisation has rescued ten turtles that were accidentally caught in the Adriatic Sea (one of the areas where these animals are most at risk) and is providing them with care before returning them back to the sea.
This special initiative tells a story of freedom and restores the sea to its natural beauty.

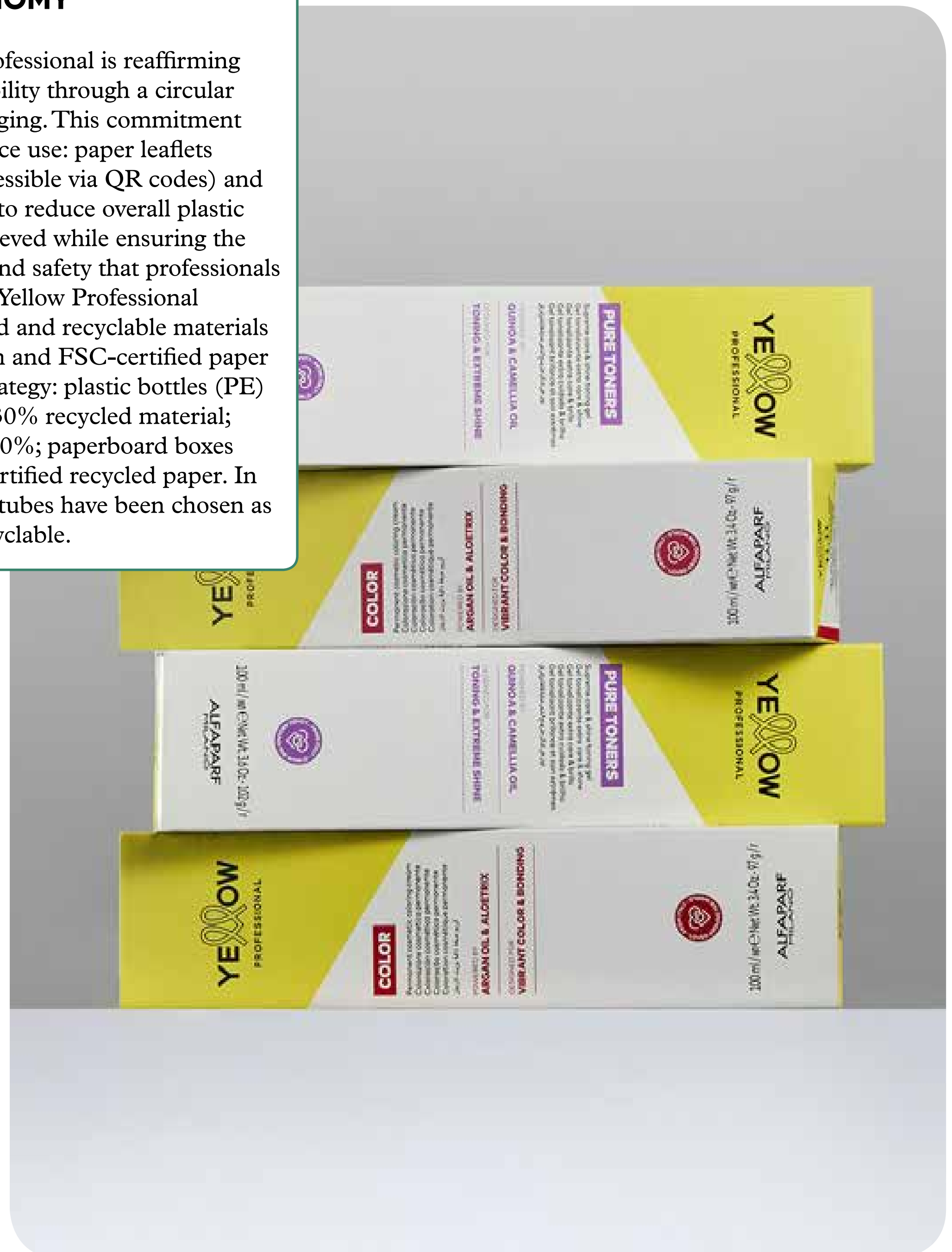
Use of recycled and recyclable materials

The use of recycled materials has continued systematically across numerous product lines, particularly the following:
• **PCR and PIR recycled plastics** in shampoo, conditioner and treatment bottles, with varying percentages (25%, 50%, 70% and 100%), already tested for stability and compatibility;
• **recycled industrial aluminium** and FSC-certified recycled cardboard in the boxes, in line with the post-consumer aluminium compatibility study launched in 2023.

FOCUS ON

YELLOW PROFESSIONAL – PACKAGING AND CIRCULAR ECONOMY

With its relaunch, Yellow Professional is reaffirming its commitment to sustainability through a circular economy approach to packaging. This commitment starts with a focus on resource use: paper leaflets have been made digital (accessible via QR codes) and larger product formats help to reduce overall plastic consumption. All this is achieved while ensuring the functionality, performance and safety that professionals and consumers expect from Yellow Professional products. The use of recycled and recyclable materials such as PET, PE, aluminium and FSC-certified paper is also at the heart of this strategy: plastic bottles (PE) and jars now contain up to 30% recycled material; colour tubes contain up to 50%; paperboard boxes are made from 90% FSC-certified recycled paper. In addition, aluminium colour tubes have been chosen as this material is infinitely recyclable.



Format optimisation and standardisation

The process of standardising primary and secondary packaging formats, launched in 2023, has continued to deliver tangible benefits:
• improved production efficiency;
• optimisation of procurement and production lead times;
• reduced non-conformity rates through more controllable and repeatable processes;
• greater flexibility across brands and facilities, enabling the exchange of standardised materials and components.

Reduction/elimination of unnecessary packaging

Developing projects based on the **5 Rs** (Reject, Reduce, Reuse, Recycle, Recover) means integrating circular economy and sustainability into the design process, transforming the concept of "waste" into a **resource**.
To apply this methodology effectively:
• **Reject**: avoid non-essential items at the outset. During the design phase, eliminate unnecessary materials, disposable packaging and components that do not contribute to the product's functionality.
• **Reduce**: minimise the use of raw materials and energy. Optimise production processes and the supply chain to reduce emissions and the waste of resources.
• **Reuse**: extend the life cycle of objects and materials. Design outputs so that they can be easily reused, repurposed or shared by end users before they are discarded.
• **Recycle**: incorporate recyclable materials and ensure that the final product can be reintroduced into the production cycle. Ensure that the components can be easily separated at the end of their useful life.
• **Recover**: make the most of what cannot be reused or recycled, for example by converting waste into energy or compost.

TRACKING EFFECTIVENESS OF POLICIES AND ACTIONS THROUGH TARGETS

The Group has set specific, clear and measurable targets for sustainable packaging and the use of recycled materials. In particular, the gradual reduction of virgin plastic used, the increase in the percentage of recycled materials, and the overall reduction in the volume of packaging placed on the market all aim to reduce the environmental impact associated with packaging.
The Organisation's long-term goal is to focus on the gradual elimination of non-recyclable plastic packaging and its complete replacement with more sustainable and biodegradable solutions, in order to achieve a near-zero environmental impact and contribute significantly to the circular economy.

ENTITY-SPECIFIC METRICS

Throughout 2025, the procurement and technical departments continued their research and evaluation of alternative and innovative packaging materials, as well as solutions with enhanced sustainability features. The organisation's approach is focused on innovation and multi-sourcing, avoiding the use of one-off solutions and encouraging ongoing dialogue with suppliers to identify options that are technically compatible and deliver progressively better environmental performance.
As further evidence of the group's commitment to reducing the environmental impact of its packaging, a total of approximately 7,800 tonnes of packaging materials were purchased in 2025, representing a significant reduction (33%) compared with the previous reporting period. From a quantitative perspective, there was a gradual increase in the proportion of recycled materials used in packaging, as well as a significant reduction in the use of virgin plastic in packaging compared with previous periods. Despite this reduction, virgin plastics remained the most widely used material (around 40% of the total weight purchased), followed by paper and cardboard (approximately 26%) which continued to be used for the majority of secondary packaging.

PACKAGING MATERIALS PURCHASED, BROKEN DOWN BY MACRO-CATEGORY AND ORIGIN
(tonnes)

2024

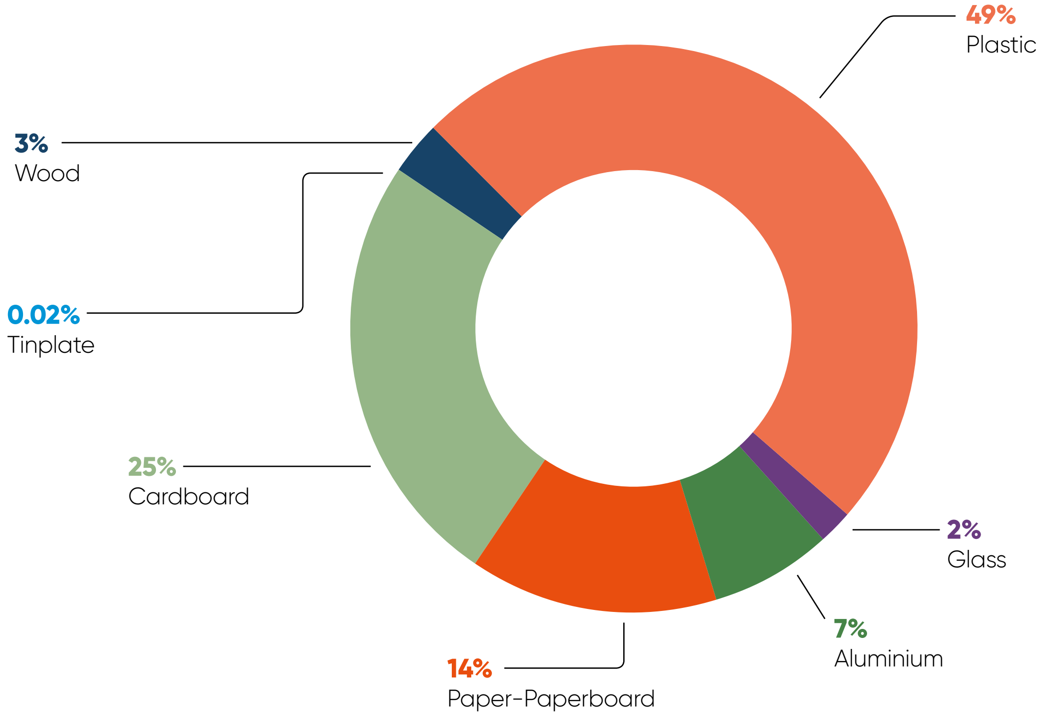
	Packaging from non-renewable raw materials	Packaging from recyclable raw materials	Total	Percentage of recycled material purchased for packaging	Packaging from certified sources (PIR/PCR, FSC)
Plastic	5,398.9	235.8	5,634.7	4%	94.6
Glass	235.1	9.5	244.6	4%	-
Aluminium	392.7	433.7	826.4	52%	261.1
Paper - Paperboard	1,201.3	416.2	1,617.4	26%	534.1
Cardboard	2,323.4	622.2	2,945.7	21%	1,164.0
Tinplate	1.8	-	1.8	0%	-
Wood	339.8	-	339.8	0%	-
Total	**9,892.9**	**1,717.4**	**11,610.3**	**15%**	**2,053.8**

2025

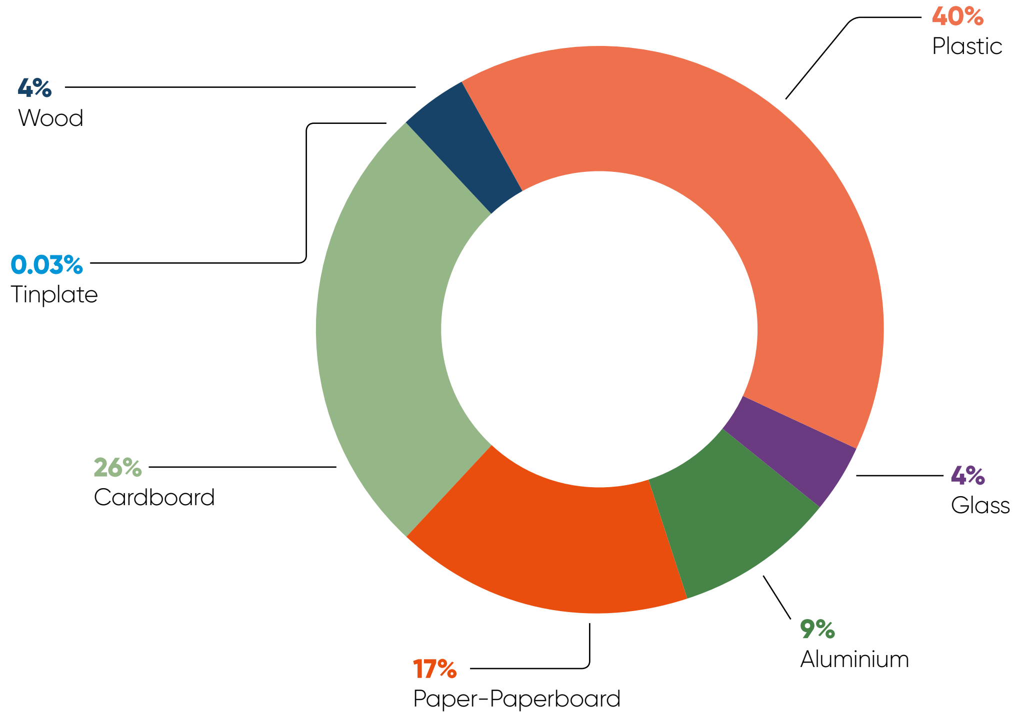
	Packaging from non-renewable raw materials	Packaging from recyclable raw materials	Total	Percentage of recycled material purchased for packaging	Packaging from certified sources (PIR/PCR, FSC)
Plastic	2,803.1	281.4	3,084.5	9%	271.9
Glass	269.0	6.4	275.4	2%	6.4
Aluminium	391.6	335.5	727.1	46%	330.8
Paper - Paperboard	972.8	373.8	1,346.7	28%	1,103.0
Cardboard	1,061.9	971.5	2,033.5	48%	978.8
Tinplate	2.3	-	2.3	-	-
Wood	335.7	-	335.7	-	-
Total	**5,836.5**	**1,968.6**	**7,805.1**	**25%**	**2,690.8**

As regards certified materials, the initiatives launched have enabled the Group to record a sharp increase. In fact, 34% of the materials used for the primary and secondary packaging of Alfaparf Milano products are certified (compared to 18% in 2024). In particular, the proportion of FSC-certified paper and cardboard has been rising. Furthermore, the Group is paying considerable attention to the use of PCR (Post Consumer Recycling) and PIR (Post Industrial Recycling) certified plastics, an activity that will continue in the coming years.

Materials used for packaging in 2024

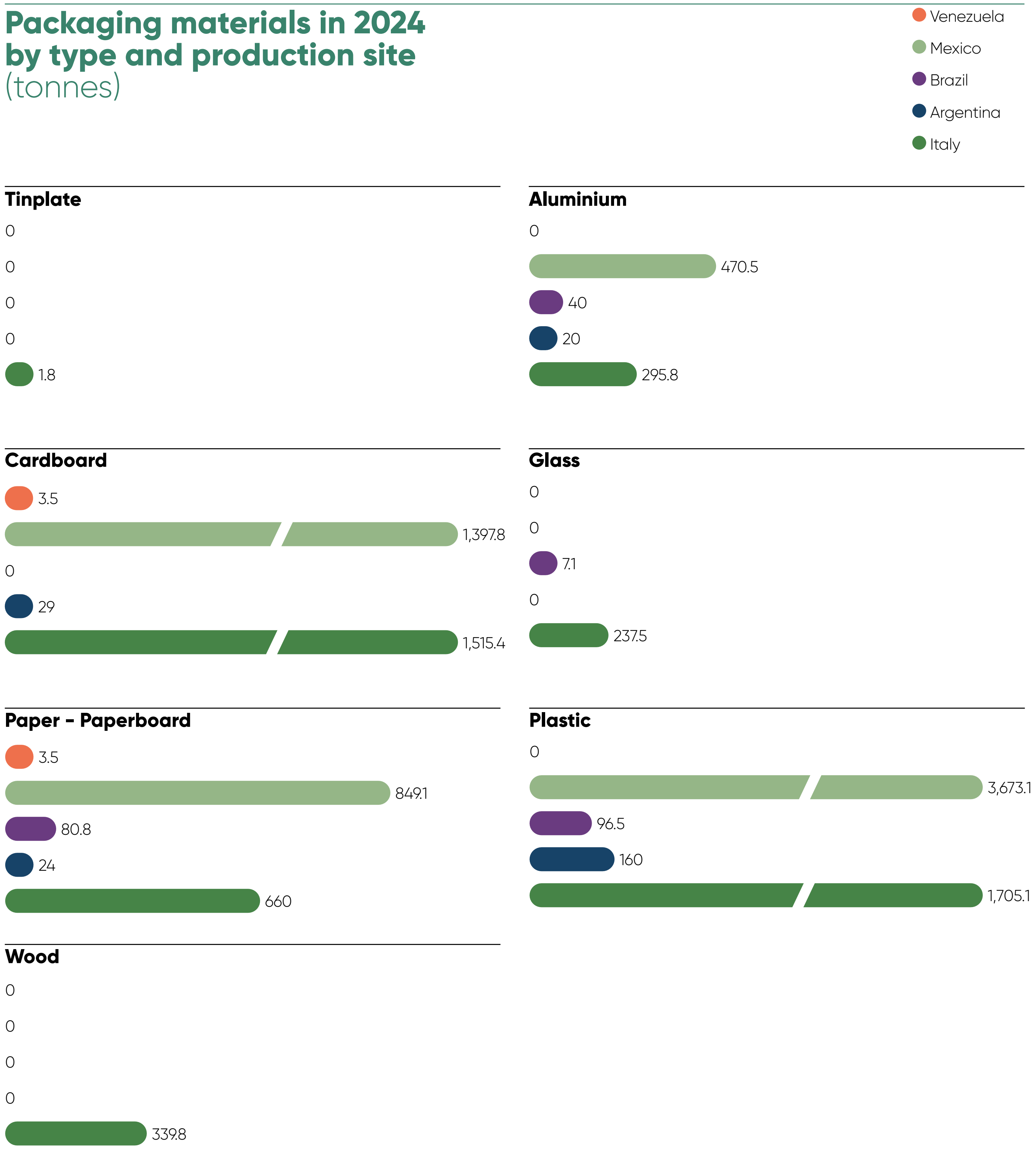


Materials used for packaging in 2025

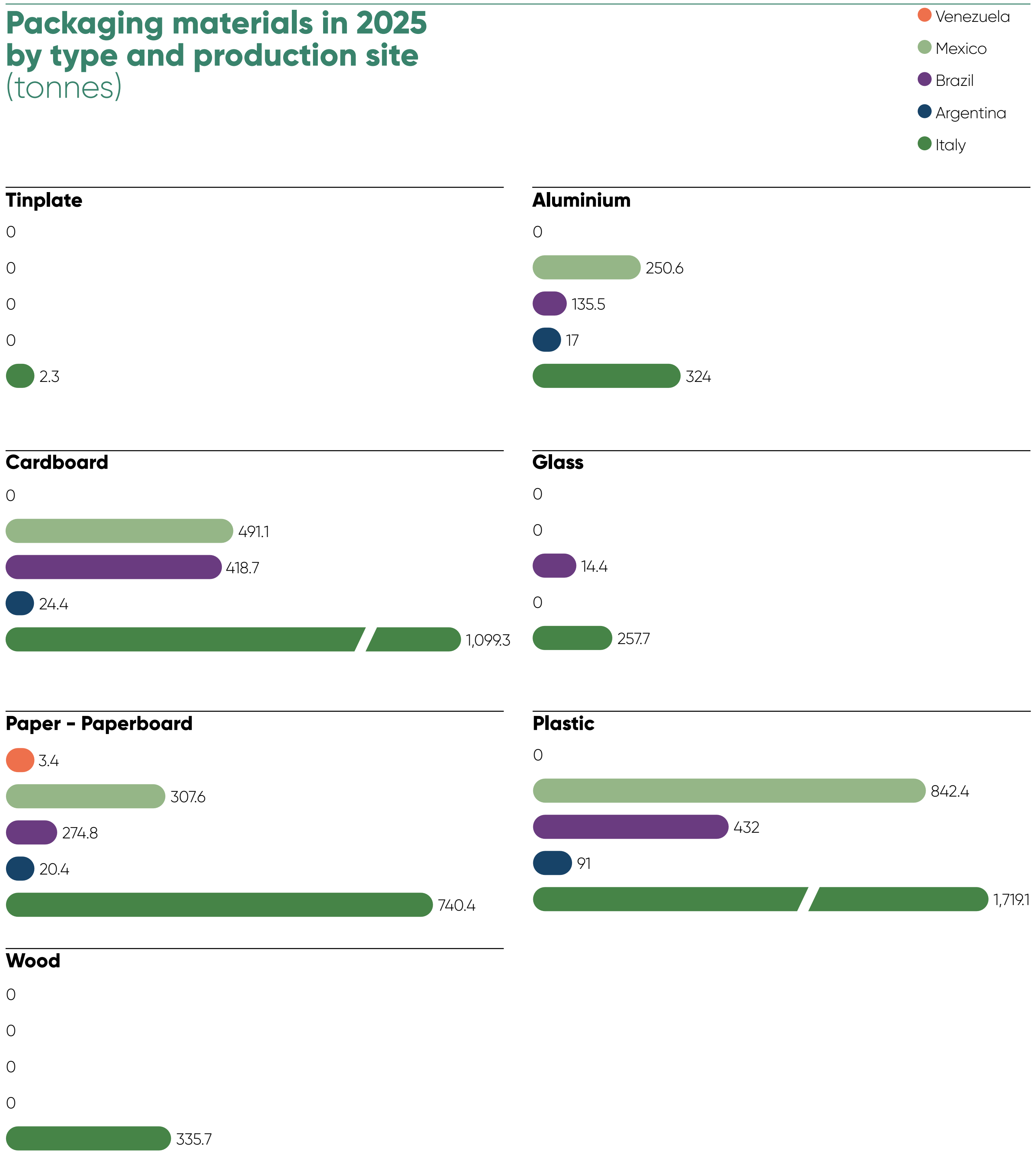


ALFAPARF MILANO SUSTAINABILITY REPORT 2025

Packaging materials in 2024 by type and production site
(tonnes)



Packaging materials in 2025 by type and production site
(tonnes)

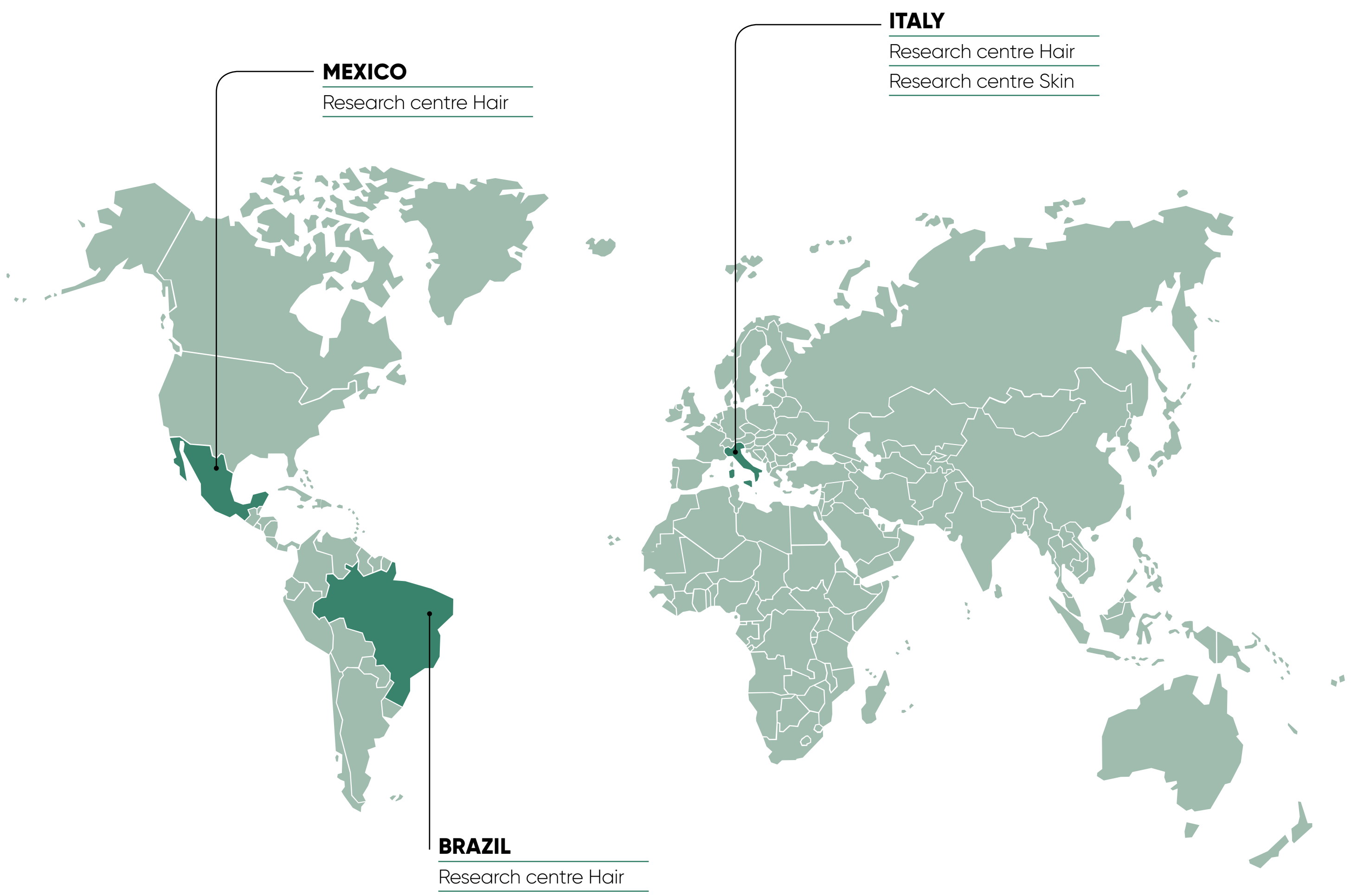


ENTITY-SPECIFIC INFORMATION. INNOVATION, RESEARCH AND DEVELOPMENT

ACTIONS AND RESOURCES IN RELATION TO MATERIAL SUSTAINABILITY MATTERS

The Group's goal is to create safe, high-quality and highly performing products. Research and development, as well as a focus on innovation, are part of Alfaparf Milano's identity and have always been distinctive features of the Group in its target market.

