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1. SCOPE OF THE DOCUMENT

Legislative Decree 24 of 10 March 2023 transposed in Italy the European Directive 2019/1937 regarding the protection of those who report breaches of European Union law. The purpose of the regulation is to guarantee protection both in terms of confidentiality and retaliation of those who report breaches of national or EU provisions that harm the public interest or the integrity of the public administration and the private entity, breaches of which they become aware in the course of their work. Said protection extends to those other than the Whistleblower who are recipients pursuant to Legislative Decree 24/2023 in compliance with applicable laws on personal data protection.

These Operating Instructions regulate the methods on how to enter internal reports using the procedures provided by the Company.


The principles and provisions of these Operating Instructions do not jeopardise or limit the whistleblowing obligations and rights and reports to competent authorities.

2. REFERENCES

- Legislative Decree 24 of 10 March 2023, “Implementing EU Directive 2019/1937 of the European Parliament and European Council of 23 October 2019, regarding the protection of those who report breaches of Union law and regarding the protection of those who report breaches of national laws.”
- EU Regulation 2016/679 of 27 April 2016 of the European Parliament and European Council, regarding the personal data protection of individuals, as well as the free circulation of said data and which abrogates Directive 95/46/EC (the General Data Protection Regulation);
- Legislative Decree 196 of 30 June 2003 “Data Protection Code” as amended and supplemented by Legislative Decree 101 of 10 August 2018;
- Guidelines on personal data protection of individuals who report breaches of Union law and the protection of those who report breaches of national laws. Procedures on the presentation and management of external reporting of whistleblowing cases. ANAC resolution on. 311 of 12 July 2023.
- New “Whistleblowing” regulation. Operating guide for private entities. Confindustria (association of Italian industries). October 2023.
- Code of Ethics and Code of Conduct
- Organisation, Management and Control Model pursuant to Legislative Decree 231/2001
- Suppliers’ Code of Conduct.

3. DEFINITIONS

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Below some definitions provided for purposes of Legislative Decree 24/2023:

- “whistleblowing”: a written or oral reporting of information regarding breaches;
- “breaches”: conduct, actions or omissions that harm the public interest or the integrity of the public administration or private entity. For more detailed information consult article 2, paragraph 1, letter (a) of Legislative Decree 24/2023;
- “information regarding breaches”: information, including substantiated suspects, regarding breaches committed or breaches that on the basis of factual information could be committed in the organisation with which the whistleblower or the one filing the report to legal or accounting authorities have a legal status in the terms specified by law, as well as factors regarding conduct aimed at hiding said breaches;
- “whistleblower”: private individuals who make the whistleblowing report or the public disclosure of information regarding a violation that they become aware in the course of their work;
- “persons involved in the whistleblowing”: the natural or legal entity mentioned in the whistleblowing as the person responsible for the breach or as the person in any case involved in the reported breach;
- “facilitator”: a natural person that supports the whistleblower in the whistleblowing process, working within the same work environment and whose assistance must be kept confidential;
- “working environment”: the working or professional activities, present or past, carried out within the relations engaged pursuant to law, where, regardless of the nature of said activities, a person acquires information about a breach and where said person could risk retaliation in case of a whistleblowing case or public disclosure, or report to the legal or accounting authorities is made;
- “feedback”: information provided to the whistleblower about whistleblowing case and outcome;
- “channel operators”: staff specifically trained and authorised to receive and manage whistleblowing cases;
- “channel”: the group of resources, materials or staff members, organised to receive and process the whistleblowing cases.


4. TRAINING DESCRIPTION

The Company decided to introduce a special “Globaleaks” platform” that can be accessed from the website: <https://whistleblowing.bkolormakeup.com/> in compliance with the provisions of Legislative Decree 24/2023 on handling whistleblowing cases. Through the IT channel chosen by the Company, the whistleblower will be accompanied during all the whistleblowing stages.

The connection must take place through a non-corporate network (using a private PC or Smartphone). To fill out the report, the Whistleblower must access the website outside the company and read the personal data processing informative notice published pursuant to article 13 and 14 of the GDPR EU 2016/679.

Reports entered into the IT platform are received by the Supervisory Body (hereinafter Supervisory

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Body), as the whistleblowing operator.

After completing the whistleblowing process, using a code (called "receipt") assigned to the whistleblowing case, the Whistleblower may at any time:

- supplement the report with additional information;
- interact with the Supervisory Body.

The receipt code must be copied/registered and kept by the whistleblower when the whistleblowing case is sent.

If lost, it may not be recovered, as it is the exclusive ownership of the whistleblower.

4.1. Who can make a whistleblowing report

Reports regulated with these Operating Instructions can be made by the following persons, as identified by relevant regulations:

- salaried worker, including workers whose employment is regulated by Legislative Decree 81/215 or by article 54bis of Legislative Decree 50/2017, converted by Law 96/2017;
- self-employed worker, including those specified in chapter I of Law 81/2017, as well as those with a collaboration agreement envisaged in article 409 of the Italian Code of Civil Procedure and article 2 of Legislative Decree 81/2015, who engage in work with entities of the private sector;
- Worker or collaborator who engage in work with entities of the private sector that supply goods and services or that carry out works for third parties;
- freelancer and consultant that provides services to entities of the private sector;
- volunteer or trainee, even unpaid, that provides services to entities of the private sector;
- shareholder;
- persons with administrative, management, control, supervisory or representation duties, also de facto, by way of example, but not limited to directors, general manager, legal representative, member of the board of statutory auditors and member of the supervisory board, if present;
- applicant who completed an interview;
- former salaried worker.


The confidentiality of the Whistleblower is guaranteed within the regulatory terms, along with those of persons involved thereof. A possible disclosure of the whistleblower's identity to persons other than those in charge of receiving or processing whistleblowing cases, requires his/her consent.

4.2. Subject matter of the whistleblowing

The following shall be considered relevant and therefore subject to whistleblowing reporting:

- unlawful administrative, accounting, civil or criminal actions;
- illicit conduct relevant for purposes of Legislative Decree 231/01 or breaches of the Organisational, Management and Control Model envisaged Legislative Decree 231/01 and the Code of Ethics;
- unlawful actions that fall within the scope of application of national acts or of the Union envisaged in the exhibit to Legislative Decree 24/2023 (public procurement, services,

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products and financial markets and money laundering prevention and funding of terrorism, security and conformity of products, transport safety, environmental protection, radiation protection and nuclear safety, food and foodstuff safety and health and wellbeing of animals; public safety, consumer protection, protection of privacy and of personal data and security of networks and IT systems);

- actions or omissions that harm the financial interest of the European Union, as specified in the Treaty on the Functioning of the EU (article 325);
- actions or omissions regarding the internal market of the European Union (article 26, paragraph 2 of the Treaty on the Functioning of the EU, including breaches of EU standards on competition and State aids, as well as breaches regarding the internal market connected with actions that violate tax regulations on companies or mechanisms whose purpose is to gain a tax advantage that undermines the purposes of applicable laws on corporate taxation
- actions or conduct that in any case undermine the subject-matter or purposes of European Union acts in the above sectors.

The types of conduct to be reported must concern situations in which a person becomes directly aware of in the course of their employment, meaning during the employment.

A whistleblowing report based on suspicion or rumours is not worthy of being made, as there must be accurate knowledge of the facts.

Employees do not have to be certain of the actual occurrence of the events reported or of the author, they can simply consider the occurrence of an unlawful action highly likely.

4.3. Whistleblowing report contents

The Whistleblower can make either written or oral reports by recording with voice alteration in compliance with principles of confidentiality using the chosen platform.

A report can be made with an individual's name or anonymous. Anonymous reports that are not properly substantiated are processed just like standard reports.

Reports with an individual's name require a section aimed at acquiring data of the whistleblower and his/her role in the company.


Reports must include the following information:

- a clear and complete description of the facts being reported;
- specific time and place where the facts being reported occurred;
- general information and other elements that allow the identification of the person(s) who have conducted the reported facts (e.g. position, place of employment where the job was carried out);
- any supporting documentation of the whistleblowing case;
- details of any other persons that can report on the facts being presented;

The Whistleblower will be asked some questions only in certain mandatory cases to facilitate the whistleblowing reporting process.

4.4. Investigations and corrective actions

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All the reports entered into the IT system are taken into account by the Supervisory Body and a receipt notice is issued to the whistleblower with the wording “report sent successfully” from the platform, in compliance with applicable regulations.

Subsequently, an investigation phase is set off, which takes place in two different moments:

- a preliminary analysis phase;
- an actual investigation phase.