Working alongside beauty professionals from all over the world has allowed us to develop the ability to seize new trends and channel them into the research and development of new products, treatments and services to be offered to professional and non-professional customers. Moreover, the Third-Party Customer division has always been a powerful driver of growth and improvement for Alfaparf Milano: the pursuit for increasingly innovative, high-performing and sustainable offers and solutions helps stimulate and strengthen the continuous improvement process that characterises the Group.



ALFAPARF MILANO SUSTAINABILITY REPORT 2025

Today, the core of Research and Development is conducted at the laboratory in Osio Sotto (Bergamo), the headquarters of the Parent Company. Here, raw materials are evaluated and selected, product formulas are studied, and tests are carried out through a technical centre for Haircare and a pilot centre for Skincare. In addition to the central laboratory, Alfaparf Milano has three further research centres: one in Italy at the headquarters of the newly acquired Tricobiotos, one in Mexico and one in Brazil.

In addition, the Group also conducts research in professional beauty equipment through its branch D.E.A. Project S.r.l.

In addition to safety, quality and performance, consumer attention is increasingly shifting towards the search for products with clean, natural, organic, vegan and biodegradable formulations. To respond to these new needs, Alfaparf Milano's strategy focuses on two main activities: on one hand, expanding its offer through the launch of new sustainable brands and lines — a clear example of this is the skincare brand OLOS, restaged in 2021, and the launch in March 2023 of the haircare brand Benvoleo; on the other, gradually introducing sustainability elements in the lines currently in the portfolio — for example the use of natural ingredients, removal of metal in the Semi di Lino line and the use of high percentages of plastic for the jars and bottles of both skin and hair products. Furthermore, in 2025, OLOS launched two new concentrated cream bath products featuring an exclusive water-free formula, one moisturising and one nourishing. The two products feature an innovative texture that turns into a soft foam upon contact with the skin.

One of the Group's strengths is its constant pursuit for high-quality, high-performing and innovative formulations, while never neglecting the protection of the planet. Precisely for this reason, since 2020 Alfaparf Milano has decided to calculate the percentage of naturally derived ingredients (Natural Index) in its formulations using the criteria set by the ISO 16128 standard. In addition, in order to maintain the control and monitoring of ingredients and raw materials, a database has been implemented for all Group production plants, indicating for each item and each supplier whether the ingredient is of natural derivation, renewable origin, and has sustainability characteristics and certifications (COSMOS, NATRUE, RSPO, etc.). This database, which will also be implemented in the newly acquired companies in the near future, is an important tool for improving the management of the formulation process, monitoring the trend of raw material purchases at Group level, especially in relation to sustainability characteristics, and calculating the natural index of products.

SOCIAL INFORMATION

HUMAN RESOURCES MANAGEMENT

POLICIES RELATED TO OWN WORKFORCE

Alfaparf Milano considers people to be key resources in ensuring the long-lasting and consistent creation of shared value: it is through the professionalism and dedication of each employee that the company's objectives can be achieved.

The guidelines that outline the Group's strategy for the management of its resources as well as its relations with the community and customers are defined by Beauty & Business, which acts as the Group's corporate entity. Through its work, Beauty & Business provides a common framework to guide the development and implementation of harmonised initiatives on an international scale, encouraging widespread and coordinated dissemination of the Group's values and mission.

With a view to promoting a corporate culture built on the values of integrity, honesty and responsibility, and in order to ensure the proper and effective management of the impacts, risks and opportunities associated with the workforce, the Group has disseminated a Code of Ethics across all Group companies. The Code forms an integral part of the 231/2001 Organisation Model of Beauty & Business and provides the guiding principles of conduct that must be observed and respected by all employees and collaborators, regardless of the country in which they operate.

The Code of Ethics[30] is founded on the strong commitment to professional development, the enhancement of human capital, and the protection of workers' dignity and health, stemming from the need to create an inclusive and safe working environment. In this context, the Group is committed to preventing and combating all forms of discrimination and violation of personal rights, while at the same time promoting the well-being and motivation of its staff. The most important aspects include continuous staff training, the creation of merit-based professional development paths and the constant focus on safety at work. This set of measures not only prevents internal conflicts and litigation risks, but also helps to create a climate of trust that, in the long run, brings benefits both in terms of organisation and of corporate reputation.

In 2025, Beauty & Business formalised specific commitments to its workforce through the adoption of dedicated policies. Specifically, the DE&I Policy and the Human Rights Policy were published to further strengthen the diversity, equity and inclusion management system. The policies are progressively applied to all employees, contractors, interns and apprentices, as well as to suppliers, business partners and other parties where applicable, thereby promoting the application of consistent principles and standards throughout the value chain.

In order to monitor the effective application of these principles and to ensure constant monitoring, an internal control system has been set up. This includes a Supervisory Body responsible for handling any reports and assessing the need for corrective action, as well as whistleblowing procedures and internal audits. Furthermore, structured reporting mechanisms are also provided for the policies adopted, which are accessible to external parties as well. Reports are handled confidentially through a dedicated investigation process and, where possible, notification of the outcome.

Ongoing engagement with staff, which has again been ensured this year through structured consultation initiatives (such as annual questionnaires on perceptions of equal opportunities, as well as feedback collection tools at the end of employment) and dedicated training allow the prompt identification of potential issues and the implementation of corrective measures, fostering an environment based on trust and the well-being of people.

Ultimate responsibility for implementing the principles set out in the Code of Ethics and the policies formalised by Beauty & Business regarding workforce management lies with the Board of Directors, which sets out the general guidelines and assesses their effectiveness. Operational implementation is led by the Human Resources Department and the DE&I Committee, with coordination from the Supervisory Body on matters within its remit, including the handling of reports and instances of non-compliant behaviour. The policies are reviewed periodically, taking into account the results of monitoring activities, any reports received and changes to the applicable legislation.

The Code of Ethics is readily available to employees and whoever works with the company on an ongoing basis, mainly through the corporate intranet, the documentation delivered at the time of recruitment, and specific training meetings. To promote transparency and raise stakeholder awareness, the policies are also made available to the general public through publication on the company's website.

The policies formalised during 2025 relating to the management of the impacts, risks and opportunities associated with our workforce are set out below[31]:

• **DE&I policy** designed to strengthen the commitment to promoting a culture based on diversity, equity and inclusion (DE&I) - principles considered fundamental for building a healthy, welcoming and pluralistic working environment, in which every person can feel re-

[30] The document is inspired by internationally recognised core principles on labour protection and human rights, including the International Labour Organisation (ILO) conventions and the UN guiding principles on Business and Human Rights. Although these regulatory references are not explicitly mentioned, the adherence to these standards is underpinned by all the human resources management procedures adopted by Alfaparf Milano. For more information, please refer to the document published on the company website *https://www.alfaparfmilano.com/sites/default/files/2022-09/Alfaparf_Milano_Codice_Etico_2022_ITA_Doppie.pdf.*

[31] In addition, the Group will structure a Stakeholder Engagement Policy (for more information, see the section "Interests and views of stakeholders").

spected, free to express their individuality and fully valued in their characteristics, ideas and aspirations. The policy applies DE&I principles to the various stages of the staff lifecycle, including recruitment, selection and onboarding processes, training, performance assessments, professional development, remuneration schemes and work-life balance initiatives, whilst promoting efforts to combat stereotypes, unconscious bias, discrimination, harassment and non-inclusive behaviour. The policy also provides for dissemination activities and periodic updates in line with developments in the relevant regulatory and cultural context;
• **Human Rights Policy** to define the Group's commitment to respecting and promoting human rights in all activities and throughout the value chain, consistent with the principles set out in the Corporate Code of Ethics. Alfaparf Milano recognises respect for human rights, human dignity and the promotion of diversity as key pillars of its corporate culture and its ethical approach to business. The policy recognises and safeguards, amongst other things, human dignity, non-discrimination, freedom of association and collective bargaining, and rejects all forms of child labour, forced labour or coercive labour. It promotes the right to safe and healthy working conditions, fair working hours, decent pay and the protection of privacy, whilst combating any form of abuse, violence or harassment in the workplace. The policy also provides for regular updates, impact monitoring, awareness-raising and staff training, as well as the gradual integration of its principles throughout the value chain.

By implementing its DE&I Policy and Human Rights Policy, Alfaparf Milano is committed to respecting and promoting the key applicable international guidelines and standards relating to human rights, labour protection, inclusion and equal opportunities. In particular, these instruments incorporate the principles set out in the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights (UNGPs), the main UN conventions on the protection of human rights, including women's rights (CEDAW), the elimination of racial discrimination, the protection of children, the inclusion of people with disabilities and the protection of migrant workers, as well as those set out in the Sustainable Development Goals of the United Nations 2030 Agenda, with particular reference to SDGs 5, 8 and 10. The Group also recognises the principles set out in the ILO Declaration on Fundamental Principles and Rights at Work and in the International Labour Organisation's Core Conventions, as well as the principles identified in the European Convention on Human Rights, the Charter of Fundamental Rights of the European Union, the OECD Guidelines for Multinational Enterprises and the ten principles of the United Nations Global Compact. At national level, the Group also operates in compliance with the applicable Italian legislation on labour law, health and safety, non-discrimination, inclusion and equal opportunities.
The Human Resources Procedure[32] has also recently been updated. It sets out the roles, responsibilities, operating procedures and codes of conduct applicable throughout the entire staff lifecycle, including staff planning, recruitment and selection, onboarding, training and professional development, performance assessments, remuneration and compensation schemes, flexibility measures and work-life balance initiatives, internal communication, staff consultation, management of the termination of employment and document archiving. The procedure also calls for periodic updates, audits and internal reviews within the framework of the management systems adopted by the Group, as well as review activities aimed at continuously improving HR processes.
In addition, during 2025, Beauty & Business initiated and completed the UNI/PdR 125:2022 certification process, the national reference practice that establishes a management system aimed at promoting gender equality within organisations. This initiative represents a concrete step towards strengthening our commitment to inclusion and equal opportunities, and towards creating a fairer, more inclusive working environment that respects diversity.
These initiatives involved:
• the establishment of a DE&I and Equal Opportunities Committee with advisory and guidance function, which oversees gender equality activities;
• the identification and monitoring of key performance indicators (KPIs) broken down by gender, in line with the six areas covered by the practice: culture and strategy, governance, HR processes, growth and inclusion opportunities, fair remuneration, protection of parenthood and work-life balance;
• the definition of a multi-year strategic plan for gender equality, which guides the structured and measurable integration of these principles into business processes;
• the implementation of training and awareness-raising activities for all staff, designed to promote an inclusive corporate culture and combat unconscious stereotypes and biases;
• the active involvement of individuals through anonymous questionnaires to measure awareness of gender equality, perceived experience, and areas for improvement;
• the formalisation of responsibilities within the organisation in relation to gender equality, as well as the provision of monitoring systems and periodic reviews of the actions implemented.

Beauty & Business obtained UNI/PdR 125:2022 certification in 2025, further consolidating its efforts to strengthen organisational and managerial measures relating to gender equality and inclusion. This initiative is fully in line with the Group's sustainability strategy and represents an opportunity to promote lasting cultural change, enhance talent in all its forms and help reduce inequalities in the workplace.

PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

The workforce is engaged through various complementary methods, including the direct engagement of employees, consultation with employee representatives and the use of formal reporting channels. In drawing up the guidelines on personnel management, the Group has taken particular account of the needs and expectations of its workforce in order to provide a practical framework for decisions and activities aimed at managing both actual and potential impacts. In this respect, dialogue with staff is an essential tool for understanding any critical issues. The Human Resources Department promotes listening initiatives, encouraging both formal and informal discussions to gather feedback both at team and individual level, the results of which help guide regular revisions of the Code of Ethics and the Personnel Management Guidelines. This process makes it possible to integrate staff members' views and define action priorities that reflect the interests of the Group's employees and staff members, with a view to continuous workplace improvement and the creation of shared value.

[32] HR Procedure: "Human Resources Management – Staff Lifecycle" (rev. 3 September 2025).

Alfaparf Milano also considers dialogue with workers' representatives a key aspect of the organisation and management of its business activities: the Organisation strives to maintain constant dialogue with trade unions, ensuring impartiality and independence in the promotion of relations in accordance with current legislation, while guaranteeing the protection of rights, freedom of association and collective bargaining. In particular, consultation with employee representatives is also conducted through the Unified Trade Union Representatives (TUR), via regular meetings with the Human Resources Department to discuss the needs, comments or issues raised by staff. These meetings help to steer the measures taken to manage workforce-related impacts.

In terms of health and safety, the Workers' Safety Representatives (WSR) play a key role in liaising with employees and maintaining constant dialogue with staff and the HSE Department. They help ensure that any reports, issues or suggestions for improvement are brought to light. Engagement is also conducted through formal consultation processes set out in applicable occupational health and safety regulations.

Employee engagement, particularly at Beauty & Business's Italian branch, is achieved through various methods and at a frequency that reflects the company's ongoing commitment to promoting a participatory and improvement-oriented culture. In particular, from the moment they are hired, new employees are involved in a structured programme of information, education and training that enables them to become familiar with company rules, operating practices and safety-related issues. Induction takes place on the first day of work and continues with mandatory training, even before the assignment of duties and with direct support from the person responsible for on-the-job training. Throughout their career, employees are engaged through regular training activities, organised both in person and remotely (webinars and asynchronous content), covering technical, managerial and soft skills topics. Another key moment of engagement is the Annual Review, the annual performance evaluation process that promotes dialogue and recognition of individual contributions. Finally, informal but highly effective initiatives, such as themed team-building activities, are used to strengthen the cohesion of working groups and stimulate transversal skills in experiential contexts, involving participants in an active and immersive way.

At the same time, as part of the UNI/PdR 125:2022 certification process, Beauty & Business submitted questionnaires to staff to gather their views and perceptions on equal opportunities, inclusion and potential areas for improvement. These tools were introduced in 2025 and will be reviewed regularly as part of the monitoring and review system. The findings were analysed during the regular meetings of the DE&I and Equal Opportunities Committee, helping to identify priorities, areas of concern, and possible measures for improvement. The highest operational responsibility to ensure workforce listening and the effective integration of results into business decisions lies with the Human Resources Department, working closely with General Management.

The results of the activities implemented and the quality of interactions between employees and management are carefully considered when assessing the effectiveness of engagement activities. The moments of exchange and dialogue organised allow the company to gather valuable insights on the effectiveness of the training courses offered and on the alignment between roles and individual potential, as well as on each person's engagement and motivation levels. The information gathered through the reporting channels defined in company policies and relevant management procedures also helps to identify any issues and implement corrective and/or improvement measures.

Active participation in training initiatives and team-building activities is also used as a qualitative indicator of engagement effectiveness, alongside the collaborative atmosphere generated within working groups.

Although the Group has not yet adopted a formal, structured system for listening to worker categories who may be particularly vulnerable or at risk of marginalisation, it has developed specific measures in recent years to promote inclusion and a healthy work-life balance. Specifically, Beauty & Business offers parents the option of working fully remotely until their child turns one, if compatible with their role and the company's organisational requirements. There are also flexible working arrangements in place to help employees balance their family commitments and parenting responsibilities.

Furthermore, targeted questionnaires on parenthood and work-life balance were distributed in 2025 to gather insights and understand employees' needs, perceptions and potential areas for improvement in this regard.

Onboarding and initial training programmes for new hires and apprentices are also designed to facilitate gradual integration. For migrants or people with language difficulties, content is adapted to ensure full comprehension and active participation.

Looking ahead, the aim is to further develop these listening and monitoring activities, including through more systematic methods for consulting and engaging the workforce.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

The Group adopts a structured and systematic approach to managing and mitigating any negative impacts on its workers by implementing tools that ensure compliance with company standards and national and international regulations. Employee-related issues are handled with the support of an internal reporting system for the prevention and management of harassment, discrimination and other harmful situations. This system allows for rapid verification of the information received by listening to needs, gathering any supporting evidence or documents, and ensuring confidentiality. The reporting management system was further strengthened in 2025 through the formalisation of dedicated channels aligned with the DE&I and Human Rights policies and relevant operating procedure. These channels include email communications, verbal reports to DE&I Committee members, online forms and specialised tools for collecting suggestions and complaints.

To address issues related to negative impacts, the Organisation uses transparent procedures for handling complaints and reports in compliance with applicable regulations, with particular focus on resolution and prevention of future issues.

All reports are handled with strict confidentiality and undergo a process of registration, investigation and assessment designed to ensure thorough and fair analysis of the issues raised. Where possible and for non-anonymous reports, the Group undertakes to provide a response within approximately 30 working days. The effectiveness of the measures taken is continually monitored through follow-up activities, periodic reviews and updates to internal policies and processes based on the evidence gathered.
In addition to the reporting channel, with particular reference to potential negative impacts related to equal opportunities, the Group translates the principles expressed in the Code of Ethics into a series of mechanisms and practices to prevent, identify and handle any incidents of discrimination. Specifically:
• **dissemination and training:** the contents of the Code of Ethics and company guidelines are explained to all staff upon recruitment and, more generally, are made available to all employees via notice boards, the intranet and the website;
• **verification and sanctions:** The investigation and management of reports involves, where necessary, the relevant company departments and the DE&I Committee;
• **recruitment and personnel management policies:** selection and career management processes are based on merit and competence, while actively monitoring any bias or unfair treatment.

In order to ensure that reporting and complaints channels are sufficiently available and accessible, the Group promotes initiatives through training, internal communications and operational oversight, aimed at making these tools easy to use, understandable and practical for all employees. In particular, the methods for using these channels and their management processes are communicated through policies, procedures, dedicated information tools, and initiatives to raise awareness and engage staff. As part of the UNI/PdR 125:2022 certification process, Beauty & Business also promoted initiatives to raise awareness on issues such as equal opportunities, mutual respect, harassment and discrimination prevention, and the procedures for reporting concerns, thereby fostering a clearer understanding of available protection measures and confidentiality guarantees.
The Group also guarantees the confidentiality of individuals making reports and provides the option to submit reports anonymously, helping to reduce any barriers to communication and strengthen trust in the reporting system.
Looking ahead to 2026, Beauty & Business plans to further strengthen these tools through specific initiatives focused on listening to and discussing concerns related to work quality, parenthood, return-to-work and inclusion. The aim is to foster a more participatory working environment that is attentive to people's needs.
The effectiveness of the reporting channels is also monitored by analysing the evidence gathered, investigation outcomes and any corrective actions taken, whilst also taking into account the findings from staff consultation initiatives.
A number of Group companies underwent social audits in 2025, designed to verify compliance with international standards on social responsibility and working conditions. Specifically, Beauty & Business underwent an audit in February 2025 and the Mexican branch Dobos in October 2025, in accordance with the Sedex SMETA (Sedex Members Ethical Trade Audit) – 4 Pillars standard, which covers the following areas:
• working conditions and respect for human rights;
• workers' health and safety;
• environmental management;
• business ethics and transparency.

The positive outcome of these audits is recognition of the ongoing commitment to responsible practices and helps strengthen trust in business partners and the community.

ALFAPARF MILANO SUSTAINABILITY REPORT 2025

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

In defining its business strategy, the Group has set a series of objectives relating to its workforce which are linked to ESG issues. These medium- to long-term time objectives include intermediate deadlines and timelines to ensure continuous alignment with the corporate strategy and the goals set. In defining the above objectives, the Group takes into account the opinions of its workforce (see the section "Processes for engaging with own workers and workers' representatives about impacts").
In particular, the following actions have been planned for implementation in the Beauty & Business branch:
• continuing with management training programmes (leadership training) to strengthen leadership skills and the ability to drive change, also with a view to adopting the right approach towards the younger generations;
• extending soft skills training to a wide range of employees, promoting skills such as adaptability and intercultural collaboration;
• continuing to invest in technical training to improve operational efficiency;
• developing targeted insights on artificial intelligence and new digital technologies;
• enhancing language training, including through more flexible and digital tools;
• obtaining ISO 45001 and ISO 14001 certification at Beauty & Business's Italian facility, thereby further strengthening its management systems relating to occupational health and safety and environmental protection.

PEOPLE

CHARACTERISTICS OF THE COMPANY'S EMPLOYEES

As of 31 December 2025, Alfaparf Milano employed 2,874 employees, representing a nine percentage point increase in the share of the total workforce from 2024[33]. There was a significant increase compared with last year, with 97% of employees now on permanent contracts (up from 75% in the previous year).
Almost all staff (98%) have full-time contracts: part-time employees (the remaining 2%) are predominantly women.

EMPLOYEES BY TYPE OF CONTRACT BROKEN DOWN BY GENDER

2024

	Women	Men	TOTAL
Permanent contract	1,350	1,168	**2,518**
Fixed-term contract	76	34	**110**
TOTAL	**1,426**	**1,202**	**2,628**
Full-time contract	1,380	1,196	**2,576**
Part-time contract	46	6	**52**
Variable time contract	-	-	**-**
TOTAL	**1,426**	**1,202**	**2,628**

2025

	Women	Men	TOTAL
Permanent contract	1,538	1,240	**2,778**
Fixed-term contract	63	33	**96**
TOTAL	**1,601**	**1,273**	**2,874**
Full-time contract	1,554	1,258	**2,812**
Part-time contract	47	15	**62**
Variable time contract	-	-	**-**
TOTAL	**1,601**	**1,273**	**2,874**

[33] The increase in staff in 2025 is also influenced by the expansion of the scope of reporting following the acquisition of the companies in Italy and Paraguay, namely Xanitalia S.r.l. and Alfa Parf Paraguay S.A., respectively.

ALFAPARF MILANO SUSTAINABILITY REPORT 2025

RECRUITMENTS AND TERMINATIONS 2025 BY GENDER

770 new people were recruited in 2025. In Italy, apprenticeships continue to be the main type of contract used to hire young people: the company assigns a tutor for each new employee, who has the task of following and training the apprentice in various tasks for the entire duration of the contract.
With regard to terminations, 651 people left the Group in 2025. Compared to 2024, the employment balance is positive: during the year, there was a positive turnover rate of 28%, exceeding the negative turnover rate of 24%.

NEW HIRES AND TURNOVER

2024[34]

	N. of employees	N. of new hires	N. of employees terminated	Positive turnover rate	Negative turnover rate
TOTAL	**2,552**	**600**	**489**	**24%**	**19%**

2025[35]

	N. of employees	N. of new hires	N. of employees terminated	Positive turnover rate	Negative turnover rate
TOTAL	**2,747**	**770**	**651**	**28%**	**24%**

[34] It should be noted that the final figure as at 31/12/2024 relating to the total number of employees does not include the French office, which was acquired during 2024.
[35] Note that the final figure as of 31 December 2025 for the total number of employees does not include the Italian branch Xanitalia S.r.l., nor the Paraguayan branch.

TALENT ATTRACTION

Alfaparf Milano depends considerably on the professional contribution of key personnel and highly specialised people. Key personnel are considered to be those with strategic and/or operational responsibilities, whose skills and experience are decisive for innovation and research activities, the execution of operational projects, and the growth and development of Alfaparf Milano.

Selection processes play a strategic role for the Group, as they make it possible to identify candidates with specific skills, professional expertise and technical competence, corresponding to the profiles actually required by the Group's needs and who also share the ethical principles and values that inspire Alfaparf Milano.

With this in mind, selection is carried out in full respect of equal opportunities and without any form of discrimination, avoiding favouritism, patronage and preferential treatment of any kind, with every decision based exclusively on principles of professionalism and expertise. During selection interviews, it is strictly forbidden to ask questions concerning aspects of the candidates' private lives, such as marital or relationship status, life plans, gender identity, sexual orientation, religious or political beliefs, pregnancy, or physical or psychological health. Furthermore, these elements may under no circumstances be used as evaluation criteria in the selection of personnel.

Alfaparf Milano's ability to attract, develop and retain talent is central to a labour market characterised by high mobility in recent years and a sector with a limited number of comparable companies. During 2025, the Italian branch Beauty & Business strengthened its employer branding initiatives also by establishing partnerships with universities and schools, as well as publishing job adverts on channels dedicated to training programmes and academic courses, with the aim of attracting new talent and strengthening its appeal as an employer.

As regards the development and retention of internal talent, should the relationship between the company and these persons be interrupted for any reason, ensuring their succession and maintaining their expertise within the Organisation is a highly important issue. It is therefore essential to ensure that key players have the right levels of motivation, training and growth, as well as a work-life balance and Comp&ben approach that make the Group an attractive place to work.

CHARACTERISTICS OF NON-EMPLOYEE WORKERS IN THE UNDERTAKING'S OWN WORKFORCE

During 2025, Alfaparf Milano employed 734 external staff, an increase compared to 2024.

NON-EMPLOYEES BY TYPE OF CONTRACT BROKEN DOWN BY GENDER

2024	Women	Men	TOTAL
Self-employed	75	141	216
Temporary workers	52	72	124
Interns and trainees	112	178	290
Other	2	8	10
TOTAL	241	399	640

2025	Women	Men	Other	TOTAL
Self-employed	156	148	1	305
Temporary workers	63	36	-	99
Interns and trainees	123	194	-	317
Other	4	9	-	13
TOTAL	346	387	1	734

DE&I

Alfaparf Milano considers each individual unique, and uniqueness is enriching: it allows us to experiment with different perspectives, ideas and solutions. For this reason, the Group is committed to enhancing uniqueness, defending equal opportunities and promoting inclusion, inside and outside the company, through policies aimed at promoting a healthy working climate, gender equality and non-discrimination, as well as supporting the professional growth of its employees.
Alfaparf Milano strives to attract and develop talent regardless of any element of diversity, and to encourage everyone in the Group to express their full potential. Alfaparf Milano has always been committed to creating a working environment where everyone is supported and empowered to actively participate in the creation of value, and where personal characteristics, ideas and orientations do not give rise to discrimination, while equal opportunities are ensured across all aspects of professional life.
In 2025, Beauty & Business actively promoted DE&I principles, including through dedicated tools such as an inclusive language handbook designed to encourage more mindful and respectful communication practices aligned with the organisation's values of inclusion.
In line with the principles set out in the Code of Ethics and in the DE&I and Human Rights Policies adopted by Beauty & Business in 2025, the company promotes respect for the principles of diversity, equity and inclusion throughout the entire career path of its staff. It implements measures to ensure equal opportunities, celebrate diversity and combat all forms of discrimination at every stage of the employee journey. Specifically:

- in the recruitment, hiring and onboarding processes, through rules and policies that eliminate all kinds of discrimination and increase the Group's brand identity, with the aim of increasing the attractiveness towards available talent and facilitating the process of overcoming stereotypes linked to certain professional profiles. This ensures a heterogeneous composition of the organisational population as well as respect for the principle of equal opportunities and impartiality;
- in the development processes, training activities and active practices designed to foster role succession and internal mobility, through policies based on merit and equal and equitable access to individual pathways built on the basis of real needs and role specificities, consistent with the Group's objectives;
- in the growth and remuneration processes, through actions aimed at preventing pay gaps (including gender pay gaps), fostering fair career paths and allocating merit-based responsibilities and rewards, thus facilitating generational exchange and individual experience.

The Mexican branch also participated in the "Diversity and equal opportunities" project, collaborating with an association that supports and educates young people with intellectual disabilities. Specifically, the project involved the creation of a process for selecting and subsequently integrating these resources within the Mexican staff. Three young people were placed in the Mexican branch in 2022, respectively employed in the HR, Marketing and IT departments.
In Ecuador, supported by the Law against Harassment and Discrimination in the Workplace, a Diversity Committee is also being established. Its tasks will include promoting the importance of inclusion and raising awareness of the negative effects of racism, homophobia, abuse of power and discrimination.

ALFAPARF MILANO SUSTAINABILITY REPORT 2025

DIVERSITY METRICS

The Group's workforce is equally distributed between genders, with women accounting for around 56% (an increase of two percentage points compared to 2024). In general, women continue to be well represented at all levels of employment: they account for 44% of senior management (defined as the sum of executives and middle managers), 58% of white-collar staff and 54% of blue-collar staff.
Considering the composition of the workforce by category, in 2025, 61% of the workforce falls into the white-collar category, followed by the blue-collar category, which accounts for about 28% of the Group's employees. Managers account for about 8% of the total workforce and executives 2%.

DISTRIBUTION BY GENDER OF THE WORKFORCE

2024

	Women	Men	TOTAL
Executives	13	46	**59**
Middle Managers	105	113	**218**
White-collar employees	988	698	**1,686**
Blue-collar employees	320	345	**665**
TOTAL	**1,426**	**1,202**	**2,628**
PERCENTAGE	**54%**	**46%**	**100%**

2025

	Women	Men	TOTAL
Executives	16	45	**61**
Middle Managers	115	121	**236**
White-collar employees	1,029	732	**1,761**
Blue-collar employees	441	375	**816**
TOTAL	**1,601**	**1,273**	**2,874**
PERCENTAGE	**56%**	**44%**	**100%**

DISTRIBUTION OF EMPLOYEES BY AGE GROUP

In terms of age distribution, 62% of staff are aged 30 to 50, while 15% are under 30. The over-50s account for 23% of the total workforce. There is a higher percentage of young people among white-collar and blue-collar workers, while there are no managers under the age of 30.

EMPLOYEES BY AGE GROUP

2024

	< 30 years	30-50 years	> 50 years	TOTAL
Number of employees	407	1,672	549	2,628

2025

	< 30 years	30-50 years	> 50 years	TOTAL
Number of employees	417	1,790	667	2,874

WELFARE

Alfaparf Milano believes that employees are fundamental resources of any successful company and that taking care of their well-being represents an opportunity for improvement and growth for both the company and its employees.
For this reason, the Group is committed to ensuring that its employees receive market-based remuneration[36] and a range of benefits designed to meet their needs and increase their purchasing power.
In particular, all employees are entitled to the benefits provided for by the relevant National Collective Labour Agreements and by any supplementary agreements applied (if in place) or defined in individual contracts. These include life insurance, supplementary healthcare, supplementary pension funds, disability and invalidity cover, company cars and accommodation.
In most of its locations and for positions/functions where feasible, the Group offers a range of benefits aimed at fostering work-life balance. These include flexible start times, remote working, canteen service and measures to support parenthood, such as parental leave and part-time work, granted to most new mothers.
In 2025, Beauty & Business also introduced further measures to support parents, including the option for mothers and fathers to work 100% remotely until their child reaches one year of age. Provisions were also introduced for paid leave for medical appointments and for managing overtime. Beauty & Business is also considering the introduction of a dedicated employee benefits platform.
The Group also has an MBO incentive system in place, designed primarily for directors and managers. The system involves assigning both common objectives (normally represented by the turnover and Ebitda associated with their scope of responsibility) and individual objectives, both quantitative and qualitative, more directly linked to the role's specific function and purpose.
To mark International Women's Day, the company distributed products from its own brands to the Group's female employees as part of an initiative to recognise and value its staff.
In December 2025, the initiative to distribute fuel vouchers worth €250 to all employees and temporary workers at the Beauty & Business headquarters was confirmed for the fourth consecutive year, totalling €101,922.00 and benefiting 416 people.
At the same time, Tricobiotos launched a corporate welfare scheme available to all employees. Introduced in 2021, it is accessible based on incentive criteria linked to the achievement of specific corporate and individual objectives, governed by specific internal regulations. The welfare system provides services and support in the areas such as care, education, leisure and sports, and aims to promote the physical and mental well-being of individuals and their families. As part of the organisational development process and the introduction of new working methods introduced in recent years, these initiatives have been progressively strengthened. They aim to foster team cohesion, staff engagement and the adoption of sustainability-focused behaviour, including through reward schemes linked to sustainable mobility projects.

[36] For more information, see the section on "Remuneration".

In 2025, the Ecuador branch demonstrated its strong commitment to employee welfare. Specifically, workshops focusing on physical well-being were organised, alongside the promotion of "active breaks" and information campaigns on the prevention of occupational and environmental diseases.
In the same year, the Portuguese branch also launched a number of initiatives centred on staff well-being and engagement. Team-building activities were organised to strengthen teamwork, a sense of belonging and staff's personal development, including through the distribution of dedicated materials.
The Venezuelan branch expanded its corporate welfare initiatives by introducing an Educational Support Programme for staff, designed to fund university studies. The initiative aims to promote continuous learning, enhance the professional development of staff and foster a corporate culture focused on lifelong learning and internal growth.
Finally, the Mexican branch launched a number of initiatives in 2025 focused on staff well-being, inclusion and strengthening the corporate culture. Activities were organised to promote participation and a sense of belonging, including commemorative events for Mother's Day and Father's Day, sports and team-building activities, as well as corporate events designed to strengthen internal cohesion and the organisational atmosphere. The branch also promoted awareness campaigns on fairness and respect in the workplace, including on International Women's Day, as well as activities celebrating local cultural identity, such as an in-house competition in honour of the Day of the Dead.
The employer branding programme launched by the Argentina branch is also worth mentioning, which aims at stimulating a sense of belonging and collective identity, and promoting employee retention. As part of the project, the branch has implemented structural and ongoing measures to support people's well-being, such as flexible working hours, remote working and a company gym - tools that help balance personal and professional life, while strengthening trust and internal motivation. Together, these elements reflect the branch's daily commitment to building an environment that attracts, enhances and retains talent, and which is perceived both internally and externally as a place where it is worthwhile to work.
In addition, several symbolic occasions were celebrated during the year, such as Women's Day, Mother's Day and Father's Day, which gave the branch the opportunity to offer small gifts to its employees as a tangible expression of the branch's closeness and gratitude towards its workers. The most heartfelt moment was the big end-of-year event organised at the Italian Club in Escobar: a day dedicated to sport, games and socialising, with five-a-side football, paddle tennis and table football tournaments, designed to encourage colleagues to get together outside the workplace. Occasions such as this help build a corporate culture based on relationships and the pleasure of working together.

FOCUS ON

COLOMBIAN BRANCH – CARE FOR PEOPLE, INCLUSION AND SOCIAL IMPACT

In 2025, the Colombian branch also strengthened its commitment to the well-being and development of human capital through a range of initiatives aimed at workers, their families and local communities.
Particular attention was paid to promoting people and inclusion, with celebration of major events such as employees' birthdays, International Women's Day, International Men's Day, Mother's Day and Father's Day. These occasions provided an opportunity to recognise the daily contribution of employees and promote a working environment that is inclusive and respectful of all identities.
The Colombian branch also strengthened its "Emotional Salary Programme" by introducing team-building days aimed at reducing work-related stress and promoting the organisational culture. Among these, "Pet Friendly Day" stands out as an innovative initiative designed to promote a healthy work-life balance and the mental well-being of the team. During Health Week, the company organised activities focused on prevention and the promotion of healthy lifestyles, including active breaks, self-care training sessions and opportunities for professional support — all designed to improve quality of life and promote a healthy work-life balance.
To support the well-being and motivation of its staff, the company launched several initiatives emphasising the importance of rest and social interaction for mental health and performance. Among these, the "Cinema at Home" programme provided leisure opportunities, including within the family, through the distribution of cinema tickets, while themed celebrations such as Halloween offered opportunities for socialising and creativity, helping to break the work routine. In addition, the Day of Love and Friendship was celebrated with team-building activities designed to strengthen collaboration and trust among teams.
The year drew to a close with an event dedicated to recognising employees' hard work and achievements. The event included team-building activities, formal expressions of gratitude, and a Christmas celebration, all aimed at strengthening a sense of belonging and motivation ahead of the new year.

WORK-LIFE BALANCE METRICS

In 2025, the percentage of employees entitled to family leave stood at 98% of the total workforce. Of these, 9% actually took leave, with a higher percentage among women (11%) than men (6%).

LEAVE

2024

	Women	Men	TOTAL
Number of employees	1,426	1,202	**2,628**
Employees who are entitled to family leave	1,401	1,187	**2,588**
Percentage of employees who are entitled to leave	98%	99%	**98%**
Eligible employees who have taken family leave	108	51	**159**
Percentage of eligible employees who have taken leave	8%	4%	**6%**

2025

	Women	Men	TOTAL
Number of employees	1,601	1,273	**2,874**
Employees who are entitled to family leave	1,568	1,239	**2,807**
Percentage of employees who are entitled to leave	98%	97%	**98%**
Eligible employees who have taken family leave	172	79	**251**
Percentage of eligible employees who have taken leave	11%	6%	**9%**

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REMUNERATION

ADEQUATE WAGES

All of the Group's employees are employed under a regular employment contract, in full compliance with the regulations in force in the various countries, and 75% are covered by national collective bargaining agreements[37]. Even in cases where not all employees are covered by national collective bargaining agreements, there are no workers receiving remuneration below the applicable reference parameters.

The same criteria used for direct employees are also applied to temporary staff, thus ensuring consistency in basic economic and regulatory conditions. For self-employed workers and consultants, remuneration is determined on the basis of individual agreements, taking into account the nature of the assignment, the level of specialisation required and market parameters.

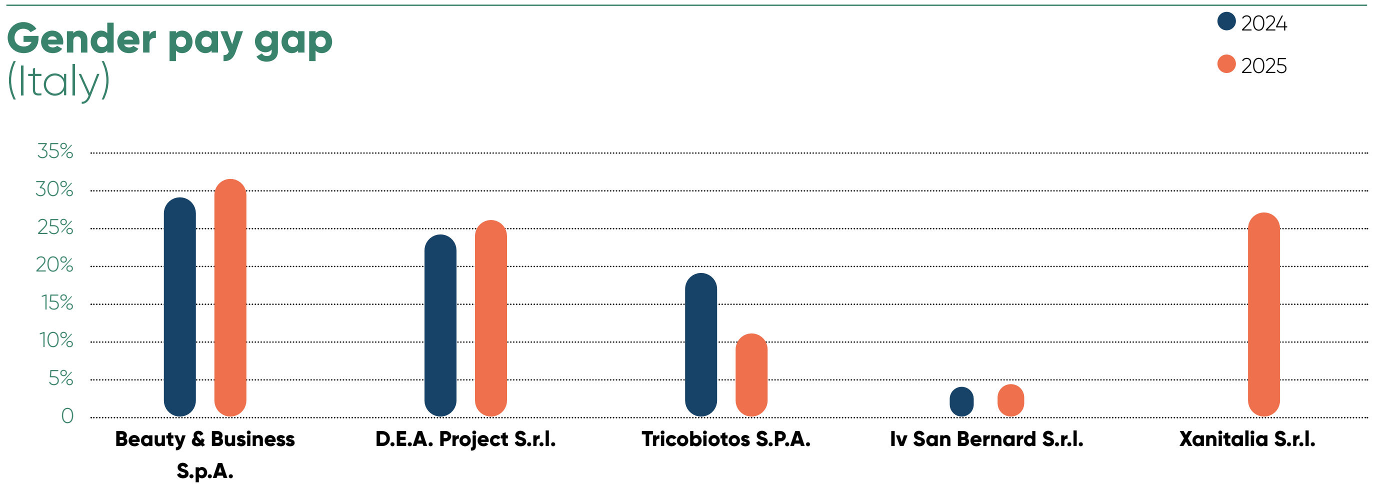
COMPENSATION METRICS (PAY GAP AND TOTAL COMPENSATION)

The Group applies the principles of Diversity, Equity and Inclusion throughout all stages of the personnel life cycle and pays particular attention to these aspects in the area of compensation and remuneration[38]. The Human Resources Department is responsible for ensuring that there is no discrimination of any kind in the definition of job classifications, remuneration, recognition, career advancement, awards, bonuses, benefits or other aspects, and that merit is the guiding principle.

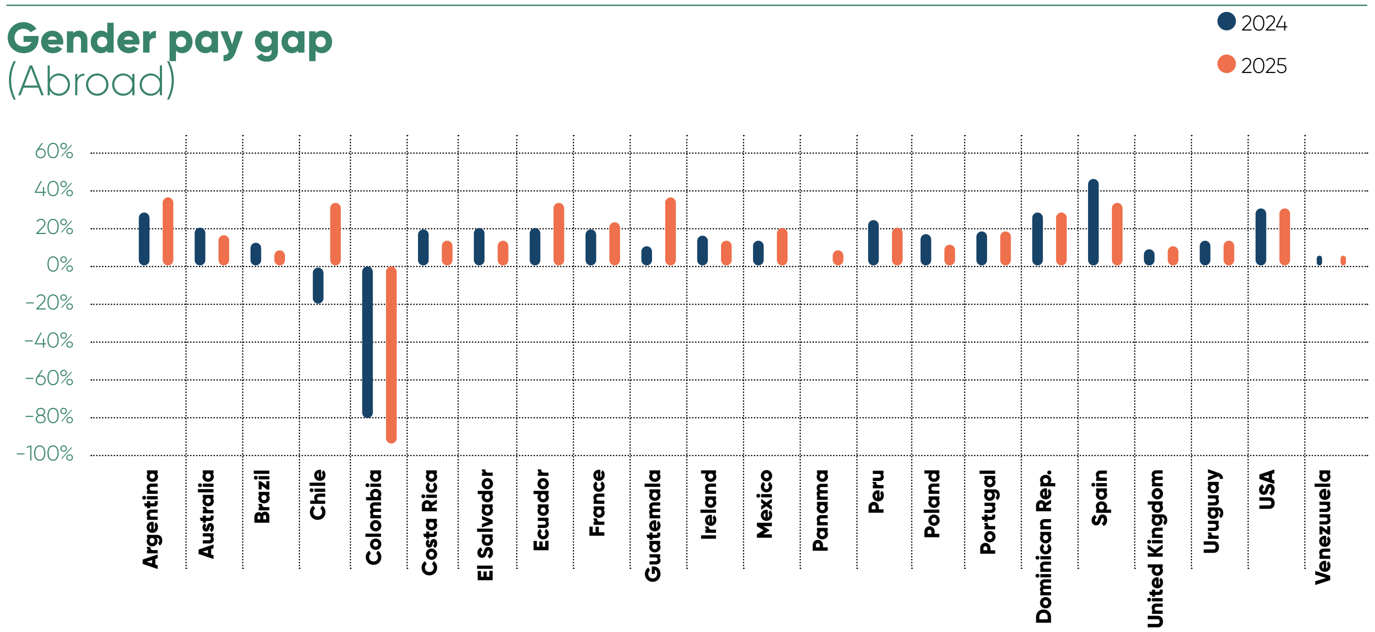
The gender pay gap is determined at legal entity level on the basis of gross remuneration (including variable components) for male and female employees. The calculation subtracts the average gross remuneration of female employees from that of male employees; the result is then divided by the average gross remuneration of male employees and, finally, multiplied by 100. The values reported for each legal entity reflect the simple average recorded at each Group company[39].

[37] National collective bargaining agreements are not in place in all countries where the Group has branches, in particular in: Chile (Chi. Cosm Limitada), El Salvador (Clio Cosmetics S.A.), Guatemala (Guatemala Cosmeticos S.A. de C.V.), Ireland (Xpert Cosmetics Limited), Poland (Pol.Cosm Sp. Z.O.O.), Spain (Alfa Parf Group Espana S.L.U.) and the USA (B.I.P. Inc.)
[38] This commitment was formalised in the DE&I Policy in 2025.
[39] No data is reported for the Russian branch (Alfa Parf Russia) and the Paraguayan branch (Alfa Parf Paraguay S.A.), as there were no male employees at these branches during the period in question. With regard to Brazil, the figure includes all 11 companies located there.

Gender pay gap
(Italy)



Gender pay gap
(Abroad)



At the same time, the total remuneration ratio is determined by comparing the total annual remuneration of the highest-paid person in the company with the median annual remuneration of employees (excluding the highest-paid person). In 2025, this ratio was 1:9.26, slightly up from 2024 (1:9.11)[40].

[40] The ratio refers to the Italian Beauty & Business branch.

TRAINING

The Group firmly believes that the quality of its products and services is inextricably linked to the quality, training and growth of its human resources. For this reason, Alfaparf Milano offers its employees a wide range of training and professional development opportunities.
Training is considered an important and essential investment because it combines the needs of business growth with the professional development of individuals: the Human Resources Department defines the guidelines and tools for identifying training needs and the resulting training measures by drawing up an annual training plan. This plan includes:
• managerial training, focused on developing management skills and techniques, organisational behaviour and leadership;
• regulatory and governance training, with in-depth analysis of legislation and company regulations;
• technical, operational and professional training, aimed at acquiring skills related to organisational tasks and emerging technologies, especially artificial intelligence;
• health and safety training, consistent with technical-operational activities and specific regulatory obligations;
• other courses (including foreign languages to support the company's increasingly international environment, marketing, communication, IT, etc.).

Besides being provided directly by the Group, staff training is also financed through interprofessional fund membership.
The development of professional skills is essential for the growth of the company and the achievement of industrial objectives. To facilitate this process, the Italian branch Beauty & Business has been running a Leadership Training programme since November 2023. The programme was designed for personnel who manage resources and featured a diversified training approach with multiple formats, ranging from classroom and online training to workshops and group coaching. Its aim was to equip staff with innovative and strategic skills in response to emerging professional needs and to spread awareness of value, behavioural and leadership models consistent with the company's vision and mission. The programme focused on developing the change management and leadership skills of the company's managers and on effective communication with their teams.
In order to increase its effectiveness, training was carried out in a diversified manner, so that each person could link the illustrated values and behaviours to their daily work context. At the same time, the interactive approach ensured a more proactive and engaging experience and was useful in strengthening conduct aimed at achieving the strategic objectives. After these first editions, the goal is to make the pathway operational in the coming years for all newly promoted or newly recruited managers.
In 2025, a multi-skills programme for developing transferable skills was also launched, with the first year focusing on effective communication and involving around 200 people. The programme is set to continue in 2026 with modules focusing, amongst other things, on problem-solving, lateral thinking, self-empowerment, managerial skills, and stress and time management.
In addition to traditional training, experiential activities such as team building exercises were also organised to develop interpersonal skills, collaboration and problem-solving abilities in dynamic contexts.

TRAINING AND SKILLS DEVELOPMENT METRICS

In 2025, the Group provided a total of 52,912 hours of training, a significant increase compared to the previous year (+62%). The average number of training hours per employee rose to 18.4 hours, up from 12.4 hours in 2024, demonstrating the organisation's commitment to developing in-house skills.
Training involved all professional categories: more specifically, executives received an average of 19.6 hours of training, followed by middle managers with 11.2 hours, and white-collar workers with 14.6 hours. The average number of hours attended also increased for blue-collar workers to 28.6 hours (+17.4).

AVERAGE TRAINING HOURS

	2024	2025
Total training hours	**32,587.50**	**52,912.50**
Total number of employees	2,628	2,874
Average hours of training per employee	12.40	18.41
Total number of training hours provided to female employees	17,500	22,231
Total number of female employees	1,426	1,601
Average hours of training per female employee	12.27	13.89
Total number of training hours provided to male employees	15,087.50	30,681.50
Total number of male employees	1,202	1,273
Average hours of training per male employee	12.55	24.10
Total number of training hours provided to Executives	940	1,194
Total number of Executives	59	61
Average hours of training per Executive	15.93	19.57
Total number of training hours provided to Middle Managers	3,763	2,636.50
Total number of Middle Managers	218	236
Average hours of training per Middle Manager	17.26	11.17
Total number of training hours provided to White-collar employees	20,204.50	25,715
Total number of White-collar employees	1,686	1,761
Average hours of training per White-collar employee	11.98	14.60
Total number of training hours provided to Blue-collar employees	7,680	23,367
Total number of Blue-collar employees	665	816
Average hours of training per Blue-collar employee	11.55	28.64

In order to enhance the skills and professional expertise of its staff, the Organisation has implemented a structured performance appraisal system aimed at monitoring and enhancing the individual contribution of staff, promoting professional development and supporting the achievement of company objectives. The process is divided into two main tools:
• **Annual Review**, the individual performance system for employees, assessed by the direct managers based on the achievement level of assigned objectives. The process is essential for recognising people's contributions, identifying development needs and strengthening equity in growth opportunities;
• **Management by objectives (MBO)**: this short-term (annual) incentive system is applied to certain professional categories, including executives, managers and sales staff, as well as other profiles selected according to business needs. This system entitles them to receive a monetary bonus based on the achievement of targets set for the year (upon exceeding the minimum threshold of at least 90% of the assigned objective). The system is broken down into Group objectives, which are the same for the whole workforce, Area objectives (transversal to the area they belong to) and individual objectives. The remuneration policy adopted includes fixed and variable short-term and long-term remuneration measures.

The Argentine branch promoted skills development initiatives throughout 2025. Specifically, it strengthened staff training and engagement through free training programmes and initiatives designed to foster a sense of belonging and participation in company life. At the same time, the company continued to develop welfare initiatives focused on personal well-being, promoting work-life balance and supporting the physical, emotional and relational well-being of its staff.
During 2025, across the entire Group, 44% of employees received a structured performance review. Performance review is one of the main tools for recognising merit and supporting professional growth through a structured system of continuous monitoring and feedback.

EMPLOYEES WHO HAVE RECEIVED A PERIODIC PERFORMANCE REVIEW BY CATEGORY AND GENDER

2024

	Women	Men	TOTAL
Executives	2	12	**14**
Middle Managers	42	43	**85**
White-collar employees	404	377	**781**
Blue-collar employees	135	142	**277**
TOTAL	583	574	**1,157**
PERCENTAGE	41%	57%	**48%**

2025

	Women	Men	TOTAL
Executives	2	11	**13**
Middle Managers	53	45	**98**
White-collar employees	443	366	**809**
Blue-collar employees	182	166	**348**
TOTAL	680	588	**1,268**
PERCENTAGE	42%	46%	**44%**

H&S

The protection of health and safety in the workplace is a strategic issue and involves both employees and non-employees. Improving behaviour and enhancing corporate culture to prevent accidents and damage to health is a commitment that Alfaparf Milano pursues with determination and continuity, in order to offer workplaces with the highest standards in the field.
The Italian branches Beauty & Business and Tricobiotos, as well as the foreign production branches have a dedicated HSE Department. Its main tasks include: identifying, measuring and assessing risk factors to which employees - and external workers - are, or could be, subject; identifying the best strategies and tools to prevent and mitigate such risks, including the organisation of information and training programmes for workers; and drafting and/or updating health, safety and environmental procedures.
The main health and safety procedures adopted are of two types:
• management and organisational procedures;
• operational procedures and instructions.