During the first phase, an evaluation is conducted on the existence of the essential requirements for the whistleblowing report to evaluate its eligibility. In the conduction of the preliminary reporting analysis, for specific matters dealt with or whenever necessary, the Supervisory Body may rely on the support and collaboration of competent corporate functions in charge of whistleblowing cases and if required, supervisory members or external professionals in compliance with data confidentiality principles.

The analysis of a report may determine its closure before the investigation phase, in case the report:

- is too generic, it cannot be verified and lacks the necessary elements for a subsequent investigation and there is no chance for the Supervisory Body to contact the Whistleblower to gather additional information on the reported event;
- has as subject-matter issues that are beyond the scope of this document (e.g. complaints of customers regarding commercial issues). In this case, after closing the report, the latter is in any case submitted to the competent corporate functions;
- concerns events in which there are pending investigations on the part of Public Authorities and therefore internal competent members abstain from conducting additional investigations;
- has as subject-matter events that are already reported in other whistleblowing cases, without additional details with respect to what is already notified.

If sufficient elements are provided and the report is considered relevant, the latter is analysed and evaluated accordingly.

The actual investigation phase requires the conduction of in-depth looks aimed at objectively ascertaining the legitimacy of the report’s contents. The operator of the channel can rely on the help of possible ad hoc appointed consultants.

Upon completion of each investigation, the Supervisory Body will prepare a final report containing the following:


- the established facts;
- the gathered evidence;
- if possible, the causes and deficiencies that led to the reported breach.

If considered necessary, the Supervisory Body shall request the competent divisions to take any disciplinary or mitigating actions.

Through the platform, the whistleblower is informed of the various phases and of the outcome of the investigation within three months.

Whistleblowing reports are filed for the necessary time to process them and in any case for no more than 5 years after notice of their outcome.

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5. DUTIES AND RESPONSIBILITIES

The duty of the whistleblower is to use the means outlined in the following procedure and report unlawful conduct or discrepancies in the business of which the whistleblower has become aware of. These operating instructions do not prejudice the civil, criminal and disciplinary responsibility of the whistleblower in case of defamatory reports, pursuant to the criminal and civil code. Likewise, any form of abuse of these Operating Instructions are source of liability and result in disciplinary actions or other proceedings, such as whistleblowing reports that are opportunistic or made with the sole purpose of harming the reported party or other parties and any other case of improper use or intentional exploitation of the subject-matter of this procedure.

The Supervisory Body represents the recipient and operator of all the Whistleblowing Reports and oversees them in accordance to the terms envisaged in the standard and these Operating Instructions.

The Company guarantees the confidentiality of the identity of the Whistleblower, the Reported Party and of the various persons other than the Whistleblower, in addition to those outlined in the report. The Company is responsible for taking charge of what is reported by the Supervisory Body. Moreover, the Company supervises the Whistleblower to ensure that there is no retaliation, discriminatory or unfair conduct directly or indirectly due to the Whistleblowing Reporting. In particular, the Whistleblower may not be fined or dismissed and neither be subject to any similar treatment with respect to the current employment or collaboration in place or be subject to any form of discrimination (e.g. unjust disciplinary actions, harassment in the workplace or other forms of retaliation), directly or indirectly, for reasons related to the Whistleblowing Reporting, even if indirectly. If the Whistleblower considers to have been subject to discrimination action, the latter shall notify the Supervisory Body so that the latter can ascertain the legitimacy of the claim and report it to the competent corporate divisions and the necessary actions can be adopted to restore or remedy the negative effects of said discrimination. The above without prejudice to the application of the protections and guarantees envisaged in the legal system against retaliatory or discriminatory dismissal or other discriminatory conduct. Likewise, any form of retaliation or discrimination is prohibited against those who cooperate in whistleblowing activities.


6. EXTERNAL WHISTLEBLOWING CHANNEL

ANAC has established an external whistleblowing channel which the Whistleblower can use provided that the conditions set out by article 6 of Legislative Decree 24/2023 are met. The channel can be accessed through the ANAC website.

Furthermore, if the Whistleblower believes to have suffered a retaliation after making a whistleblowing report, the latter may contact ANAC according to the conditions set out in article 16 of Legislative Decree 24/2023.

Moreover, if the conditions envisaged in article 15 of Legislative Decree 24/2023 apply, the

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Whistleblower can make a public disclosure.

7. RELATED FORMS

None

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