Although not yet certified, the Occupational Health and Safety Management System adopted by the Italian branch Beauty & Business has been implemented to guarantee improved health and safety levels for workers, reduce costs deriving from accidents, injuries and work-related illnesses, and gradually reduce occupational risks through actions in the field. This procedure clearly defines responsibilities, reporting methods, event analysis and how to address the causes, promoting a systematic approach to prevention and protection. The PPSM (Prevention and Protection Services Manager) and PPSO (Prevention and Protection Services Officer) make up the Risk Prevention and Protection Service.
In 2025, Beauty & Business strengthened its emergency and fire safety management by conducting site-specific drills, tailored to different scenarios and emergency teams, to practically verify that procedures, response times and roles were being correctly followed. Training and refresher courses were also held for emergency response staff, while new recruits received specific induction modules on the emergency plan. The reporting process for near misses, non-conformities and improvement suggestions was also strengthened, with greater involvement from the departments, the use of an internal reporting portal, and centralised management by the HSE Department.
An internal audit was also conducted in 2025 in preparation for the ISO 45001 certification process, with certification expected to be achieved in 2026. Moreover, the entire workforce is covered by prevention and protection systems, as each country in which the Group operates adheres to national regulations that require the implementation of mandatory measures for the protection of workers' health and safety.
Each Italian company of the Group has a risk assessment document (RAD), which is regularly updated when changes occur in the production process and/or work organisation. The RAD defines and lists a number of risks related to workers' health and safety and associates them with each work task in the attached "Task Sheets". The Company Doctor supports the risk assessment process by defining health protocols for the profile of risks associated with particular tasks and by monitoring any damage to workers' health. In addition, when issuing a fitness-for-work opinion, the Company Doctor applies restrictions and requirements where necessary to prevent any occupational illnesses. The company has also organised an in-house first aid and emergency management team, with training regularly updated through classroom sessions as well as simulated emergency situations.

An initiative was also launched in 2025 to assess work-related stress through a staff questionnaire and subsequent analysis by site and department. The aim was to identify areas needing attention and define measures for improvement.
The Brazilian branch Delly Kosmetic, furthermore, has implemented programmes seeking to directly prevent work-related injuries and illnesses by conforming to legislation with annual work plans, safe and healthy working environments, and the reduction of environmental impacts through waste management programmes.

HEALTH AND SAFETY METRICS

In 2025, a total of 24 injuries occurred among employees. As regards occupational diseases, there were three cases in 2025, while no cases were reported among non-employees.

WORK-RELATED INJURIES AMONG EMPLOYEES

	2024	2025
Number of fatalities due to work-related injuries and illnesses	-	-
Number of recordable work-related injuries	21	24
Number of hours worked	4,864,368	5,610,112.77
Rate of recordable work-related injuries[41]	4.32	4.28

[41] Rate of recordable work-related injuries: (Number of injuries / Number of hours worked) * 1,000,000.

RELATIONS WITH THE LOCAL COMMUNITY

POLICIES RELATED TO THE AFFECTED COMMUNITIES

Currently, the Group has not formalised a policy aimed at managing the impacts, risks and opportunities concerning the communities with which it interacts. Nevertheless, since its inception, the Group's business has been inspired by a vision of a socially responsible enterprise that is attentive to integrating its economic development with the well-being and growth of the local areas in which it operates. Alfaparf Milano's commitment can be gathered from the principles set out in public documents such as the Group's Code of Ethics and the Organisation, Management and Control Model pursuant to Italian Legislative Decree No 231/2001 and the Consolidated Sustainability Report.
With the ultimate goal of creating shared value between the company and local communities, the initiatives implemented by the Group in its local area take shape through actions inspired by the values of:
• social inclusion and support for vulnerable groups (minors, families in difficulty, children in hospital);
• promoting access to culture and education (especially for disadvantaged people) through events and projects that enhance the local area;
• collaborating with local non-profit organisations, foundations and institutions to promote initiatives with a high social impact.

One of the most representative examples of the implementation of this commitment is the creation of the Alfaparf Foundation, a philanthropic organisation promoted by the Group's founders to strengthen its bond with local communities. The Foundation aims to support initiatives in areas of social utility, education, culture and health for younger generations, contributing to the well-being of the community, particularly in the Bergamo area, with a view to gradually extending its scope of action at national level (for further information, please refer to the section "Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions").
In addition, as part of the definition of its Human Rights Policy[42], the Group is committed to respecting and promoting the rights of the local communities in which it operates, contributing to their economic, social and cultural development. The Organisation promotes continuous and constructive dialogue with institutions, non-governmental organisations and the communities themselves in order to identify priority areas for action and respond effectively to local needs.

PROCESSES FOR ENGAGING WITH AFFECTED COMMUNITIES ABOUT IMPACTS

The Group does not currently have a formalised and documented process for the structured engagement of affected communities and their representatives in relation to material impacts, risks and opportunities. Despite this, Alfaparf Milano pays close attention to the views of affected communities in identifying the impacts that concern them and recognises the importance of ongoing, structured dialogue with local communities, particularly in local areas where it has a significant production or distribution presence. To this end, the Alfaparf Foundation coordinates various activities involving the affected communities and local de-

[42] For further details, please refer to the section "Policies related to own workforce".

velopment programmes. These opportunities for discussion take place on an occasional and project-based basis, through social and philanthropic initiatives (e.g. donations, events, support for local authorities) with the aim of gathering the opinions of local communities, including on sustainability issues. The social and cultural projects shared with local communities and promoted by the Foundation create opportunities for meeting, collaboration and mutual listening. This approach not only supports initiatives with high social value, but also allows the timely identification of any critical issues that could have an impact on collective well-being. The Organisation also adopts a policy of openness and transparency in its relations with local institutions, fostering the development of relationships based on trust and the joint planning of initiatives for the benefit of the community.

In addition, with a view to building strong relationships with the local communities with which Alfaparf Milano interacts, some Group companies maintain relationships with schools and universities. The Italian branch of Beauty & Business is engaged in communication and partnership activities with several Universities in Lombardy and with Higher Education Institutes, in particular with the Istituto Nuove Tecnologie della Vita Academy in Bergamo, a highly specialised technical post-diploma school that prepares professional technicians in the chemical, cosmetic chemical, biotechnological, pharmaceutical, nutraceutical, environmental, health and polymers/elastomers fields. The branch has organised and conducted theoretical lectures in the field of cosmetic formulations and practical workshops on the use of raw materials and equipment. In 2025, the Argentina branch also renewed its collaboration with schools and the municipality of Escobar to help students learn about the company and support them in their approach to the world of work. The company received a special mention from the local authority for its commitment to promoting integration among schools, institutions and businesses.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR AFFECTED COMMUNITIES TO RAISE CONCERNS

With reference to this report, please refer to the section “Processes to remediate negative impacts and channels for own workers to raise concerns”.

The Group has not currently formalised a structured and documented system for monitoring issues raised through reporting channels, nor for assessing the effectiveness of these tools through the direct involvement of potentially affected or impacted stakeholders, particularly with regard to affected communities. However, in line with the provisions of the Code of Ethics, a reporting channel is available to all stakeholders, allowing them to report potentially illegal situations, risks or violations of ethical principles. Reports are handled confidentially by the Supervisory Body, which ensures timely management in accordance with applicable regulations. The channel can also be used by external parties, including potentially impacted stakeholders.

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TAKING ACTION ON MATERIAL IMPACTS ON AFFECTED COMMUNITIES, AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO AFFECTED COMMUNITIES, AND EFFECTIVENESS OF THOSE ACTIONS

Alfaparf Milano supports Organisations, Associations and Institutions and is committed to promoting equality and defending the right of every human being to live in an environment that allows them to fully and legitimately express their individuality, with a view to building a better society for the whole community. Alfaparf Milano intends to pursue this important objective by supporting a series of projects and initiatives aimed at enhancing uniqueness, promoting inclusion, providing concrete help to the most fragile, promoting women’s empowerment, enhancing and safeguarding historical, artistic and cultural heritage, promoting scientific dissemination, supporting research in the medical field and health facilities, collaborating with training institutes, and promoting the employment of youth and people from the local community.

As evidence of the growing attention paid to society both in Italy and abroad, the Portuguese branch launched a number of initiatives in 2025 to support the local community. Among these was the “Nunca será só cabelos” project, designed to offer people in vulnerable circumstances a journey of personal transformation and empowerment that extends beyond their physical appearance. The branch also collaborated with the Maria Droste Foundation, supporting child victims of violence living in sheltered accommodations through the donation of hair care products, and with the Casa Abrigo Association to provide haircuts and hair care services to homeless people staying in shelters.

The Portuguese branch continued its collaboration with the waste recycling agency “Lipor”. Through this partnership, training on environmental issues was once again delivered in 2025 to both the company’s customers and the internal team.

VALUING DIVERSITY IN ALL ITS FORMS

Beauty in all its forms

One of the core principles of Alfaparf Milano’s corporate culture is enhancing uniqueness and promoting inclusion. We believe that diversity is a strength, and that inclusion fosters the dissemination of knowledge, strengthens a sense of belonging and generates continuous learning. The initiative that best represents Alfaparf Milano’s commitment in this field is “Beauty in all its forms”, entirely conceived, desired and implemented by people within the Group.

“Beauty in all its forms” is a social responsibility project that stems from the need to create training spaces and opportunities for young adults with intellectual disabilities to interact and integrate into the labour market. The project seeks to provide these young people with the opportunity to pursue and complete a training course leading to a diploma as Hairstylist Assistant. The goal is to offer these young people the opportunity to develop new professional skills, increase their personal and social autonomy and help them enter the working world. The project sends a message of hope, portraying diversity as a value behind which unexpected qualities such as creativity, sensitivity, joy, enthusiasm, professionalism and kindness can be found.

The “Beleza em todas suas formas” initiative was launched in Brazil in 2013, together with the Brazilian NGO Instituto Meta Social. In 2015, the project also kicked off in Italy with several associations such as AIPD Bergamo, AGPD Milano and La Bussola Dalmine, and finally in Portugal in 2021. The trademark was registered in 2023. As a result of this initiative, more than 160 young people worldwide and 47 young people in Italy have obtained a diploma, with many currently employed. Alfaparf Milano repeated the project in 2025, awarding four diplomas to demonstrate its ongoing commitment to supporting local communities in Italy and identifying job opportunities for some students in Lisbon.

CONCRETE HELP FOR THE MOST FRAGILE

"La forza e il sorriso"

In 2025, Alfaparf Milano renewed the commitment it launched in 2013 to concretely support highly fragile individuals by making a contribution and donating its products to "La forza e il sorriso" (Strength and a Smile), an Italian non-profit organisation that organises beauty workshops for women undergoing cancer treatment at hospitals and voluntary associations throughout Italy. This is the only collective social responsibility project in the national cosmetics sector, sponsored by Cosmetica Italia, organised during Milan Beauty Week.
The initiative, which does not interfere with medical treatment nor is intended to replace it in any way, aims to provide information, ideas and practical advice on how to deal with the side effects of treatment. The workshops are aimed at all women undergoing cancer treatment who do not want to give up their beauty, allowing them to regain their sense of well-being and self-esteem. Each workshop is led by a skilled and empathetic volunteer beauty consultant, who shares practical make-up tips and teaches each participant how to enhance their appearance in just a few simple steps. In addition, the beauty workshops are attended by a psychotherapist who offers psychological support and assistance to women undergoing treatment.
The initiative is entirely free of charge, both for participants and for the host facilities. Each woman is given a beauty bag full of cosmetic products, allowing them to practice and apply the beauty consultants' advice not only during the guided session but also at home, continuing to take care of themselves independently. All this is possible thanks to the support of around 29 participating cosmetics companies, 4,000 beauty workshops and 500 volunteers (beauty consultants and hospital staff). Alfaparf Milano's involvement consisted of two moments: participation in a fundraising event, with product gifting in exchange for donations, and a hairstyling and treatment session during which the company's stylists provided services in support of the initiative.

Fair Values – CBM Italia

During 2025, the Group participated in the Christmas charity boutique organised by CBM Italia at the ADI Design Museum in Milan, donating 2,000 products – together with other organisations – which were sold in support of the "Fuori dall'ombra" (Out of the Shadows) campaign, which aims to support projects for the prevention and treatment of blindness and visual impairment in developing countries.

Dynamo Camp

Alfaparf Milano also financially supports Dynamo Camp, a foundation that offers specific recreational therapy programmes free of charge to minors suffering from serious or chronic illnesses, giving them and their families the opportunity to spend a period of holiday and fun at the Limestre Campus in the province of Pistoia, where they can take part in activities aimed at boosting their self-confidence and their abilities. The Group took part in a relay race at the Milan Marathon with 20 colleagues in 2025, turning a sporting event into an opportunity to raise both funds and awareness. Alongside the marathon, the Group also contributed through volunteering activities and support for dedicated initiatives, putting its skills and team spirit at the service of a high-impact project.

Initiatives to help vulnerable people overseas

Furthermore, the Portuguese branch launched an initiative to support homeless people by offering haircuts and products in various parts of the country. Again in Portugal, Alfaparf Milano collaborated with APPCDM, a national association supporting people with intellectual disabilities, by involving company staff in volunteer activities to clean and paint one of the association's facilities.

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In 2025, the Mexican branch launched initiatives to support the local community and promote environmental sustainability, actively involving its staff. These included volunteer reforestation days and a hair donation campaign to make wigs for people undergoing cancer treatment, helping to foster a culture of solidarity, social responsibility and environmental awareness.

PROMOTING WOMEN'S EMPOWERMENT
"La bellezza oltre"

Again, in relation to promoting female empowerment, in collaboration with Confartigianato Imprese Bergamo, Caritas, Diakonia Onlus Foundation and the ACOF School for Hairdressers in Bergamo, Alfaparf Milan supports the "La bellezza oltre" (Beyond Beauty) initiative: a project which supports the "Spazio Irene" of the Diakonia Onlus Foundation, the care service dedicated to caring for women living in particular situations of hardship.
Periodically, the women of "Spazio Irene", accompanied by operators and volunteers, are welcomed at the ACOF premises, which for the occasion is turned into a true beauty salon: students from the hairdressing course, assisted by professionals from the Wellness Area of Confartigianato Imprese Bergamo, have the opportunity to learn how to welcome and seat guests, listen to their needs and perform colour and styling treatments using products provided free of charge by Alfaparf Milano.

Against violence: "Io non sto zitta" (I won't stay silent)

Alfaparf Milano has always promoted the protection of human rights, with a particular focus on one of the most terrible violations of these rights: violence against women. As the main sponsor of the #IoNonStoZitta initiative, Alfaparf Milano joined forces with the Lombardy Region on 25 and 26 November in Piazza Beltrami, Milan, to mark the International Day for the Elimination of Violence against Women. The company's contribution had both a practical and a symbolic aspect: red lipstick was donated as the campaign's symbol, along with products from the Decoderm and Semi di Lino brands, and a stand with make-up stations was set up to actively engage participants and promote the dissemination of the message.

ENHANCING AND SAFEGUARDING HISTORICAL, ARTISTIC AND CULTURAL HERITAGE
Establishment of the Alfaparf Foundation

The Alfaparf Foundation was established in 2023. The Foundation's aim is to support younger generations through a wide range of cultural, social and educational initiatives. Its mission is to create the ideal conditions for young people to fulfil their potential and become active drivers of positive change in society, contributing to the development of a more sustainable, responsible and inclusive society, where everyone has the opportunity to participate, exchange ideas and make a contribution, and where diversity is recognised as an asset.

Special Team CUS Volley Bergamo

Among the initiatives promoted in 2025, the Foundation renewed its support for the Special Team CUS Volley Bergamo inclusive volleyball project. As well as being the team's shirt sponsor and funding its participation in regional (Brescia) and inter-regional (Parma and Genoa) tournaments, the Foundation has actively promoted unified sport as a vehicle for inclusion and social value, through active participation and the production and dissemination of photographs, videos and interviews. The Foundation also organised a "Special Day", a unified volleyball tournament in which athletes from the Special Team played alongside Alfaparf Milano staff.

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Casa di Leo EOS APS and the Department of Paediatric Surgery of the Bergamo Hospital

The Foundation also provided financial support to Casa di Leo EOS APS, a social housing project run by Papa Giovanni XXIII Hospital in Bergamo for paediatric inpatients requiring long-term care and their families. In addition, it supported the Department of Paediatric Surgery at Bergamo Hospital to help fund the purchase of machinery and equipment.

Fotografica Bergamo Festival and Fotografica Next

In 2025, the Foundation also partnered with the Bergamo Festival photography exhibition, supporting an event that attracted 10,500 visitors, 2,000 students and 80 volunteers, with its 11 photography exhibitions featuring Italian and international artists. Furthermore, the Alfaparf Foundation conceived and organised the first Next International Photography Open Call for the festival, dedicated to photographers and AI artists under 30 from all over the world. More than 800 photography projects were submitted to the Open Call by 708 participants from 85 countries around the world.

Carrara Academy Foundation

In 2025, Alfaparf Milano renewed and strengthened its support for the Carrara Academy Foundation in Bergamo, of which it is also a co-founding member, by making a financial contribution.
2025 saw the second edition of the "Festival Forever Young" project, developed through a collaboration between the Alfaparf Foundation, the Accademia Carrara Foundation and students from the University of Bergamo and Ca' Foscari University of Venice. The initiative comprised six evenings at the museum – with free admission for under-30s – and attracted 1,407 people, focusing on contemporary issues (gender, war and peace, environmental sustainability, intergenerational relations, mental health, women's rights) through guided tours, talks, debates and performances.

Donizetti Theatre Foundation

Alfaparf Milano continued its partnership with the Donizetti Theatre Foundation in 2025, supporting local artistic and cultural activities through charitable donations and retaining its role as "Donizetti Ambassador". The initiative contributes to the cultural vitality of the local community by supporting the production and enjoyment of high-quality cultural events and promoting the appreciation of artistic heritage.

SUPPORT FOR MEDICAL SCIENTIFIC RESEARCH AND HEALTHCARE FACILITIES

Last support in 2024 – Tuscany Motors

In 2025, the Italian branch Tricobiotos continued the fundraising campaign launched during the previous year to support the "Tuscany Motors" project, aimed at purchasing two defibrillators for the Municipality of Vaiano to be installed in small central locations in the municipality's smaller towns.

PROMOTING SCIENTIFIC DISSEMINATION, COLLABORATION WITH TRAINING INSTITUTIONS AND PROMOTING JOB PLACEMENT

Bergamo Scienza

Since 2017, the Group has supported Bergamo Scienza, an annual science festival that offers a series of meetings, conferences, exhibitions and workshops throughout the province of Bergamo, with the aim of bringing science to the general public. The Bergamo Scienza Association has set itself concrete goals: to create a new culture of spreading science which is able to "educate"' the younger generations towards knowledge, spark interest and foster the growth of a knowledge-based development culture, as well as to guarantee a method of dissemination based on cultural independence and use within the reach of all. The Group supported the 23rd edition of Bergamo Scienza in 2025 through the Foundation, sponsoring two conferences and co-organising a third on topics such as the responsible use of artificial intelligence, the problem of loneliness and rebuilding connections, and photography in the age of AI.

ITS New Life Technologies

The Group is actively committed to supporting training in the local area for the benefit of local communities, collaborating with and supporting schools and training institutes. An important initiative in this regard is the collaboration that began in 2017 with ITS – Istituto Tecnico Superiore per le Nuove Tecnologie della Vita (Higher Technical Institute for New Life Technologies) in Bergamo, a post-diploma technical school that is the only Higher Technical Institute in the chemical field in Italy. The Italian branch Beauty & Business supports the Institute by actively participating in educational lectures in the field of cosmetic formulations and organises educational workshops on the subject of raw materials and equipment.

Training initiatives and promoting job placement abroad

In 2025, the Argentine branch continued and strengthened its initiatives aimed at promoting training and employment for young people in the local area. In particular, collaboration with the "Escobar Produce" programme continued, which was developed in partnership with the local council and schools. It included guided tours of the company's facility for students at technical colleges, with the aim of introducing young people to the world of industry and production and enabling them to gain first-hand insight into how a manufacturing business operates.

The branch also organised meetings and training activities focusing on the topic of "first jobs", helping young people prepare for the world of work through information sessions run by the Human Resources Department on topics such as job hunting, CV preparation and attending job interviews.

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

At present, no structured objectives have yet been defined with regard to the communities concerned, but they will form a central part of the strategic plan currently being defined. Nevertheless, Alfaparf Milano's medium- to long-term objective is to strengthen its support to local communities, especially at its foreign branches. This will be achieved by continuing to fund ongoing projects and by identifying new projects to support through donations, direct volunteering, empowerment activities and the engagement of its employees and customers.

In addition, the Group intends to monitor the effectiveness of the actions taken by defining qualitative "indicators" tracked by the individual company departments involved in the projects. Specifically:

- the number and nature of projects implemented;
- the perceived quality of partnerships with local organisations (hospitals, foundations, associations);
- adherence to the company's values of solidarity and social responsibility.

Currently, no measurable level of ambition has been formally established, nor have standardised or comparable indicators been adopted to monitor progress over time. In the absence of a baseline reference period, it is not yet possible to objectively measure the evolution or growth of positive impacts.

RELATIONS WITH CUSTOMERS

The customer has always been at the centre of the Group's focus. Customer satisfaction - together with the high quality and innovation of products and services - forms the foundation on which Alfaparf Milano's growth strategy is based.

TYPE OF CUSTOMERS AND MARKETS

Alfaparf Milano deals with many different types of customers, depending on the distribution channel and their geographical location.
Currently, Alfaparf Milano brand hair products are mainly sold to the foreign market – although the Italian branch Beauty & Business is growing rapidly in terms of both turnover and distribution – through direct branches and a network of distributors focused on the Eurasia region. The customer categories are divided into:
• hairdressing salons, professional chains or professional/mass market hybrid stores;
• end consumers;
• supermarket chains;
• offline distributors, online distributors and beauty supply retail chains;
• importers.

The hair business remains focused on service to salons, but hairdressers now request products and services through alternative channels such as professional stores, hybrid stores (both professional and consumer), and both B2B and generalist beauty care-oriented online sites. The distribution of channels varies notably from one geographical area to another: in continental Europe, the traditional direct-to-salon sales channel continues to be dominant, while in the US, stores and online sales are significant and growing strongly (also because more than half of hairdressers rent chairs or work from home).
The marketing of skin care products, together with professional beauty equipment, currently dominates the Italian market, but there is a strong focus on development abroad.
In Italy, the company operates directly through exclusive agents in the professional beauty market.
Abroad, thanks to a network of distributors, depending on the characteristics of each market, the company targets:
• beauty centres;
• spas and day spas;
• aesthetic medicine clinics;
• pharmacies;
• department stores.

Lastly, the Third-Party Customers offer is directed towards a global market: the geographic location of the Group's production plants – Italy, Argentina, Brazil, Mexico and Venezuela – allows it to meet the needs of multinational companies with global distribution in both the professional and retail channels, as well as companies, local distributors and large-scale retail, all increasingly seeking innovation both in formulations and eco-sustainable materials.
In recent years, the beauty market has evolved rapidly, with growing demand for increasingly simple, accessible purchases integrated across multiple sales channels, both physical and digital. This transformation, accelerated in particular by the pandemic, has led to a significant expansion in the ways in which consumers – both professionals and end customers – choose and purchase beauty products. Alfaparf Milano, which has always been attentive to identifying and interpreting these dynamics, has developed a comprehensive and flexible offering tailored to the specific needs of each consumer target and distribution channel. The Group leverages its broad portfolio of brands, targeting both its product offering and communication to effectively meet the needs of diverse markets.
The Retail channel is a key element of this multi-channel approach, including both physical stores and digital platforms. Here, the focus is on developing customers in the Beauty sector, who distribute mass market and professional products to end consumers and small professionals. The development of the retail channel therefore translates into both the enhancement of dedicated brands – ranging from mass market to professional lines – and the expansion of e-commerce, a strategic channel experiencing strong growth. In the mass market segment, Alfaparf Milano has chosen a direct B2C strategy, with brands such as Alta Moda (Latin America) and Il Salone Milano (Eurasia and USA), which was further strengthened in 2024 with the acquisition of the Aphogee brand (USA), using a diversified channel network that includes beauty suppliers, fragrance stores, pharmacists, large-scale retail chains and digital marketplaces. The geographical areas with the greatest potential for development are Latin America, Europe and Saudi Arabia, while the company already has an established presence in the USA. In the professional retail channel, the range is focused on the distribution of professional resale lines (mainly Alfaparf Milano Professional and Yellow Professional), intended for both end consumers and professionals, with B2B and B2C sales through beauty suppliers and specialised eShops. The fastest-growing areas are Latin America, the USA, Eastern Europe and Asia.
Special attention is paid to the quality and image of the physical and digital points of sale where the Group's products are marketed: maintaining a professional and qualified positioning is an essential value for Alfaparf Milano in order to preserve brand reputation and guarantee a shopping experience consistent with the industry's standards of excellence.

E-COMMERCE

In 2025, Alfaparf Milano's e-commerce strategy continued to evolve, consolidating its position as one of the pillars of the Group's digital growth. The main objective is still to ensure a consistent, expert and distinctive online representation of the brands in the portfolio, particularly the resale lines, offering end consumers a shopping experience comparable to that of a professional offline store, in terms of both advice and service.
The approach has remained multi-channel and synergistic, with the active involvement of branches, distribution partners and vertical e-tailers specialising in beauty. This has not only expanded the digital coverage of the brands, but also strengthened the consistency of the Group's identity across various markets. This approach was further refined in 2025 through a structured management of the e-commerce channel, which distinguishes between e-tailer customers, proprietary direct-to-consumer platforms and marketplaces, each with specific operating models, collaboration arrangements and development objectives.
Significant progress has been made over the last few years in terms of content, user experience and online brand positioning. Specifically:
• Direct-To-Consumer (DTC) platforms in Italy and the United States has been enhanced with new features, such as personalised consulting services and digital diagnostic tools for the Hair Care lines, designed to replicate the salon experience;
• intellectual property protection has been extended to new markets – especially in Asia and America – to protect the value of the Alfaparf and Yellow brands online;
• digital content has been enriched to communicate sustainability values more effectively, integrating them into product descriptions and brand narratives such as Benvoleo, Semi di Lino and Il Salone Milano.

In 2025, these initiatives were accompanied by enhanced coordination and monitoring activities across all e-commerce platforms. This included the implementation of regular business reviews with e-tailer and marketplace clients, the ongoing exchange of operational and commercial data (e.g. sales, stock, promotional performance, returns and reviews) and the use of shared tools, such as digital libraries for updating product content.
Particular attention was also paid to overseeing the content and consistency of the information provided to end consumers, while guaranteeing compliance with corporate guidelines regarding claims, assets and communication, as well as to monitoring and managing feedback (reviews, complaints and returns) and implementing corrective and improvement measures where necessary.
The use of analytics and reporting tools was also stepped up in 2025, across both proprietary platforms and marketplaces, with a view to improving sales performance, optimising operational processes (product range, product availability, dispatch and returns) and enhancing the overall quality of customer service.
At the same time, e-commerce activities were further integrated through cross-functional coordination between the business functions involved (corporate e-commerce, marketing, IT, logistics, customer care and quality), ensuring a consistent customer experience throughout the entire purchasing process.
In line with the Group's sustainability objectives, measures were also introduced to improve the efficiency of operational processes, including from an environmental perspective, for example by reducing inefficiencies related to shipments and product returns.
Alfaparf Milano is now looking to the future, keeping a close eye on new trends such as Social Selling, with the aim of further harmonising digital content and experiences at a global level, strengthening the communication of ESG values and increasingly integrating digital platforms with the professional world, in a spirit of mutual respect and enhancement of both channels.

POLICIES RELATED TO CONSUMERS AND END-USERS

The Organisation has adopted – currently only for Italian entities – an integrated approach to managing the material impacts, risks and opportunities associated with its consumers and end-users, through the adoption of a Quality Policy[43]. This policy, which is based on the principles and requirements of ISO 9001:2015, ISO 22716:2007 and ISO 13485:2016[44], includes a careful analysis of the associated risks and opportunities, as well as constant monitoring of processes and performance. The main objectives pursued through the Quality Policy are to ensure that products are safe and comply with the applicable requirements, provide accurate and transparent information to consumers and end-users, deal effectively with any complaints or reports, and promote high levels of customer satisfaction. In drafting the document, the interests and expectations of the Group's key stakeholders (customers, suppliers, employees, supervisory bodies and local communities) have been taken into due consideration and integrated into the definition of the strategic priorities and objectives of the Integrated Management System. This analysis has been essential in defining a shared commitment to excellence, transparency towards customers and the protection of health and safety.
The scope of action extends across all areas in which the company operates, with a focus on operations in Italy and, where applicable, also on international markets, in line with the Group's expansion strategy[45].

[43] Available on the company website.
[44] In addition to Model 231 of Italian Legislative Decree 231/2001, it complies with AEO (Authorised Economic Operator) standards for customs simplification and security.
[45] Any exclusions only concern activities not related to the core business or outsourced activities that are not under the direct control of the Quality Management System. Such cases are handled in accordance with current regulations.

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In particular, the Quality Policy applies to activities relating to the development, production, marketing and distribution of products, as well as to the management of product information, customer service and complaints. Its scope covers both the upstream value chain, namely suppliers, subcontractors, raw materials and packaging, and the downstream value chain, namely business customers, distributors, e-commerce platforms, consumers and end-users.
The policies adopted with regard to consumers and end-users are set out in the Guidelines of the Beauty & Business Integrated Management System (IMS) Manual, together with the applicable mandatory provisions and in full compliance with national and international regulations, including the United Nations Guiding Principles on Business and Human Rights and the OECD[46] Guidelines for Multinational Enterprises. When implementing these controls, reference is also made, where applicable, to international standards relating to quality management systems, Good Manufacturing Practices for the cosmetics sector, the regulatory and customs requirements applicable of each target market, and any further standards required by customers, certification bodies or specific product categories. The Integrated Management System incorporates these standards into all downstream stages of the value chain, from distribution to after-sales, through constant controls, audits and monitoring mechanisms. The Integrated Management System incorporates these standards at every stage of the value chain, from product design and development through to distribution, customer service and after-sales management, through checks, audits, complaint monitoring, customer satisfaction surveys and periodic reviews aimed at the continuous improvement of performance and the quality of the products and services offered.

[46] The periodic checks carried out have not revealed any significant violations of the principles of the United Nations Global Compact or the OECD guidelines along the downstream value chain, in particular in relation to the protection of consumer and end-user rights.

PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

Alfaparf Milano is committed to supporting its customers, helping them develop both their turnover and their technical and artistic expertise by offering high-quality products, personalised services, training and consultancy.

The approach for engaging consumers and end-users, as well as their representatives, is divided into several stages and focuses on collecting and identifying customers' opinions on the impacts, risks and opportunities related to sustainability issues.

For the Haircare Business Unit, customer relations are managed through a network of sales representatives and exclusive agents, assisted by distributors and supported by a sales organisation comprising Sales Directors and Area Managers. Abroad, contact with distributors is almost daily: discussions range from commercial issues (strategies, targeting, promotion) to customer service, order management and complaints. Furthermore, contact with professional clients is ongoing, supported by training initiatives delivered in-salon, at the academy or remotely, as well as by the increasing availability of training content on the Group's digital and social media channels.

For the Skincare Business Unit, customer relations in Italy are managed through a network of direct agents, Beauty Specialists and the Training Academy in Bergamo. Customers are visited every two months, with a primary focus on commercial and marketing matters. At international level, Export Managers oversee relations with distributors and customers, providing ongoing remote support and carrying out regular on-site visits. These visits are aimed both at training staff on new product ranges and supporting sales through seminars and master classes.

The Third-Party Customers Business Unit follows a structured approach, enhancing its market visibility through participation in trade fairs and its membership in the Group. Globally recognised know-how and expertise attract customers seeking an industrial partner capable of developing formulations that comply with international standards and support production on a global scale. Trade fairs are the main initial point of contact, followed by dedicated meetings at our offices to present bespoke solutions.

In its daily activities, the Group promotes an integrated and direct approach to identifying and understanding the needs, expectations and feedback of end consumers, ensuring constant and transparent dialogue that helps to continuously improve the products and services offered. Feedback is gathered through surveys, customer support, product testing and events, and is incorporated into decision-making, audit and risk management processes.

The main points of contact and listening points include:

- digital channels and social media;
- industry events and specialist trade fairs;
- customer care and after-sales support services;
- collaborations with distributors and retail outlets;
- targeted commercial initiatives and engagement activities;
- brand awareness initiatives, including media campaigns and the distribution of product samples.

These tools help consolidate the relationship of trust with consumers and support Alfaparf Milano's mission to offer high-quality and innovative products.

As a testament to this commitment, in 2025 engagement with professional clients was further strengthened through dedicated initiatives such as "Yellow Professional Crew", designed to support the growth of partner salons with exclusive benefits, training, digital tools and private events. At the same time, numerous international events and immersive experiences were organised – including events in Colombia, Guatemala, Poland and Ibiza, which attracted over 1,000 customers from 22 countries – helping to build a global community and foster long-term relationships. This approach was also implemented at a local level through

targeted initiatives: in Argentina, through an integrated plan combining marketing, training and multi-channel engagement; in Colombia via events, training courses and management seminars for over 1,000 professionals; and in El Salvador through technical certification programmes and the creation of digital educational content. These activities are accompanied by initiatives for distributors and international partners, including meetings, training sessions and participation in trade fairs, all designed to strengthen commercial relationships, promote product innovation and consolidate the brands' positioning across various markets.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

The Group has established structured procedures to identify, analyse and address any negative impacts on consumers and end-users. Specifically, the handling of complaints relating to cosmetic products, equipment and after-sales services plays a key role in the success of the business. The Group has set up multiple channels to enable customers express their concerns and receive assistance, for example telephone customer service, e-mail support and a dedicated section on the website. The Group also collects reports and feedback through other channels of contact and engagement, such as e-commerce platforms, social media, direct messaging systems, online reviews and ratings, as well as through distributors, business

customers and commercial partners who act as an interface with the end consumer. In addition, during regular meetings and discussion forums, opportunities for direct dialogue with representatives and trusted delegates are set up to share experiences and suggestions.

Any complaints collected through these channels give the Group the opportunity to review and improve, where necessary, its operational processes, procedures, systems, products and services, while also improving the relationship of trust with consumers and end-users. Each complaint is handled by the branches using a specific form and, in all cases, is subject to an internal verification procedure. At the end of the procedure, the customer is informed of the corrective actions identified, which are monitored with specific performance indicators to verify their effectiveness and ensure timely response, in line with the requirements of the Quality Policy. The results of the actions taken are constantly monitored through audits and performance indicator (KPI) analyses, ensuring that the measures effectively mitigate negative impacts and prevent the recurrence of critical issues. This approach, integrated into the Management System, ensures that every intervention is geared towards continuous improvement, in line with the quality and ethical standards set and with applicable international regulations.

The Group has also incorporated specific processes into its relationships with counterparties and commercial agreements, to ensure the availability of communication and assistance channels for consumers and end-users. In particular, contracts with distributors, retailers and partners include clauses requiring:

- the adoption of assistance and communication systems that comply with company quality standards and enable consumers to report problems and receive support directly;
- the sharing of guidelines and best practices on transparency and complaint management, as outlined in the Group's Quality Policy and Code of Ethics documents;
- the organisation of training and refresher sessions for partners, aimed at ensuring that communication tools are always efficient and in line with Alfaparf Milano's expectations;
- periodic monitoring through audits and compliance checks to assess the effectiveness of these channels and their ability to gather useful feedback to guide the company's strategic decisions.

Should a critical issue arise involving parties in the value chain, the Group works with suppliers, contractors, distributors and other business partners to analyse the causes of the incident and identify the most appropriate measures to resolve and prevent it.

These processes ensure that the Group's commitment to quality and transparency extends throughout the entire value chain and that every business partner actively contributes to managing impacts on consumers[47].

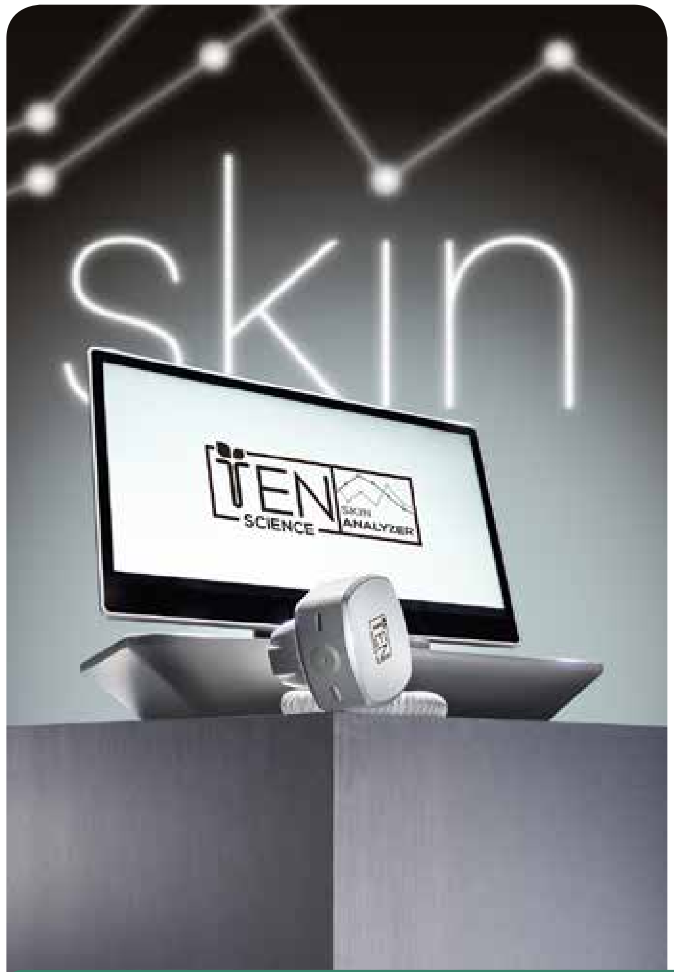
TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END-USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND EFFECTIVENESS OF THOSE ACTIONS

Although the Group did not identify any material negative impacts on consumers or end-users during the reporting period, it has established a structured plan to ensure ongoing dialogue and clear, accessible information for all stakeholders, with a view to managing any such impacts appropriately.

The action plan designed to manage material impacts, risks and opportunities for consumers and end-users is based on an integrated approach that combines operational actions, technological investments and specific training, with implementation timelines defined according to the nature and complexity of each initiative. Some of the main actions[48] implemented during the reporting year are highlighted below[49]:

- the optimisation of feedback collection channels, through digital customer care channels, e-commerce, social media platforms and direct interaction systems, including a dedicated section on the corporate website that enables consumers to submit complaints and reports directly and transparently. These tools are supported by internal and external audits and have helped to strengthen customer experience monitoring and improve the quality of the service provided;
- the implementation of standardised procedures for root cause analysis and identification of triggers for any negative impacts has enabled corrective and preventive action plans to be drawn up involving area managers and dedicated teams, ensuring a rapid and coordinated response in the event of reports;
- continuous monitoring of the effectiveness of the actions taken, through performance indicators (KPIs) and follow-up audits to assess the impact of corrective measures and make further adjustments with a view to continuously improving perceived quality and reducing the recurrence of critical issues;
- the development of educational and awareness programmes for both professional users (e.g. hairdressers and partner salons) and end consumers to promote conscious, safe and sustainable use of cosmetic products;
- the launch of specific communication and training campaigns on proper product use and best environmental and social practices that contribute to improving personal well-being and social awareness among users;
- the development of brand engagement and promotion initiatives for both distributors and end consumers, through media campaigns, promotional activities, participation in international trade fairs, and technical and commercial training programmes. The aim is to strengthen the quality of customer relationships, improve the shopping experience and consolidate the competitive positioning of the Group's brands;
- the development and introduction of more sustainable products (e.g. sustainable packaging, reduced environmental impact, safe and certified ingredients) to respond to consumers' more deeply felt environmental and social needs;

[47] There do not appear to be any formalised independent complaint mechanisms specifically designed for end consumers.
[48] For further information on the measures implemented, please refer to the section "Processes for engaging with consumers and end-users about impacts".
[49] The actions extend throughout the Group's value chain and cover various operational and geographical areas. Alfaparf Milano's facilities and commercial operations are present both nationally and internationally, with activities involving markets in Italy, Europe and other regions globally.



• the launch of partnerships with associations and NGOs for charitable and social initiatives aimed at supporting local communities and vulnerable groups, strengthening the Group's positive social contribution and consumer confidence.

The results achieved through the implementation of these initiatives, such as improved response times, fewer repeated complaints and increased customer satisfaction levels, demonstrate the effectiveness of the measures taken. These actions are an integral part of the Group's ongoing commitment to ensuring the quality and safety of its products and services, in line with its internal processes and adopted standards.
For the future, the Group has planned further actions, such as:
• the implementation of advanced digital platforms for real-time feedback monitoring and data analysis, which will enable critical issues to be anticipated and handled even more effectively;
• the further expansion of training programmes, involving consumer representatives and stakeholders to ensure that skills are constantly updated.

QUALITY AND SAFETY OF PRODUCTS ON OFFER

For Alfaparf Milano, product quality and safety represent two fundamental pillars of its business and are essential requirements for maintaining and strengthening the Group's competitiveness and reputation in the market.
Safety and compliance with European and international cosmetics regulations are guaranteed for all products developed and marketed under its brand, as well as those manufactured for third-party customers. This is made possible by a solid and skilled company structure, responsible for defining formulation guidelines and implementing rigorous controls throughout the production process. In-depth knowledge of the raw materials used, combined with the support of independent external laboratories, enables us to effectively accompany all stages of product development and evaluation.
Given the Group's commercial presence outside the European Union, the Parent Company's Regulatory Office works closely with regional teams to ensure full compliance with regulatory requirements in foreign markets.
To guarantee the safety of cosmetics, where required, products undergo skin compatibility patch tests and challenge tests to verify the effectiveness of the preservative agent. A careful assessment of the potential impacts on the health and safety of the end consumer or professional for whom the product is intended is also carried out. Product warnings are drawn up in accordance with the European Cosmetics Regulation and, where applicable, supplemented by national regulations. The instructions for use are written clearly to avoid misinterpretation and ensure safe use of the product.
The Group relies on various professionals specialised in product safety assessment, who ensure high levels of technical expertise and timely intervention to minimise the risk of developing, producing or placing non-compliant products on the market.
Thanks to its structured product development procedure, ongoing review of formulas, claims and graphic content, as well as the tools and safeguards in place, no confirmed cases of sanctions or warnings related to the health or safety of the products and services offered were recorded in 2024. Similarly, there were no incidents of non-compliance in terms of labelling or product information.

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

The Group is committed to ensuring transparency of information regarding the services it offers, in line with its policy and the health and safety of its consumers and end-users.
In order to prevent potential risks and negative impacts, in accordance with the Quality Policy and the Code of Ethics, the Group aims to inform and train its staff on the use of artificial intelligence in customer communications, and to further strengthen contact with foreign branches. With regard to potential risks associated with the products offered, the Group aims to enhance information-sharing and direct communication with customers, focusing on the correct use of products and the provision of continuous remote training.
Although a set of quantitative targets specifically relating to the impacts on consumers and end-users has not yet been formalised, the Group, taking due account of its stakeholders' interests and views[50], has defined the following strategic objectives[51]:
• continually reducing the number of complaints and average response times to consumer reports, through improvements to the quality of products, services and issue-resolution processes;
• increasing overall customer satisfaction and loyalty, monitored through specific periodic surveys and a structured feedback collection process;
• strengthening digital and e-commerce channels, expanding product information content and developing tools to assist with product selection, with a view to improving the consumer experience;
• improving service standards and monitoring reviews and ratings, whilst promoting transparency and dialogue with customers;
• strengthening product durability and reliability, and developing communication and brand awareness initiatives for consumers and end-users.

In this context, the Group will continue to consolidate its monitoring and continuous improvement processes, with the goal of defining increasingly structured and shared targets to support long-term service quality and customer satisfaction.

[50] For further information on the measures implemented, please refer to the section "Processes for engaging with consumers and end-users about impacts".
[51] In order to monitor the actual achievement of objectives on an annual basis, the Group uses absolute measurements (e.g. absolute number of complaints, response days) and, in some cases, particularly with regard to customer satisfaction, relative indicators (percentage improvement compared to previous periods). The targets are generally set on an annual basis, with regular monitoring and a review at least once a year. Some improvement initiatives, particularly those relating to product robustness, customer satisfaction, digitalisation, the supply chain and supplier management, may span several years and involve gradual updates to the operational plans of the relevant departments.

INFORMATION ON GOVERNANCE

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RESPONSIBLE BUSINESS MANAGEMENT

BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

The Corporate Governance system adopted by Alfaparf Milano is a fundamental tool for ensuring effective business management and, in the long term, guaranteeing the creation of value for all stakeholders.

The Group is constantly committed to maintaining and strengthening its corporate governance system. It firmly believes that adequate governance aligned with national and international best practices is a key element in improving its economic, environmental and social performance, increasing its competitiveness, and consolidating its ability to attract and retain resources.

To monitor this conduct over time, the Group manages any related impacts and risks, including those relating to corruption, through the adoption and regular updating of the Organisation Model pursuant to Italian Legislative Decree 231/2001 and the Code of Ethics[52].

These documents set out a series of guidelines and principles designed to ensure efficient and ethically responsible business management, while promoting an internal culture based on mutual respect, team spirit and shared responsibility throughout the value chain.

The choice to voluntarily adopt an Organisation and Management Model 231 is part of the company's broader policy of raising awareness of transparent and fair management in compliance with current legislation and with the fundamental principles of business ethics in pursuing its corporate purpose. The document is addressed not only to senior management, employees and collaborators, but also to all other stakeholders involved in various capacities, such as customers, shareholders, suppliers and partners[53]. The aim is to encourage behaviour inspired by transparency, proper management, trust and cooperation in the performance of activities carried out in or with the Organisation.

To verify practical application of the Model's operational principles and the presence and/or application of formalised process management procedures, the Supervisory Body periodically checks the Special Section of the Model, especially through interviews with those responsible for the relevant activities[54].

With regard to the topic of anti-corruption, a control system is in place to prevent cases of corruption or any other types of relevant offence. This system is based on certain key control principles, such as process ownership, according to which each business process must be managed by a specific process owner, while powers and responsibilities must be clearly defined and recognised. The Model, which also regulates offences relating to corruption and unfair competition, is made available to all staff of the Italian branch through the website. Upon hiring, employees are provided with a copy and are requested to read it.

The focus on ethics is essential to guarantee the reliability of the Group's behaviour towards its stakeholders, and more generally towards the entire civil, economic and social context in which the Group operates. From this perspective, the Code of Ethics defines the set of values that Alfaparf Milano recognises, accepts and shares and the set of responsibilities it assumes internally and externally. The company must adopt ethical conduct, which not only means complying with the law, but also establishing a healthy relationship with the environment, adopting policies that respect the individual, and more generally playing a positive role in the economic context and social area in which it operates. The new Code of Ethics has been translated into the four main languages of the Group and is made available to all employees on the website[55].

An internal whistleblowing mechanism is also in place for reporting and subsequently assessing any non-compliant behaviour[56]. This mechanism allows both individuals inside and outside the Group to report alleged violations of EU and national laws, as well as internal regulations and codes. The whistleblowing channel uses IT procedures, both verbal and in writing, through dedicated software that guarantees the confidentiality of the whistleblower's identity and the facts reported (for more details, please refer to the section "Processes to remediate negative impacts and channels for own workers to raise concerns").

In the event of violations, the SB or the Committee established pursuant to Italian Legislative Decree 24/2023 is responsible for taking action and, through the Human Resources Department, proposing corrective measures, including disciplinary sanctions, against the responsible parties, proportionate to the severity of the alleged facts. This system is designed to cover both cases involving employees and those involving external collaborators and business partners. In addition, the conduct policy is subject to periodic updates to reflect any changes in legislation or respond to new challenges and emerging sensitivities, ensuring ongoing alignment with best practices and national and international standards.

Responsibility for implementing policies relating to corporate conduct lies with the Board of Directors, which is tasked with strategic guidance and overall supervision. The Board of Directors, in turn, has granted powers to individual members and executives with the aim of managing day-to-day operations in full compliance with the ethical guidelines. The Board of Directors is also kept up to date through regular quarterly or half-yearly reports[57].

[52] Relating to the Italian Beauty & Business branch.
[53] Since the adoption of the 231 Model, 100% of the contracts and investment agreements made by Beauty & Business S.p.A. include a note requesting compliance with the company's Code of Ethics and 231 Model, while pre-existing suppliers have been informed of the adoption of the 231 Organisation Model, and have been asked to read it.
[54] Tricobiotos has also set up a Supervisory Body.

[55] For more information, please refer to the Code of Ethics.
[56] Relating to the Italian Beauty & Business branch and Xanitalia.
[57] In serious cases, the SB issues an extraordinary communication, promptly informing the Board of Directors and, if necessary, the Board of Statutory Auditors.

PREVENTION AND DETECTION OF ACTIVE AND PASSIVE CORRUPTION

As previously explained, in order to prevent, identify and manage allegations or cases of active and passive corruption, the Group has adopted a Code of Ethics and an Organisation, Management and Control Model pursuant to Italian Legislative Decree No 231/2001 (for further information, please refer to the section "Business conduct policies and corporate culture").
The company considers transparency and integrity to be essential values and, for this reason, provides new employees with practical tools to recognise and prevent any situations of risk: starting from when they are hired, the Italian Beauty & Business branch offers new employees a training course on occupational health and safety, providing them with a clear overview of corporate practices and the core principles that govern work within the company. The course also provides guidance on company policies (e.g. the QHSE Policy) and the Code of Ethics, with the aim of ensuring that all employees immediately understand the rules of conduct, obligations and prohibitions, including those relating to the fight against corruption.
The course illustrates anti-corruption principles, with practical examples of how to avoid conflicts of interest and unlawful conduct, especially in interactions with suppliers, customers and public administrations. In addition, participants are informed about the whistleblowing system.
Through this structured training, Beauty & Business is committed to creating a working environment based on legality, responsibility and compliance with regulations, providing its employees with the tools to operate ethically and contribute actively to the prevention of corruption.
Some foreign branches also organise training sessions on ethics and integrity in business conduct to prevent any cases of active or passive corruption. Additionally, upon hiring, all new employees and collaborators are guaranteed access to the Group's Code of Ethics.

INCIDENTS OF CORRUPTION OR BRIBERY

During the reporting period, one case of corruption was reported by the branch in El Salvador. During internal audits of the client portfolio, it emerged that a sales consultant was receiving remuneration without declaring it. The matter was reported to the relevant authorities and the employee was dismissed.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Alfaparf Milano directly controls the entire value chain, from research and innovation to the production, marketing and worldwide distribution of its products. It has implemented a management system through which it identifies the percentage of expenditure concentrated on local suppliers, as well as the weight and volume of materials purchased.
The strategic management of the procurement process is ensured by the Global Procurement Department which, through its dedicated team, guarantees transparent supply chain control and the efficiency and traceability of the purchasing and order management process.
To ensure greater transparency and traceability of the entire purchasing process, the Group changed its world-wide purchasing procedure and, thanks to the IUNGO[58] portal, was able to automate the management of orders, assess supply chain performance and, at the same time, continuously monitor the life cycle of orders.
The Corporate Department coordinates the local purchasing departments, although there is also a logic of competition between the different branches.
The centralisation of the procurement department at corporate level has led to the achievement of the correct Total Cost of Ownership (TCO), enabling increasingly effective and efficient monitoring of the purchasing management process, while maintaining the highest level of product quality and delivery accuracy. The consolidation of spending and the aggregation of volumes have allowed for better, more efficient monitoring of the entire Group purchasing process, and has made it possible to benefit from greater economies of scale, create synergies between the individual branches and increase the number of qualified suppliers, stimulating continuous improvement and process standardisation.
The main advantages achieved through centralisation and through the actions undertaken in recent years have been:
- consolidation of spending and aggregation of volumes, resulting in economies of scale (in terms of greater discounts linked to greater volumes ordered);
- centralised professional skills (extension of know-how) and "contamination" of skills among different branches (Group power);
- opportunities for synergies among branches;
- Group suppliers oriented to improving and standardising processes and to increasing qualified suppliers.

[58] Communication portal between the Italian branch and its suppliers.

FOCUS ON

PILLARS OF THE GLOBAL PROCUREMENT DEPARTMENT

The entire activity of the Global Procurement Department is based on four fundamental pillars:

ACTIONS

BUY RIGHT
- Competitive, transparent and traceable offering
- Analysis of TCO, not just price
- Product standardisation

BUY CHEAPER
- Framework agreements with selected suppliers
- Group procurement of raw materials with higher yield and lower production costs
- Optimisation of the quantities ordered

BUY LESS
- Less consumption due to better yield in the production phase
- “Make or buy” (insourcing)
- Lower raw material obsolescence

OPPORTUNITY

BEST PRACTICES
- Identification of best practice among branches
- Sharing and implementation of these standards worldwide
- Considering the peculiarities of individual situations

SUPPLIER SELECTION

Alfaparf Milano fosters and encourages business relations with partners who share the same values of ethical, social and environmental commitment. It only includes suppliers in its supply chain who have undergone a strict qualification process, in order to reduce any risks of non-compliance and be provided with guarantees of reliability, responsibility and quality. In fact, the Group pursues an all-round concept of sustainability that is effective, concrete, measurable and, where not feasible (due to technological or compatibility limitations), can be offset: a sustainable supply chain allows the organisation to be evaluated as a whole, from the origin of the products to their sale.
In line with the market and economic-environmental requirements, Alfaparf Milano has chosen to adopt a proactive 4 R approach when selecting its suppliers: Re-think, Re-use, Reduce, Re-cycle. The Procurement Department thereby seeks, studies and promotes solutions in line with this guideline and selects suppliers and partners who, in the field of raw materials and industrial design, meet the fundamental requirements of:
- technological innovation, i.e., the use of state-of-the-art, low-energy consumption machinery, technologies compatible with the use of innovative and sustainable materials and techniques;
- packaging redesign through weight reduction, resulting in lower material consumption and improved product design, in order to reduce footprint and CO_2 emissions;
- use of raw materials from renewable sources;
- use of packaging with significant percentages of recycled material;
- proposal of certified materials or processes (PSV Second Life Plastic, FSC paper and cardboard, etc.);
- achievement of environmental and social certifications (e.g., ECOVADIZ, B-CORP etc.).

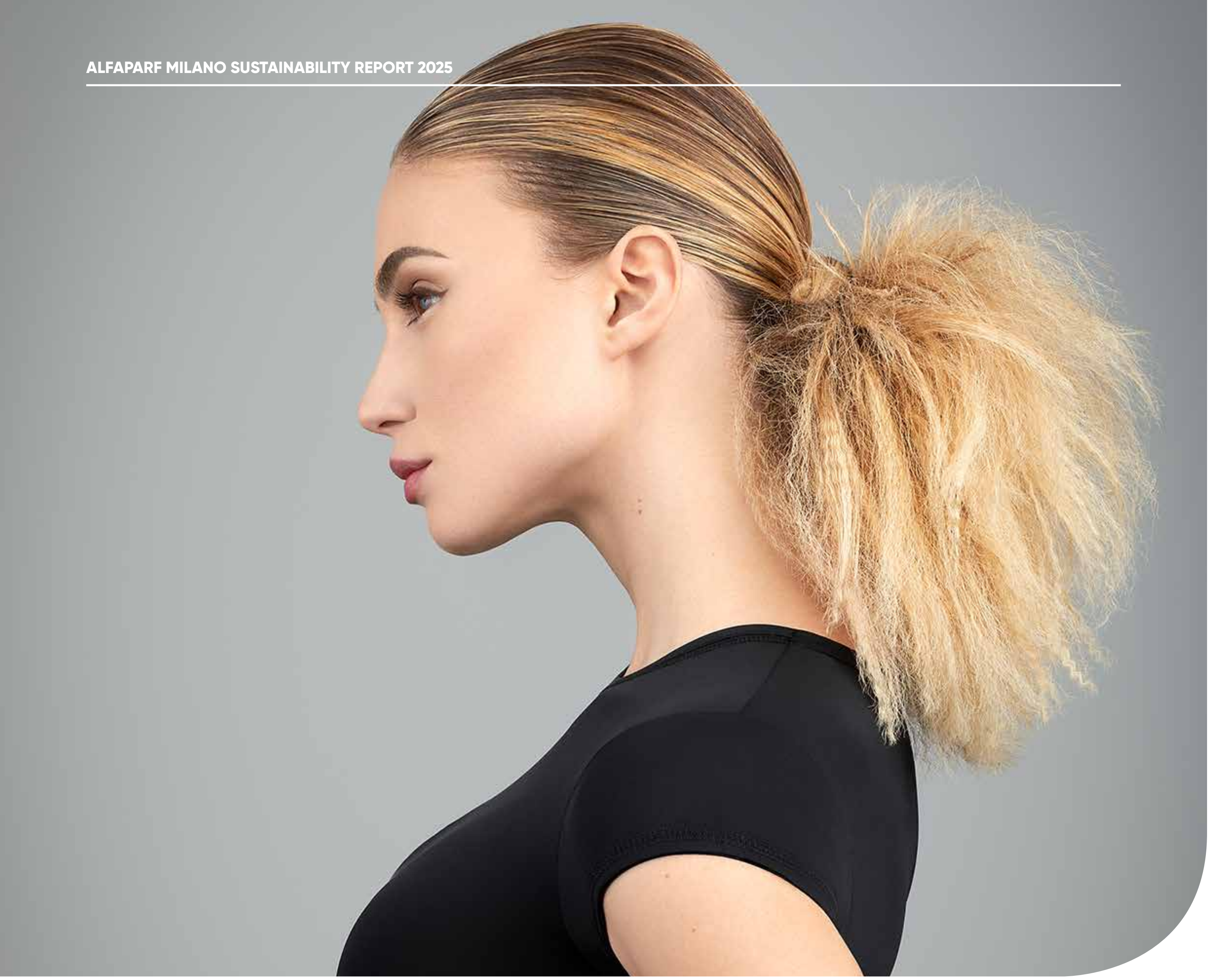
Suppliers are not considered if they fail to meet the above requirements; furthermore, in the contract phase, all new suppliers are required to subscribe to the Organisation Model pursuant to Italian Legislative Decree No 231 adopted by the Group, including the Code of Ethics. Alfaparf Milano launched a structured process in 2025 to develop a Supplier Code of Conduct, with the aim of formalising and sharing ethical, social and environmental principles and standards throughout the entire supply chain. Drawn up in line with the key regulatory frameworks and international standards relating to human rights, labour, the environment and business ethics, the document sets out the Group’s expectations of its business partners, promoting responsible practices and an approach geared towards the continuous improvement of ESG performance. From 2026 onwards, the Supplier Code of Conduct will be progressively incorporated into supplier qualification and management processes, becoming an integral part of the contractual documentation and an essential condition for the execution of contracts, orders and commercial relationships.
To make supplier selection even more effective, the current qualification procedure includes two main steps when initial contact is made with a new supplier:
- submission of a pre-qualification questionnaire containing a series of ethical and social responsibility-related questions to assess the supplier’s approach to these issues from the very first contact;
- once the answers to the pre-qualification questionnaire have been reviewed, the commercial offer is evaluated, and the financial position of the individual supplier, organisational structure, certifications held, policies and activities in place in the area of sustainable development and safety are examined;
- for suppliers who have a direct impact on the quality of finished products, inspections are conducted to ensure compliance with company standards[59];
- continuous monitoring of suppliers based on performance indicators (KPIs), such as compliance with delivery times, percentage of non-conformities found, supplier response time and compliance with quality certifications.

The implementation of a new e-procurement portal is also underway to reach out to and monitor an increasing number of suppliers. The portal will allow cross-level comparisons and simulations to identify and select the best suppliers. In addition, for each type of order, it will be possible to define the actions and feedback required from each business partner such as confirmation on quantities and delivery dates. Requests for quotations (RFQs) will also be sent through the e-procurement platform to suppliers involved in a tender or a purchase analysis[60].

COMMITMENT TO A RESPONSIBLE SUPPLY CHAIN: THE PATH TOWARDS COMPLIANCE WITH THE EUDR

The Group’s Italian branches launched an analysis of the current situation in 2025, taking into account the products concerned, the structure and complexity of the supply chain, as well as the applicable regulatory obligations, with a view to drawing up a roadmap for compliance with Regulation (EU) 2023/1115 (EUDR).
The raw materials used in the relevant Alfaparf Milano products are specifically wood, rubber and palm oil.
The analysis made it possible to assess the maturity level of the organisation’s processes, by examining the tools, procedures and policies currently implemented and their ability to provide adequate evidence to demonstrate compliance with the obligations established in the Regulation.
Based on this assessment, any gaps in meeting regulatory requirements were identified and appropriate monitoring and improvement measures were outlined, in order to strengthen the compliance system and ensure full adherence with the regulations.

[59] If a supplier shows critical issues or levels of service below the required standards, the company may decide to place it in the “Qualified with Reservation (QR)” category, providing for further checks and corrective actions.
[60] In 2024, the e-procurement software Ivalua was implemented (initially in Italy and later also in the various branches), through which the processes related to transparent communication with suppliers, information gathering and service assessment was strengthened.



At the same time, to prevent and mitigate potential risks associated with the management of a global supply chain through a due diligence system, Alfaparf Milano launched a structured programme in 2025 to monitor and assess its value chain by joining the Sedex platform, with the aim of strengthening the management of social, ethical and environmental risks across the supply chain. The project will be fully operational during 2026.
The initiative was undertaken on a voluntary basis, despite developments in the European regulatory framework – in particular following the Omnibus package – having redefined the thresholds for the application of the Corporate Sustainability Due Diligence Directive (CS-DDD), exempting the Group from formal due diligence obligations across the value chain. By using the Sedex platform, the company has therefore equipped itself with tools for collecting, analysing and sharing data relating to suppliers' ESG performance, including self-assessment questionnaires, risk assessment systems and third-party audits (SMETA), thereby adopting a structured and progressive approach to managing risks across the supply chain.
In addition to the above, Alfaparf Milano diversifies its suppliers and favours local suppliers where possible, thereby reducing environmental impact and the risk of logistical disruptions. 100% of new suppliers were selected on the basis of social criteria in 2025[61].

[61] The social criteria for selecting suppliers are listed below: respect for human and labour rights (in line with ILO standards; guarantee of regular contracts for employees and social security contributions; provision of personal protective equipment (PPE) and compliance with occupational health and safety regulations (Italian Legislative Decree 81/08); no convictions for corruption or crimes against the Public Administration; implementation of a Code of Ethics, Organisation and Management Model 231 and, where possible, social responsibility certifications such as SA8000.

CREATION AND DISTRIBUTION OF WEALTH[62]

Alfaparf Milano pays particular attention to its ability to create value, not only in terms of profit, but also in terms of generating wealth and employment within the social fabric in which the Group operates.

CONSOLIDATED INCOME STATEMENT[63] (Euro/000)

	2024	2025
EBITDA	106,576	107,516
EBITDA%	23%	22%
EBIT	84,602	85,987
EBIT%	19%	18%
Financial charges	(8,124)	(5,259)
EBT	76,478	80,728
EBT%	17%	17%
Taxes for the year	(21,875)	(27,056)
Profit (loss) for the year	52,094	56,672
Profit (loss) minority interest share	2,510	2,413
NET INCOME	54,604	56,085
NET INCOME%	12%	12%

REVENUE BY GEOGRAPHIC AREA (Euro/000)

2024

	Hair	Skin	Other	TOTAL
EMEA and Asia Pacific	180,353	31,143	10,517	**222,013**
USA	64,021	92	0	**64,113**
LATAM	159,197	651	0	**159,848**
TOTAL	**403,571**	**31,886**	**10,517**	**445,974**

2025

	Hair	Skin	Other	TOTAL
EMEA and Asia Pacific	190,527	42,407	8,912	**241,847**
USA	63,779	67	0	**63,846**
LATAM	158,393	22,253	0	**180,646**
TOTAL	**412,700**	**64,726**	**8,912**	**486,339**

[62] The information provided in this section has been supplemented with indicators required by the GRI Standard that refer to issues not covered by the ESRS.
[63] The Income Statement has been reclassified according to IAS/IFRS accounting principles .

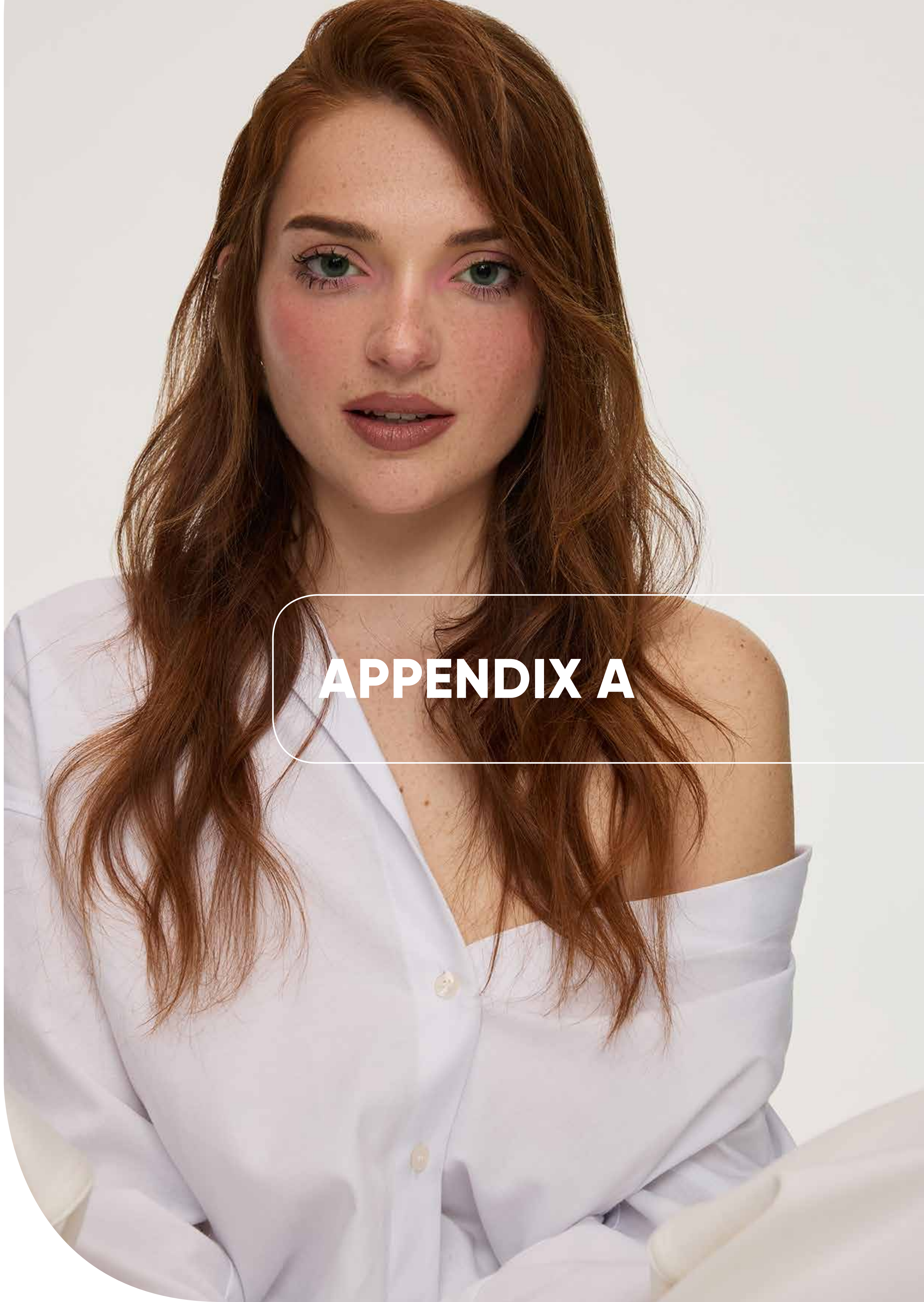
The economic value generated and subsequently distributed by the Group to its stakeholders provides an understanding of how the Organisation produces wealth and redistributes it among the various parties it interacts with. The data are taken from the Consolidated Income Statement for financial year 2025, restated for the purpose of highlighting the value directly generated and its allocation among internal and external stakeholders.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED BY ALFA PARF GROUP S.P.A.
(Euro/000)

	2024	2025
Revenues	445,975	486,339
Other financial	17,907	5,831
Financial income	13,553	9,524
Total economic value generated by the Group	**477,435**	**501,693**
Operating costs	248,328	269,104
Staff remuneration	108,797	114,133
Remuneration of lenders	18,553	14,031
Remuneration of Public Administration	21,875	27,056
Donations	535	465
Total economic value distributed by the Group	**398,088**	**424,789**
Total economic value retained by the Group	**79,347**	**76,904**

During 2025, the Group distributed an economic value of €425 million, corresponding to 84% of the total generated value. The distribution of wealth generated represents an important point of convergence between the economic and social dimensions of business activity, offering a concrete insight into how resources are reinvested in the socio-economic system in which the Group operates.
The **economic value generated** includes the Group's net revenues, i.e. operating revenues and other operating income, net of any credit losses. The **economic value distributed**, on the other hand, is broken down by stakeholder category and includes not only operating costs but also the resources used to remunerate the main stakeholders, including:
• remuneration of **employees** (including direct remuneration, consisting of wages, salaries and severance pay, and indirect remuneration, consisting of social security contributions, for all employees;
• the remuneration of **lenders** (including interest expense and exchange losses);
• remuneration of **investors** (including dividends distributed);
• remuneration of the **Public Administration** (including all taxes paid, current and deferred);
• remuneration to the **Community** (including all donations in cash and in kind, and sponsorship).

The **retained economic value**, calculated as the difference between the value generated and the value distributed, includes amortisation/depreciation of tangible and intangible assets and provisions, representing resources that have been reinvested to support future growth and ensure the Group's financial strength.



The ESRS Content Index is provided below, listing the disclosure requirements that the Group has fulfilled in preparing its sustainability statement, based on the results of the materiality assessment:

Disclosure requirements	Page numbers
ESRS 2 - GENERAL INFORMATION	
BP-1 – General basis for preparation of sustainability statements	Page 10
BP-2 – Disclosures in relation to specific circumstances	Page 12
GOV-1 – The role of the administrative, management and supervisory bodies	Page 22
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Page 26
GOV-3 – Integration of sustainability-related performance in incentive schemes	At present, the incentive schemes and remuneration policies in place within the company do not address sustainability issues
GOV-4 – Statement on due diligence	Page 27
GOV-5 – Risk management and internal controls over sustainability reporting	The Group has not currently defined a structured internal controls process relating to sustainability reporting
SBM-1 – Strategy, business model and value chain	Page 29
SBM-2 – Interests and views of stakeholders	Page 41
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Page 48
IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	Page 63
IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Page 67
MDR-P – Policies adopted to manage material sustainability matters	Please refer to the MDR-Ps disclosed in the Topical Standards below
MDR-A – Actions and resources in relation to material sustainability matters	Please refer to the MDR-As disclosed in the Topical Standards below
MDR-M – Metrics in relation to material sustainability matters	Please refer to the MDR-Ms disclosed in the Topical Standards below
MDR-T – Tracking effectiveness of policies and actions through targets	Please refer to the MDR-Ts disclosed in the Topical Standards below
ESRS E1 – CLIMATE CHANGE	
ESRS GOV-3 – Integration of sustainability-related performance in incentive schemes	Currently, the company's incentive systems and remuneration policies do not address sustainability issues
E1-1 – Transition plan for climate change mitigation	Page 72
ESRS SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Page 48
ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Page 63
E1-2 – Policies related to climate change mitigation and adaptation	Page 73
E1-3 – Actions and resources in relation climate change policies	Page 74
E1-4 – Targets related to climate change mitigation and adaptation	Page 77
E1-5 – Energy consumption and mix	Page 78
E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Page 82
ESRS E3 – WATER AND MARINE RESOURCES	
ESRS 2 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	Page 63
E3-1 – Policies related to water and marine resources	Page 84
E3-2 – Actions and resources related to water and marine resources	Page 84
E3-3 – Targets related to water and marine resources	Page 85
E3-4 – Water consumption	Page 86

Disclosure requirements	Page numbers
ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY	
ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Page 63
E5-1 – Policies related to resource use and circular economy	Page 88
E5-2 – Actions and resources related to resource use and circular economy	Page 88
E5-3 – Targets related to resource use and circular economy	Page 88
E5-4 – Resource inflows	Only input ingredients are considered. With regard to packaging, please refer to the entity specific information
E5-5– Resource outflows	Page 92
ESRS ENTITY SPECIFIC – PACKAGING AND RECYCLED MATERIAL	
MDR-P Policies – Policies adopted to manage material sustainability matters	Page 94
MDR-A Actions – Actions and resources in relation to material sustainability matters	Page 95
MDR-T Targets – Tracking effectiveness of policies and actions through targets	Page 98
ESRS ENTITY SPECIFIC – INNOVATION, RESEARCH AND DEVELOPMENT	
MDR-P Policies – Policies adopted to manage material sustainability matters	The Group has not currently defined a specific policy for managing the impacts, risks and opportunities associated with innovation, research and development
MDR-A Actions – Actions and resources in relation to material sustainability matters	Page 104
MDR-T Targets – Tracking effectiveness of policies and actions through targets	The Group has not currently defined a system for monitoring the effectiveness of its actions by defining specific objectives associated with innovation, research and development
ESRS S1 – OWN WORKFORCE	
ESRS 2 SBM-2 – Interests and views of stakeholders	Page 41
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Page 48
S1-1 – Policies related to own workforce	Page 108
S1-2 – Processes for engaging with own workers and workers' representatives about impacts	Page 111
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	Page 114
S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Please refer to the initiatives reported under the metrics significant for the Group
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Page 115
S1-6 – Characteristics of the undertaking's employees	Page 116
S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	Page 118
S1-9 – Diversity metrics	Page 121
S1-10 – Adequate wages	Page 126
S1-13 – Training and skills development metrics	Page 129
S1-14 – Health and safety metrics	Page 132
S1-15 – Work-life balance metrics	Page 125
S1-16 – Compensation metrics (pay gap and total compensation)	Page 127
ESRS S3 – AFFECTED COMMUNITIES	
ESRS 2 SBM-2 – Interests and views of stakeholders	Page 41
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Page 48
S3-1 – Policies related to the affected communities	Page 133
S3-2 – Processes for engaging with affected communities about impacts	Page 133
S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	Page 134

Disclosure requirements	Page numbers
S3-4 – Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Page 135
S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Page 141
ESRS S4 – CONSUMERS AND END-USERS	
ESRS 2 SBM-2 – Interests and views of stakeholders	Page 41
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Page 48
S4-1 – Policies related to consumers and end-users	Page 144
S4-2 – Processes for engaging with consumers and end-users about impacts	Page 146
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Page 147
S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Page 149
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Page 151
ESRS G1 – BUSINESS CONDUCT	
ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies	Page 22
ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	Page 63
G1-1 – Business conduct policies and corporate culture	Page 154
G1-2 – Management of relationships with suppliers	Page 157
G1-3 – Prevention and detection of active and passive corruption	Page 156
G1-4 – Incidents of corruption or bribery	Page 156

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Below is the EU Datapoint Table, a table of all information elements derived from other EU legislative acts listed in Appendix B of the ESRS 2 reporting requirement ("General information") of Delegated Regulation (EU) 2023/2772.

ESRS	Disclosure requirements	Description of disclosure requirements	SFDR reference[64]	Third pillar reference[65]	Reference regulation on benchmark indices[66]	EU climate legislation reference[67]	Status of disclosure requirements	Page numbers
ESRS 2	GOV-1, 21 (d)	Gender diversity on the Board	Annex I, Table 1, indicator No 13		Commission Delegated Regulation (EU) 2020/1816[68], Annex II		Reported	Page 24
ESRS 2	GOV-1, 21 (e)	Percentage of independent members on the board of directors			Commission Delegated Regulation (EU) 2020/1816, Annex II		Reported	Page 24
ESRS 2	GOV-4, 30	Statement on due diligence	Annex I, Table 3, indicator No 10				Reported	Page 27
ESRS 2	SBM-1, 40 (d.i)	Involvement in activities related to fossil fuel activities	Annex I, Table 1, indicator No 4	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453[69], Table 1 – Qualitative information on environmental risk and Table 2 – Qualitative information on social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II		Alfaparf Milano does not operate in the fossil fuel sector	
ESRS 2	SBM-1, 40 (d.ii)	Involvement in activities related to the production of chemicals	Annex I, Table 2, indicator No 9		Commission Delegated Regulation (EU) 2020/1816, Annex II		Reported	Page 29
ESRS 2	SBM-1, 40 (d.iii)	Participation in activities related to controversial weapons	Annex I, Table 1, indicator No 14		Article 12(1) of delegated regulation (EU) 2020/1818[70] and Annex II of Delegated Regulation (EU) 2020/1816		Alfaparf Milano does not operate in sectors related to controversial weapons	
ESRS 2	SBM-1, 40 (d.iv)	Involvement in activities related to tobacco cultivation and production					Alfaparf Milano does not operate in the tobacco cultivation and production sector	
ESRS E1	E1-1, 14	Transition plan to achieve climate neutrality by 2050				Article 2, paragraph 1, of Regulation (EU) 2021/1119	Not reported	

[64] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) (OJ L 317, 9.12.2019, p. 1).
[65] Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation) (OJ L 176, 27.6.2013, p. 1).
[66] Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).
[67] Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulation (EC) No 401/2009 and Regulation (EU) 2018/1999 (European Climate Law) (OJ L 243, 9.7.2021, p. 1).

[68] Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).
[69] Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the technical implementation standards laid down in Implementing Regulation (EU) 2021/637 with regard to disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p. 1).
[70] Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to minimum standards for EU climate transition benchmarks and EU benchmarks aligned with the Paris Agreement (OJ L 406, 3.12.2020, p. 17).

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ESRS	Disclosure requirements	Description of disclosure requirements	SFDR reference	Third pillar reference	Reference regulation on benchmark indices	EU climate legislation reference	Status of disclosure requirements	Page numbers
ESRS E1	E1-1, 16 (g)	Companies excluded from benchmarks aligned with the Paris Agreement		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Banking portfolio – Indicators of potential transition risk related to climate change; Credit quality of exposures by sector, issues and residual maturity	Article 12, paragraph 1, points a d) to g), and paragraph 2, of Delegated Regulation (EU) 2020/1818		Not reported	
ESRS E1	E1-4, 34	GHG emission reduction targets	Annex I, Table 2, indicator No 4	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 3: Banking portfolio – Indicators of potential transition risk related to climate change: alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818		Not reported	
ESRS E1	E1-5, 38	Energy consumption from fossil fuels broken down by source (only sectors with high climate impact)	Annex I, Table 1, indicator No 5 and Annex I, Table 2, indicator No 5				Reported	Page 79
ESRS E1	E1-5, 37	Energy consumption and mix	Annex I, Table 1, indicator No 5				Reported	Page 79
ESRS E1	E1-5, 40-43	Energy intensity associated with activities in sectors with high climate impact	Annex I, Table 1, indicator No 6				Reported	Page 79
ESRS E1	E1-6, 44	Gross Scopes 1, 2, 3 and total GHG emissions	Annex I, Table 1, indicators Nos 1 and 2	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Banking portfolio – Indicators of potential transition risk related to climate change; Credit quality of exposures by sector, issues and residual maturity	Article 5(1), Article 6 and Article 8(1) of Delegated Regulation (EU) 2020/1818		Reported	Page 83
ESRS E1	E1-6, 53-55	Intensity of gross GHG emissions	Annex I, Table 1, indicator No 3	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 3: Bank portfolio – Indicators of potential transition risk related to climate change: alignment metrics	Article 8, paragraph 1 of Delegated Regulation (EU) 2020/1818		Reported	Page 82
ESRS E1	E1-7, 56	GHG removals and carbon credits				Article 2, paragraph 1, of Regulation (EU) 2021/1119	Not reported	

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ESRS	Disclosure requirements	Description of disclosure requirements	SFDR reference	Third pillar reference	Reference regulation on benchmark indices	EU climate legislation reference	Status of disclosure requirements	Page numbers
ESRS E1	E1-9, 66	Exposure of the benchmark portfolio to physical climate risks			Annex II of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Not reported	
ESRS E1	E1-9, 66 (a), 66 (c)	Breakdown of monetary amounts by acute and chronic physical risk Location of significant activities exposed to material physical risk		Article 449a of Regulation (EU) No 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453, template 5: Banking portfolio – Indicators of potential physical risk related to climate change: exposures subject to physical risk			Not reported	
ESRS E1	E1-9, 67 (c)	Breakdown of the carrying amount of its property assets by energy efficiency class		Article 449a of Regulation (EU) No 575/2013; point 34 of the Commission Implementing Regulation (EU) 2022/2453, Template 2: Banking book – Indicators of potential transition risk related to climate change: loans secured by real estate – Energy efficiency of collateral			Not reported	
ESRS E1	E1-9, 69	Degree of exposure of the portfolio to climate-related opportunities			Annex II of Delegated Regulation (EU) 2020/1818		Not reported	
ESRS E2	E2-4, 28	Quantity of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted into the air, water and soil	Annex I, Table 1, indicator No 8; Annex I, Table 2, indicator No 2; Annex 1, Table 2, indicator No 1; Annex I, Table 2, indicator No 3				Not reported	
ESRS E3	E3-1, 9	Water and marine resources	Annex I, Table 2, indicator No 7				Reported	Page 84
ESRS E3	E3-1, 13	Dedicated policy	Annex I, Table 2, indicator No 8				Reported	Page 84
ESRS E3	E3-1, 14	Ocean and sea sustainability	Annex I, Table 2, indicator No 12				Reported	Page 84
ESRS E3	E3-4, 28 (c)	Total water recycled and reused	Annex I, Table 2, indicator No 6.2				Reported	Page 86
ESRS E3	E3-4, 29	Total water consumption in m^3 compared to net revenue from own operations	Annex I, Table 2, indicator No 6.1				Reported	Page 86
ESRS 2	SBM-3 – E4, 16 (a.i)		Annex I, Table 1, indicator No 7				Not reported	
ESRS 2	SBM-3 – E4, 16 (b)		Annex I, Table 2, indicator No 10				Not reported	
ESRS 2	SBM-3 – E4, 16 (c)		Annex I, Table 2, indicator No 14				Not reported	

ESRS	Disclosure requirements	Description of disclosure requirements	SFDR reference	Third pillar reference	Reference regulation on benchmark indices	EU climate legislation reference	Status of disclosure requirements	Page numbers
ESRS E4	E4-2, 24 (b)	Sustainable agricultural/land use policies or practices	Annex I, Table 2, indicator No 11				Not reported	
ESRS E4	E4-2, 24 (c)	Sustainable sea/ocean use practices or policies	Annex I, Table 2, indicator No 12				Not reported	
ESRS E4	E4-2, 24 (d)	Policies aimed at tackling deforestation	Annex I, Table 2, indicator No 15				Not reported	
ESRS E5	E5-5, 37 (d)	Non-recycled waste	Annex I, Table 2, indicator No 13				Reported	Page 93
ESRS E5	E5-5, 39	Hazardous waste and radioactive waste	Annex I, Table 1, indicator No 9				Reported	Page 93
ESRS 2	SBM3 – S1, 14 (f)	Risk of forced labour	Annex I, Table 3, indicator No 13				No operations involving a serious risk of forced labour or compulsory labour were identified	
ESRS 2	SBM3 – S1, 14 (g)	Risk of child labour	Annex I, Table 3, indicator No 12				No operations involving a serious risk of child labour were identified	
ESRS S1	S1-1, 20	Political commitments on human rights	Annex I, Table 3, indicator No 9 and Annex I, Table 1, indicator No 11				Reported	Page 108
ESRS S1	S1-1, 21	Policies on due diligence regarding the issues covered by core conventions 1 to 8 of the International Labour Organisation			Commission Delegated Regulation (EU) 2020/1816, Annex II		Reported	Page 108
ESRS S1	S1-1, 22	Procedures and measures to prevent human trafficking	Annex I, Table 3, indicator No 11				Reported	Page 108
ESRS S1	S1-1, 23	Prevention policy or management system for work-related injuries	Annex I, Table 3, indicator No 1				Reported	Page 131
ESRS S1	S1-3, 32 (c)	Mechanisms for handling complaints/reports	Annex I, Table 3, indicator No 5				Reported	Page 114
ESRS S1	S1-14, 88 (b), (c)	Number of deaths and number and rate of work-related injuries	Annex I, Table 3, indicator No 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		Reported	Page 132
ESRS S1	S1-14, 88 (e)	Number of days lost due to injuries, accidents, fatal accidents or illness	Annex I, Table 3, indicator No 3				Reported	Page 132
ESRS S1	S1-16, 97 (a)	Uncorrected gender pay gap	Annex I, Table 1, indicator No 12		Commission Delegated Regulation (EU) 2020/1816, Annex II		Reported	Page 127
ESRS S1	S1-16, 97 (b)	Excessive pay gap in favour of the chief executive officer	Annex I, Table 3, indicator No 8				Reported	Page 127
ESRS S1	S1-17, 103 (a)	Incidents related to discrimination	Annex I, Table 3, indicator No 7				Not reported	

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ESRS	Disclosure requirements	Description of disclosure requirements	SFDR reference	Third pillar reference	Reference regulation on benchmark indices	EU climate legislation reference	Status of disclosure requirements	Page numbers
ESRS S1	S1-17, 104 (a)	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	Annex I, Table 1, indicator No 10 and Annex I, Table 3, indicator No 14		Annex II to Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Not reported	
ESRS 2	SBM-3 – S2, 11 (b)	Serious risk of child labour or forced labour in the value chain	Annex I, Table 3, indicators Nos 12 and 13				There are no geographical areas where there is a significant risk of child labour, forced or compulsory labour among workers in the company's value chain	
ESRS S2	S2-1, 17	Political commitments on human rights	Annex I, Table 3, indicator No 9 and Annex I, Table 1, indicator No 11				Not reported	
ESRS S2	S2-1, 18	Policies related to workers in the value chain	Annex I, Table 3, indicator Nos 11 and 4				Not reported	
ESRS S2	S2-1, 19	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	Annex I, Table 1, indicator No 10		Annex II to Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Not reported	
ESRS S2	S2-1, 19	Policies on due diligence regarding the issues covered by core conventions 1 to 8 of the International Labour Organisation			Commission Delegated Regulation (EU) 2020/1816, Annex II		Not reported	
ESRS S2	S2-4, 36	Human rights issues and incidents in its upstream and downstream value chain	Annex I, Table 3, indicator No 14				Not reported	
ESRS S3	S3-1, 16	Political commitments on human rights	Annex I, Table 3, indicator No 9 and Annex I, Table 1, indicator No 11				Reported	Page 133
ESRS S3	S3-1, 17	Failure to comply with the UN Guiding Principles on Business and Human Rights, ILO principles or the OECD Guidelines	Annex I, Table 1, indicator No 10		Annex II to Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Reported	Page 133
ESRS S3	S3-4, 36	Human rights issues and incidents	Annex I, Table 3, indicator No 14				No human rights problems or incidents were identified	
ESRS S4	S4-1, 16	Policies related to consumers and end-users	Annex I, Table 3, indicator No 9 and Annex I, Table 1, indicator No 11				Reported	Page 144
ESRS S4	S4-1, 17	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	Annex I, Table 1, indicator No 10		Annex II to Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Reported	Page 144
ESRS S4	S4-4, 35	Human rights issues and incidents	Annex I, Table 3, indicator No 14				No human rights problems or incidents were identified	

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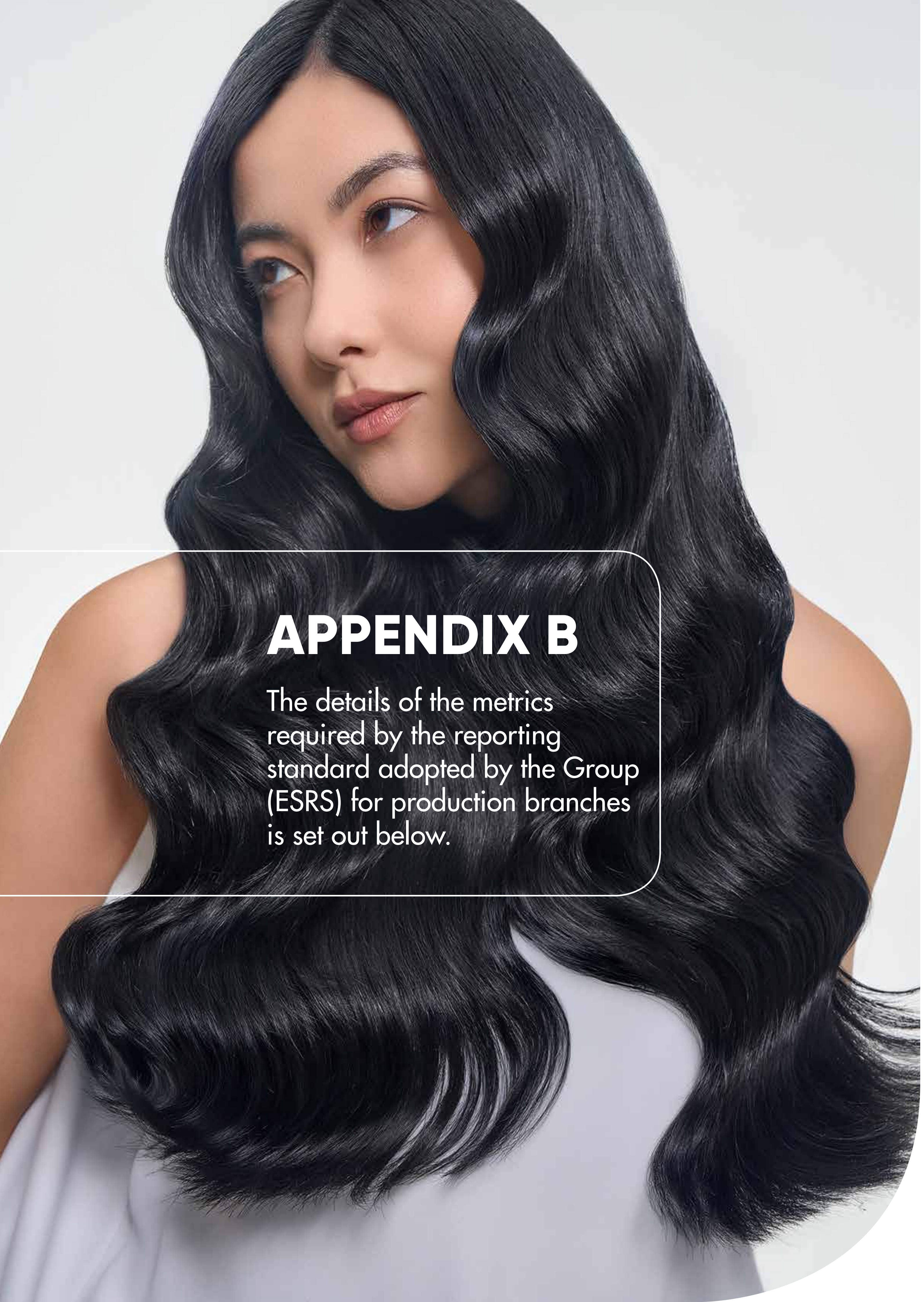
ESRS	Disclosure requirements	Description of disclosure requirements	SFDR reference	Third pillar reference	Reference regulation on benchmark indices	EU climate legislation reference	Status of disclosure requirements	Page numbers
ESRS G1	G1-1, 10 (b)	UN Convention against Corruption	Annex I, Table 3, indicator No 15				Reported	Page 154
ESRS G1	G1-1, 10 (d)	Protection of whistleblowers	Annex I, Table 3, indicator No 6				Reported	Page 154
ESRS G1	G1-4, 24 (a)	Fines imposed for violations of laws against active and passive corruption	Annex I, Table 3, indicator No 17		Annex II of Delegated Regulation (EU) 2020/1816		Reported	Page 156
ESRS G1	G1-4, 24 (b)	Rules for combating active and passive corruption	Annex I, Table 3, indicator No 16				Reported	Page 156



APPENDIX B

The details of the metrics required by the reporting standard adopted by the Group (ESRS) for production branches is set out below.

ITALY - BEAUTY & BUSINESS S.P.A.

Energy consumption and mix (E1-5)

ENERGY CONSUMPTION AND MIX (MWh)

	2024	2025
Consumption of fuels from coal and coal products	-	-
Consumption of fuels from crude oil and petroleum products	1,210	1,412
Consumption of fuels from natural gas	3,618	4,292
Consumption of fuels from other non-renewable sources	-	-
Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired	2,900	2,965
Total consumption of energy from fossil sources	**7,728**	**8,669**
Share of fossil sources in total energy consumption	***100%***	***99%***
Total consumption of energy from nuclear sources	**-**	**-**
Share of nuclear sources in total energy consumption	***0%***	***0%***
Consumption of fuels for renewable sources, including biomass	36	54
Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired	-	-
Consumption of self-produced renewable energy without the use of fuels	-	-
Total consumption of energy from renewable sources	**36**	**54**
Share of renewable sources in total energy consumption	***0%***	***1%***
TOTAL ENERGY CONSUMPTION	**7,764**	**8,723**

SELF-PRODUCTION OF ELECTRICITY FROM RENEWABLE SOURCES (MWh)

	2024	2025
Self-produced renewable electricity: consumed and sold	**-**	**-**
Self-produced and consumed renewable electricity	-	-
Self-produced and consumed electricity from renewable sources	-	-

Gross Scopes 1, 2, 3 and total GHG emissions (E1-6)

GROSS GHG EMISSIONS (tCO_2eq)

	2024	2025
Gross Scope 1 GHG emissions	1,038	1,226
Gross Scope 2 GHG location-based emissions	809	827
Gross Scope 2 GHG market-based emissions	1,448	1,481
Total location-based GHG emissions (Scope 1 + Scope 2)	**1,847**	**2,053**
Total market-based GHG emissions (Scope 1 + Scope 2)	**2,486**	**2,707**

Water consumption (E3-5)

WATER RESOURCES (m^3)

	2024		2025	
	TOTAL	Of which in areas at risk of water shortages	TOTAL	Of which in areas at risk of water shortages
Total water withdrawal	31,256	-	34,439	-
Total water discharge	21,725	-	23,770	-
TOTAL WATER CONSUMPTION	**9,531**	**-**	**10,669**	**-**

Resource outflows (E5-5)
WASTE GENERATED (tonnes)

2024

	WASTE DESTINED FOR RECYCLING/RECOVERY				WASTE DESTINED FOR DISPOSAL				TOTAL
	Prep. for re-use	Recycling	Other recovery operations	Total waste recovered	Incine-ration	Disposal in landfill	Other disposal operations	Total waste disposed of	WASTE GENERATED
Hazardous waste	–	–	189.6	**189.6**	–	–	8,494.2	**8,494.2**	**8,683.8**
Non-hazardous waste	–	–	366.3	**366.3**	–	–	56.9	**56.9**	**423.2**
Total waste generated	**–**	**–**	**555.9**	**555.9**	**–**	**–**	**8,551.1**	**8,551.1**	**9,107.0**

2025

	WASTE DESTINED FOR RECYCLING/RECOVERY				WASTE DESTINED FOR DISPOSAL				TOTAL
	Prep. for re-use	Recycling	Other recovery operations	Total waste recovered	Incine-ration	Disposal in landfill	Other disposal operations	Total waste disposed of	WASTE GENERATED
Hazardous waste	–	–	207.2	**207.2**	–	–	9,279.2	**9,279.2**	**9,486.4**
Non-hazardous waste	–	–	499.2	**499.2**	–	–	7.6	**7.6**	**506.76**
Total waste generated	**–**	**–**	**706.4**	**706.4**	**–**	**–**	**9,286.8**	**9,286.8**	**9,993.2**

Own workforce (S1-6)
EMPLOYEES BY TYPE OF CONTRACT BROKEN DOWN BY GENDER AND REGION

2024

	Women	Men	Other	Not stated	TOTAL
Permanent contract	238	213	–	–	451
Fixed-term contract	6	3	–	–	9
TOTAL	**244**	**216**	**–**	**–**	**460**
Full-time contract	233	215	–	–	448
Part-time contract	11	1	–	–	12
Variable time contract	–	0	–	–	–
TOTAL	**244**	**216**	**–**	**–**	**460**

2025

	Women	Men	Other	Not stated	TOTAL
Permanent contract	243	212	–	–	455
Fixed-term contract	4	1	–	–	5
TOTAL	**247**	**213**	**–**	**–**	**460**
Full-time contract	233	211	–	–	444
Part-time contract	14	2	–	–	16
Variable time contract	–	–	–	–	–
TOTAL	**247**	**213**	**–**	**–**	**460**

NEW HIRES AND TURNOVER

2025

	N. of employees	N. of new hires	N. of employees terminated	Positive turnover rate	Negative turnover rate
TOTAL	460	41	41	**9%**	**9%**

ALFAPARF MILANO SUSTAINABILITY REPORT 2025

ITALY - DEA S.R.L.

Energy consumption and mix (E1-5)
ENERGY CONSUMPTION AND MIX (MWh)

	2024	2025
Consumption of fuels from coal and coal products	–	–
Consumption of fuels from crude oil and petroleum products	–	–
Consumption of fuels from natural gas	39	46
Consumption of fuels from other non-renewable sources	–	–
Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired	54	81
Total consumption of energy from fossil sources	**93**	**127**
Share of fossil sources in total energy consumption	***100%***	***100%***
Total consumption of energy from nuclear sources	**–**	**–**
Share of nuclear sources in total energy consumption	***0%***	***0%***
Consumption of fuels for renewable sources, including biomass	–	–
Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired	–	–
Consumption of self-produced renewable energy without the use of fuels	–	–
Total consumption of energy from renewable sources	**–**	**–**
Share of renewable sources in total energy consumption	***0%***	***0%***
TOTAL ENERGY CONSUMPTION	**93**	**127**

SELF-PRODUCTION OF ELECTRICITY FROM RENEWABLE SOURCES (MWh)

	2024	2025
Self-produced renewable electricity: consumed and sold	**–**	**–**
Self-produced and consumed renewable electricity	–	–
Self-produced and consumed electricity from renewable sources	–	–

Gross Scopes 1, 2, 3 and total GHG emissions (E1-6)
GROSS GHG EMISSIONS (tCO_2eq)

	2024	2025
Gross Scope 1 GHG emissions	8	9
Gross Scope 2 GHG location-based emissions	15	23
Gross Scope 2 GHG market-based emissions	27	40
Total location-based GHG emissions (Scope 1 + Scope 2)	**23**	**32**
Total market-based GHG emissions (Scope 1 + Scope 2)	**35**	**50**

Water consumption (E3-5)
WATER RESOURCES (m^3)

	2024		2025	
	TOTAL	Of which in areas at risk of water shortages	TOTAL	Of which in areas at risk of water shortages
Total water withdrawal	186	–	95	–
Total water discharge	186	–	95	–
TOTAL WATER CONSUMPTION	**–**	**–**	**–**	**–**

Resource outflows (E5-5)
WASTE GENERATED (tonnes)

2024

	WASTE DESTINED FOR RECYCLING/RECOVERY				WASTE DESTINED FOR DISPOSAL				TOTAL
	Prep. for re-use	Recycling	Other recovery operations	Total waste recovered	Incine-ration	Disposal in landfill	Other disposal operations	Total waste disposed of	WASTE GENERATED
Hazardous waste	-	0.01	-	**0.01**	-	-	-	**-**	**0.01**
Non-hazardous waste	0.1	-	-	**0.1**	-	0.1	-	**0.1**	**0.2**
Total waste generated	**0.1**	**0.01**	**-**	**0.11**	**-**	**0.1**	**-**	**0.1**	**0.21**

2025

	WASTE DESTINED FOR RECYCLING/RECOVERY				WASTE DESTINED FOR DISPOSAL				TOTAL
	Prep. for re-use	Recycling	Other recovery operations	Total waste recovered	Incine-ration	Disposal in landfill	Other disposal operations	Total waste disposed of	WASTE GENERATED
Hazardous waste	-	0.01	-	**0.01**	-	-	-	**-**	**0.01**
Non-hazardous waste	0.1	-	-	**0.1**	-	0.1	-	**0.1**	**0.2**
Total waste generated	**0.1**	**0.01**	**-**	**0.11**	**-**	**0.1**	**-**	**0.1**	**0.21**

Own workforce (S1-6)
EMPLOYEES BY TYPE OF CONTRACT BROKEN DOWN BY GENDER AND REGION

2024

	Women	Men	Other	Not stated	TOTAL
Permanent contract	4	7	-	-	**11**
Fixed-term contract	-	-	-	-	**-**
TOTAL	**4**	**7**	**-**	**-**	**11**
Full-time contract	3	7	-	-	**10**
Part-time contract	1	-	-	-	**1**
Variable time contract	-	-	-	-	**-**
TOTAL	**4**	**7**	**-**	**-**	**11**

2025

	Women	Men	Other	Not stated	TOTAL
Permanent contract	4	8	-	-	**12**
Fixed-term contract	-	-	-	-	**-**
TOTAL	**4**	**8**	**-**	**-**	**12**
Full-time contract	3	8	-	-	**11**
Part-time contract	1	-	-	-	**1**
Variable time contract	-	-	-	-	**-**
TOTAL	**4**	**8**	**-**	**-**	**12**

NEW HIRES AND TURNOVER

2025

	N. of employees	N. of new hires	N. of employees terminated	Positive turnover rate	Negative turnover rate
TOTAL	12	1	0	**8%**	**0%**

ITALY - TRICOBIOTOS S.R.L.

Energy consumption and mix (E1-5)
ENERGY CONSUMPTION AND MIX (MWh)

	2024	2025
Consumption of fuels from coal and coal products	-	-
Consumption of fuels from crude oil and petroleum products	122	75
Consumption of fuels from natural gas	1,505	1,530
Consumption of fuels from other non-renewable sources	-	-
Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired	673	686
Total consumption of energy from fossil sources	**2,300**	**2,292**
Share of fossil sources in total energy consumption	***95%***	***95%***
Total consumption of energy from nuclear sources	**-**	**-**
Share of nuclear sources in total energy consumption	***0%***	***0%***
Consumption of fuels for renewable sources, including biomass	-	-
Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired	-	-
Consumption of self-produced renewable energy without the use of fuels	114	126
Total consumption of energy from renewable sources	**114**	**126**
Share of renewable sources in total energy consumption	***5%***	***5%***
TOTAL ENERGY CONSUMPTION	**2,413**	**2,417**

SELF-PRODUCTION OF ELECTRICITY FROM RENEWABLE SOURCES (MWh)

	2024	2025
Self-produced renewable electricity: consumed and sold	**135**	**149**
Self-produced and consumed renewable electricity	114	126
Self-produced and consumed electricity from renewable sources	21	23

Gross Scopes 1, 2, 3 and total GHG emissions (E1-6)
GROSS GHG EMISSIONS (tCO_2eq)

	2024	2025
Gross Scope 1 GHG emissions	348	330
Gross Scope 2 GHG location-based emissions	188	191
Gross Scope 2 GHG market-based emissions	336	343
Total location-based GHG emissions (Scope 1 + Scope 2)	**536**	**521**
Total market-based GHG emissions (Scope 1 + Scope 2)	**684**	**672**

Water consumption (E3-5)
WATER RESOURCES (m^3)

	2024		2025	
	TOTAL	Of which in areas at risk of water shortages	TOTAL	Of which in areas at risk of water shortages
Total water withdrawal	21,904	-	21,515	-
Total water discharge	16,345	-	16,782	-
TOTAL WATER CONSUMPTION	**5,559**	**-**	**4,733**	**-**

Resource outflows (E5-5)
WASTE GENERATED (tonnes)

2024

	WASTE DESTINED FOR RECYCLING/RECOVERY				WASTE DESTINED FOR DISPOSAL				TOTAL
	Prep. for re-use	Recycling	Other recovery operations	Total waste recovered	Incine-ration	Disposal in landfill	Other disposal operations	Total waste disposed of	WASTE GENERATED
Hazardous waste	-	-	82.8	**82.8**	5.5	-	36.5	**42.0**	**124.8**
Non-hazardous waste	-	-	215.2	**215.2**	-	-	-	**-**	**215.2**
Total waste generated	**-**	**-**	**298.0**	**298.0**	**5.5**	**-**	**36.5**	**42.0**	**340.0**

2025

	WASTE DESTINED FOR RECYCLING/RECOVERY				WASTE DESTINED FOR DISPOSAL				TOTAL
	Prep. for re-use	Recycling	Other recovery operations	Total waste recovered	Incine-ration	Disposal in landfill	Other disposal operations	Total waste disposed of	WASTE GENERATED
Hazardous waste	-	-	108.6	**108.6**	-	-	47.7	**47.7**	**156.3**
Non-hazardous waste	-	-	257.8	**257.8**	-	-	21.8	**21.8**	**279.6**
Total waste generated	**-**	**-**	**366.4**	**366.4**	**-**	**-**	**69.5**	**69.5**	**435.9**

Own workforce (S1-6)
EMPLOYEES BY TYPE OF CONTRACT BROKEN DOWN BY GENDER AND REGION

2024

	Women	Men	Other	Not stated	TOTAL
Permanent contract	60	58	-	-	**118**
Fixed-term contract	1	4	-	-	**5**
TOTAL	**61**	**62**	**-**	**-**	**123**
Full-time contract	58	62	-	-	**120**
Part-time contract	3	-	-	-	**3**
Variable time contract	-	-	-	-	**-**
TOTAL	**61**	**62**	**-**	**-**	**123**

2025

	Women	Men	Other	Not stated	TOTAL
Permanent contract	65	57	-	-	**122**
Fixed-term contract	4	1	-	-	**5**
TOTAL	**69**	**58**	**-**	**-**	**127**
Full-time contract	66	57	-	-	**123**
Part-time contract	3	1	-	-	**4**
Variable time contract	-	-	-	-	**-**
TOTAL	**69**	**58**	**-**	**-**	**127**

NEW HIRES AND TURNOVER

2025

	N. of employees	N. of new hires	N. of employees terminated	Positive turnover rate	Negative turnover rate
TOTAL	12	12	8	**9%**	**6%**

ITALY - XANITALIA S.R.L.

Energy consumption and mix (E1-5)
ENERGY CONSUMPTION AND MIX (MWh)

	2024	2025
Consumption of fuels from coal and coal products	-	-
Consumption of fuels from crude oil and petroleum products	-	73
Consumption of fuels from natural gas	-	1,701
Consumption of fuels from other non-renewable sources	-	-
Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired	-	1,826
Total consumption of energy from fossil sources	**-**	**3,600**
Share of fossil sources in total energy consumption	***0%***	***100%***
Total consumption of energy from nuclear sources	**-**	**-**
Share of nuclear sources in total energy consumption	***0%***	***0%***
Consumption of fuels for renewable sources, including biomass	-	-
Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired	-	-
Consumption of self-produced renewable energy without the use of fuels	-	-
Total consumption of energy from renewable sources	**-**	**-**
Share of renewable sources in total energy consumption	***0%***	***0%***
TOTAL ENERGY CONSUMPTION	**-**	**3,600**

SELF-PRODUCTION OF ELECTRICITY FROM RENEWABLE SOURCES (MWh)

	2024	2025
Self-produced renewable electricity: consumed and sold	**-**	**-**
Self-produced and consumed renewable electricity	-	-
Self-produced and consumed electricity from renewable sources	-	-

Gross Scopes 1, 2, 3 and total GHG emissions (E1-6)
GROSS GHG EMISSIONS (tCO_2eq)

	2024	2025
Gross Scope 1 GHG emissions	-	382
Gross Scope 2 GHG location-based emissions	-	509
Gross Scope 2 GHG market-based emissions	-	912
Total location-based GHG emissions (Scope 1 + Scope 2)	**-**	**891**
Total market-based GHG emissions (Scope 1 + Scope 2)	**-**	**1,294**

Water consumption (E3-5)
WATER RESOURCES (m^3)

	2025	
	TOTAL	Of which in areas at risk of water shortages
Total water withdrawal	3,738	-
Total water discharge	1,688	-
TOTAL WATER CONSUMPTION	**2,050**	**-**

Resource outflows (E5-5)
WASTE GENERATED (tonnes)

2025

	WASTE DESTINED FOR RECYCLING/RECOVERY				WASTE DESTINED FOR DISPOSAL				TOTAL
	Prep. for re-use	Recycling	Other recovery operations	Total waste recovered	Incine-ration	Disposal in landfill	Other disposal operations	Total waste disposed of	WASTE GENERATED
Hazardous waste	-	3.2	-	**3.2**	-	-	0.2	**0.2**	**3.4**
Non-hazardous waste	-	224.9	-	**224.9**	-	43.8	542.2	**586.0**	**810.9**
Total waste generated	**-**	**228.1**	**-**	**228.1**	**-**	**43.8**	**542.4**	**586.2**	**814.3**

Own workforce (S1-6)
EMPLOYEES BY TYPE OF CONTRACT BROKEN DOWN BY GENDER AND REGION

2025

	Women	Men	Other	Not stated	TOTAL
Permanent contract	79	40	-	-	**119**
Fixed-term contract	1	3	-	-	**4**
TOTAL	**80**	**43**	**-**	**-**	**123**
Full-time contract	79	43	-	-	**122**
Part-time contract	1	-	-	-	**1**
Variable time contract	-	-	-	-	**-**
TOTAL	**80**	**43**	**-**	**-**	**123**

NEW HIRES AND TURNOVER

2025

	N. of employees	N. of new hires	N. of employees terminated	Positive turnover rate	Negative turnover rate
TOTAL	123	7	8	**6%**	**7%**

ARGENTINA

Energy consumption and mix (E1-5)
ENERGY CONSUMPTION AND MIX (MWh)

	2024	2025
Consumption of fuels from coal and coal products	-	-
Consumption of fuels from crude oil and petroleum products	19	19
Consumption of fuels from natural gas	-	-
Consumption of fuels from other non-renewable sources	-	-
Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired	323	324
Total consumption of energy from fossil sources	**342**	**343**
Share of fossil sources in total energy consumption	***100%***	***100%***
Total consumption of energy from nuclear sources	**-**	**-**
Share of nuclear sources in total energy consumption	***0%***	***0%***
Consumption of fuels for renewable sources, including biomass	-	-
Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired	-	-
Consumption of self-produced renewable energy without the use of fuels	-	-
Total consumption of energy from renewable sources	**-**	**-**
Share of renewable sources in total energy consumption	***0%***	***0%***
TOTAL ENERGY CONSUMPTION	**342**	**343**

SELF-PRODUCTION OF ELECTRICITY FROM RENEWABLE SOURCES (MWh)

	2024	2025
Self-produced renewable electricity: consumed and sold	**-**	**-**
Self-produced and consumed renewable electricity	-	-
Self-produced and consumed electricity from renewable sources	-	-

Gross Scopes 1, 2, 3 and total GHG emissions (E1-6)
GROSS GHG EMISSIONS (tCO_2eq)

	2024	2025
Gross Scope 1 GHG emissions	4	33
Gross Scope 2 GHG location-based emissions	92	92
Gross Scope 2 GHG market-based emissions	94	101
Total location-based GHG emissions (Scope 1 + Scope 2)	**96**	**126**
Total market-based GHG emissions (Scope 1 + Scope 2)	**98**	**135**

Water consumption (E3-5)
WATER RESOURCES (m^3)

	2024		2025	
	TOTAL	Of which in areas at risk of water shortages	TOTAL	Of which in areas at risk of water shortages
Total water withdrawal	11,018	-	17,628	-
Total water discharge	2,500	-	3,525	-
TOTAL WATER CONSUMPTION	**8,518**	**-**	**14,103**	**-**

Resource outflows (E5-5)
WASTE GENERATED (tonnes)

2024

	WASTE DESTINED FOR RECYCLING/RECOVERY				WASTE DESTINED FOR DISPOSAL				TOTAL
	Prep. for re-use	Recycling	Other recovery operations	Total waste recovered	Incine-ration	Disposal in landfill	Other disposal operations	Total waste disposed of	WASTE GENERATED
Hazardous waste	-	-	-	**-**	30.0	-	320.0	**350.0**	**350.0**
Non-hazardous waste	-	50.0	80.0	**120.0**	-	38.0	-	**38.0**	**158.0**
Total waste generated	**-**	**50.0**	**80.0**	**120.0**	**30.0**	**38.0**	**320.0**	**388.0**	**518.0**

2025

	WASTE DESTINED FOR RECYCLING/RECOVERY				WASTE DESTINED FOR DISPOSAL				TOTAL
	Prep. for re-use	Recycling	Other recovery operations	Total waste recovered	Incine-ration	Disposal in landfill	Other disposal operations	Total waste disposed of	WASTE GENERATED
Hazardous waste	-	-	-	**-**	30.0	-	420.0	**450.0**	**450.0**
Non-hazardous waste	-	40.0	168.0	**208.0**	-	26.7	-	**26.7**	**234.7**
Total waste generated	**-**	**40.0**	**168.0**	**208.0**	**30.0**	**26.7**	**420.0**	**476.7**	**684.7**

Own workforce (S1-6)
EMPLOYEES BY TYPE OF CONTRACT BROKEN DOWN BY GENDER AND REGION

2024

	Women	Men	Other	Not stated	TOTAL
Permanent contract	48	70	-	-	**118**
Fixed-term contract	-	-	-	-	**-**
TOTAL	**48**	**70**	**-**	**-**	**118**
Full-time contract	48	70	-	-	**118**
Part-time contract	-	-	-	-	**-**
Variable time contract	-	-	-	-	**-**
TOTAL	**48**	**70**	**-**	**-**	**118**

2025

	Women	Men	Other	Not stated	TOTAL
Permanent contract	45	55	-	-	**100**
Fixed-term contract	-	-	-	-	**-**
TOTAL	**45**	**55**	**-**	**-**	**100**
Full-time contract	45	55	-	-	**100**
Part-time contract	-	-	-	-	**-**
Variable time contract	-	-	-	-	**-**
TOTAL	**45**	**55**	**-**	**-**	**100**

NEW HIRES AND TURNOVER

2025

	N. of employees	N. of new hires	N. of employees terminated	Positive turnover rate	Negative turnover rate
TOTAL	100	22	40	**11%**	**20%**

BRAZIL

Energy consumption and mix (E1-5)
ENERGY CONSUMPTION AND MIX (MWh)

	2024	2025
Consumption of fuels from coal and coal products	-	-
Consumption of fuels from crude oil and petroleum products	5	6
Consumption of fuels from natural gas	336	420
Consumption of fuels from other non-renewable sources	-	-
Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired	-	-
Total consumption of energy from fossil sources	**341**	**426**
Share of fossil sources in total energy consumption	***24%***	***25%***
Total consumption of energy from nuclear sources	**-**	**-**
Share of nuclear sources in total energy consumption	***0%***	***0%***
Consumption of fuels for renewable sources, including biomass	-	-
Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired	1,098	1,273
Consumption of self-produced renewable energy without the use of fuels	-	-
Total consumption of energy from renewable sources	**1,098**	**1,273**
Share of renewable sources in total energy consumption	***76%***	***75%***
TOTAL ENERGY CONSUMPTION	**1,439**	**1,699**

SELF-PRODUCTION OF ELECTRICITY FROM RENEWABLE SOURCES (MWh)

	2024	2025
Self-produced renewable electricity: consumed and sold	**-**	**-**
Self-produced and consumed renewable electricity	-	-
Self-produced and consumed electricity from renewable sources	-	-

Gross Scopes 1, 2, 3 and total GHG emissions (E1-6)
GROSS GHG EMISSIONS (tCO_2eq)

	2024	2025
Gross Scope 1 GHG emissions	97	112
Gross Scope 2 GHG location-based emissions	200	232
Gross Scope 2 GHG market-based emissions	-	-
Total location-based GHG emissions (Scope 1 + Scope 2)	**297**	**344**
Total market-based GHG emissions (Scope 1 + Scope 2)	**97**	**112**

Water consumption (E3-5)
WATER RESOURCES (m^3)

	2024		2025	
	TOTAL	Of which in areas at risk of water shortages	TOTAL	Of which in areas at risk of water shortages
Total water withdrawal	13,044	-	16,107	-
Total water discharge	2,649	-	1,774	-
TOTAL WATER CONSUMPTION	**10,395**	**-**	**14,333**	**-**

Resource outflows (E5-5)
WASTE GENERATED (tonnes)

2024

	WASTE DESTINED FOR RECYCLING/RECOVERY				WASTE DESTINED FOR DISPOSAL				TOTAL WASTE GENERATED
	Prep. for re-use	Recycling	Other recovery operations	Total waste recovered	Incine-ration	Disposal in landfill	Other disposal operations	Total waste disposed of	
Hazardous waste	3,681.8	–	–	**3,681.8**	1.0	–	–	**1.0**	**3,682.8**
Non-hazardous waste	83.0	149.5	–	**232.5**	–	76.2	–	**76.2**	**308.7**
Total waste generated	**3,764.7**	**149.5**	**-**	**3,914.3**	**1.0**	**76.2**	**-**	**77.2**	**3,991.5**

2025

	WASTE DESTINED FOR RECYCLING/RECOVERY				WASTE DESTINED FOR DISPOSAL				TOTAL WASTE GENERATED
	Prep. for re-use	Recycling	Other recovery operations	Total waste recovered	Incine-ration	Disposal in landfill	Other disposal operations	Total waste disposed of	
Hazardous waste	4,192.3	–	183.2	**4,375.5**	–	–	–	**-**	**4,375.5**
Non-hazardous waste	–	163.4	83.0	**246.4**	–	76.2	–	**76.2**	**322.6**
Total waste generated	**4,192.3**	**163.4**	**266.2**	**4,621.9**	**-**	**76.2**	**-**	**76.2**	**4,698.1**

Own workforce (S1-6)
EMPLOYEES BY TYPE OF CONTRACT BROKEN DOWN BY GENDER AND REGION

2024

	Women	Men	Other	Not stated	TOTAL
Permanent contract	152	137	–	–	**289**
Fixed-term contract	12	5	–	–	**17**
TOTAL	**164**	**142**	**-**	**-**	**306**
Full-time contract	152	137	–	–	**289**
Part-time contract	12	5	–	–	**17**
Variable time contract	–	–	–	–	**-**
TOTAL	**164**	**142**	**-**	**-**	**306**

2025

	Women	Men	Other	Not stated	TOTAL
Permanent contract	185	193	–	–	**378**
Fixed-term contract	13	7	–	–	**20**
TOTAL	**198**	**200**	**-**	**-**	**398**
Full-time contract	185	193	–	–	**378**
Part-time contract	13	7	–	–	**20**
Variable time contract	–	–	–	–	**-**
TOTAL	**198**	**200**	**-**	**-**	**398**

NEW HIRES AND TURNOVER

2025

	N. of employees	N. of new hires	N. of employees terminated	Positive turnover rate	Negative turnover rate
TOTAL	398	218	126	**55%**	**32%**

MEXICO

Energy consumption and mix (E1-5)
ENERGY CONSUMPTION AND MIX (MWh)

	2024	2025
Consumption of fuels from coal and coal products	–	–
Consumption of fuels from crude oil and petroleum products	2,089	1,799
Consumption of fuels from natural gas	1,978	2,137
Consumption of fuels from other non-renewable sources	–	–
Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired	1,624	1,563
Total consumption of energy from fossil sources	**5,691**	**5,500**
Share of fossil sources in total energy consumption	***100%***	***100%***
Total consumption of energy from nuclear sources	**-**	**-**
Share of nuclear sources in total energy consumption	***0%***	***0%***
Consumption of fuels for renewable sources, including biomass	–	–
Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired	–	–
Consumption of self-produced renewable energy without the use of fuels	–	–
Total consumption of energy from renewable sources	**-**	**-**
Share of renewable sources in total energy consumption	***0%***	***0%***
TOTAL ENERGY CONSUMPTION	**5,691**	**5,500**

SELF-PRODUCTION OF ELECTRICITY FROM RENEWABLE SOURCES (MWh)

	2024	2025
Self-produced renewable electricity: consumed and sold	**-**	**-**
Self-produced and consumed renewable electricity	–	–
Self-produced and consumed electricity from renewable sources	–	–

Gross Scopes 1, 2, 3 and total GHG emissions (E1-6)
GROSS GHG EMISSIONS (tCO_2eq)

	2024	2025
Gross Scope 1 GHG emissions	886	851
Gross Scope 2 GHG location-based emissions	732	705
Gross Scope 2 GHG market-based emissions	687	685
Total location-based GHG emissions (Scope 1 + Scope 2)	**1,618**	**1,556**
Total market-based GHG emissions (Scope 1 + Scope 2)	**1,573**	**1,536**

Water consumption (E3-5)
WATER RESOURCES (m^3)

	2024		2025	
	TOTAL	Of which in areas at risk of water shortages	TOTAL	Of which in areas at risk of water shortages
Total water withdrawal	25,284	–	27,354	–
Total water discharge	9,240	–	8,310	–
TOTAL WATER CONSUMPTION	**16,044**	**-**	**19,044**	**-**

Resource outflows (E5-5)
WASTE GENERATED (tonnes)

2024

	WASTE DESTINED FOR RECYCLING/RECOVERY				WASTE DESTINED FOR DISPOSAL				TOTAL
	Prep. for re-use	Recycling	Other recovery operations	Total waste recovered	Incine-ration	Disposal in landfill	Other disposal operations	Total waste disposed of	TOTAL WASTE GENERATED
Hazardous waste	9,240.0	–	–	**9,240.0**	174.4	–	–	**174.4**	**9,414.4**
Non-hazardous waste	–	475.0	–	**475.0**	–	3.8	–	**3.8**	**478.8**
Total waste generated	**9,240.0**	**475.0**	**-**	**9,715.0**	**174.4**	**3.8**	**-**	**178.2**	**9,893.2**

2025

	WASTE DESTINED FOR RECYCLING/RECOVERY				WASTE DESTINED FOR DISPOSAL				TOTAL
	Prep. for re-use	Recycling	Other recovery operations	Total waste recovered	Incine-ration	Disposal in landfill	Other disposal operations	Total waste disposed of	TOTAL WASTE GENERATED
Hazardous waste	8,310.0	–	–	**8,310.0**	175.5	–	–	**175.5**	**8,485.5**
Non-hazardous waste	–	478.6	–	**478.6**	–	2.2	–	**2.2**	**480.8**
Total waste generated	**8,310.0**	**478.6**	**-**	**8,788.6**	**175.5**	**2.2**	**-**	**177.7**	**8,966.3**

Own workforce (S1-6)
EMPLOYEES BY TYPE OF CONTRACT BROKEN DOWN BY GENDER AND REGION

2024

	Women	Men	Other	Not stated	TOTAL
Permanent contract	242	294	–	–	**536**
Fixed-term contract	–	–	–	–	**-**
TOTAL	**242**	**294**	**-**	**-**	**536**
Full-time contract	242	294	–	–	**536**
Part-time contract	–	–	–	–	**-**
Variable time contract	–	–	–	–	**-**
TOTAL	**242**	**294**	**-**	**-**	**536**

2025

	Women	Men	Other	Not stated	TOTAL
Permanent contract	270	295	–	–	**565**
Fixed-term contract	–	–	–	–	**-**
TOTAL	**270**	**295**	**-**	**-**	**565**
Full-time contract	270	295	–	–	**565**
Part-time contract	–	–	–	–	**-**
Variable time contract	–	–	–	–	**-**
TOTAL	**270**	**295**	**-**	**-**	**565**

NEW HIRES AND TURNOVER

2025

	N. of employees	N. of new hires	N. of employees terminated	Positive turnover rate	Negative turnover rate
TOTAL	565	186	157	**33%**	**28%**

VENEZUELA

Energy consumption and mix (E1-5)
ENERGY CONSUMPTION AND MIX (MWh)

	2024	2025
Consumption of fuels from coal and coal products	–	–
Consumption of fuels from crude oil and petroleum products	53	59
Consumption of fuels from natural gas	–	–
Consumption of fuels from other non-renewable sources	–	–
Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired	41	41
Total consumption of energy from fossil sources	**93**	**100**
Share of fossil sources in total energy consumption	***100%***	***100%***
Total consumption of energy from nuclear sources	**-**	**-**
Share of nuclear sources in total energy consumption	***0%***	***0%***
Consumption of fuels for renewable sources, including biomass	–	–
Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired	–	–
Consumption of self-produced renewable energy without the use of fuels	–	–
Total consumption of energy from renewable sources	**-**	**-**
Share of renewable sources in total energy consumption	***0%***	***0%***
TOTAL ENERGY CONSUMPTION	**93**	**100**

SELF-PRODUCTION OF ELECTRICITY FROM RENEWABLE SOURCES (MWh)

	2024	2025
Self-produced renewable electricity: consumed and sold	**-**	**-**
Self-produced and consumed renewable electricity	–	–
Self-produced and consumed electricity from renewable sources	–	–

Gross Scopes 1, 2, 3 and total GHG emissions (E1-6)
GROSS GHG EMISSIONS (tCO_2eq)

	2024	2025
Gross Scope 1 GHG emissions	12	14
Gross Scope 2 GHG location-based emissions	7	7
Gross Scope 2 GHG market-based emissions	5	5
Total location-based GHG emissions (Scope 1 + Scope 2)	**19**	**21**
Total market-based GHG emissions (Scope 1 + Scope 2)	**17**	**18**

Water consumption (E3-5)
WATER RESOURCES (m^3)

	2024		2025	
	TOTAL	Of which in areas at risk of water shortages	TOTAL	Of which in areas at risk of water shortages
Total water withdrawal	1,815	–	2,861	–
Total water discharge	1,753	–	2,806	–
TOTAL WATER CONSUMPTION	**62**	**-**	**55**	**-**

Resource outflows (E5-5)
WASTE GENERATED (tonnes)

2024

	WASTE DESTINED FOR RECYCLING/RECOVERY				WASTE DESTINED FOR DISPOSAL				TOTAL WASTE GENERATED
	Prep. for re-use	Recycling	Other recovery operations	Total waste recovered	Incine-ration	Disposal in landfill	Other disposal operations	Total waste disposed of	
Hazardous waste	–	–	–	–	–	3.0	–	3.0	3.0
Non-hazardous waste	–	–	–	–	–	6.3	–	6.3	6.3
Total waste generated	–	–	–	–	–	9.3	–	9.3	9.3

2025

	WASTE DESTINED FOR RECYCLING/RECOVERY				WASTE DESTINED FOR DISPOSAL				TOTAL WASTE GENERATED
	Prep. for re-use	Recycling	Other recovery operations	Total waste recovered	Incine-ration	Disposal in landfill	Other disposal operations	Total waste disposed of	
Hazardous waste	–	–	–	–	–	2.9	–	2.9	2.9
Non-hazardous waste	–	0.8	–	0.8	–	2.6	–	2.6	3.4
Total waste generated	–	0.8	–	0.8	–	5.5	–	5.5	6.3

Own workforce (S1-6)
EMPLOYEES BY TYPE OF CONTRACT BROKEN DOWN BY GENDER AND REGION

2024

	Women	Men	Other	Not stated	TOTAL
Permanent contract	5	9	–	–	14
Fixed-term contract	–	–	–	–	–
TOTAL	5	9	–	–	14
Full-time contract	5	9	–	–	14
Part-time contract	–	–	–	–	–
Variable time contract	–	–	–	–	–
TOTAL	5	9	–	–	14

2025

	Women	Men	Other	Not stated	TOTAL
Permanent contract	5	7	–	–	12
Fixed-term contract	–	–	–	–	–
TOTAL	5	7	–	–	12
Full-time contract	5	7	–	–	12
Part-time contract	–	–	–	–	–
Variable time contract	–	–	–	–	–
TOTAL	5	7	–	–	12

NEW HIRES AND TURNOVER

2025

	N. of employees	N. of new hires	N. of employees terminated	Positive turnover rate	Negative turnover rate
TOTAL	12	–	2	0%	17%

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