

CONSOLIDATED
FINANCIAL
STATEMENTS
2025

**WE MAKE BEAUTY.
BETTER.**

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CHAIRMAN'S LETTER



Dear shareholders, customers and employees,

2025 featured a Beauty market whose development fell short of historic sector growth rates, due on the one hand to the consolidation of the significant post-pandemic growth, and on the other to the geopolitical and trade tensions that have shaped the global environment and inevitably impacted consumption.

Against this backdrop, our Group decided to focus even more on the central pillar of our business model: innovation. This focus drove a consolidation of Group sales, which this year only slightly increased at constant exchange rates - although with higher value added.

This is highlighted at profitability level, whose growth has been tangible and the highest since IPO. The increased profitability was not delivered by containing costs - which increased and particularly in terms of innovation - but rather through increasing the

gross profit, highlighting the recognition of the most innovative products available among our customer base. This recognition comes from the most sophisticated cluster of brands internationally, i.e. the multinationals, who for Intercos grew by double-digits on 2024, following many years of the Emerging Brands' outperformance. This was particularly the case for the Make-up business segment, in which we are recognized as global market leaders.

In a period of market rebalancing such as we have seen in 2025, the search for technological innovation and new "on-trend" products has become even more important, as these are the real key to stimulating end consumption. I consider that 2025 - more than any other year - has demonstrated how our Group plays a key role within the global Beauty value chain.

It was also a year of major changes for Intercos. We consider change to be an integral part of our Group and which enables us to evolve our busi-

ness model constantly so as to always anticipate the demands of the market, of our customers and to consistently improve the level of service offered.

Our 12 globally-distributed research centers, while maintaining a consistent identity within a single network whose hub remains in Italy, now benefit from greater operational autonomy. This evolution enables the regional structures to develop formulations targeted to the needs of the individual markets, to respond more quickly to emerging trends in the individual regions, thereby strengthening local portfolios and expanding the overall product offer. On the other hand, medium to long-term fundamental research remains centralized at the global level and benefits from a multi-functional approach within the Think Tank whose mission is to develop highly-innovative raw materials and technologies. This dynamic generates benefits for the Group as a whole, with a positive impact also in Italy, in which the decision-making and strategic center of the innovation model is based.

2025 was also a year of new investments focused on expansion, boosting the production capacity of the South Korean site and one of our Chinese plants. This will enable us to have the necessary production capacity to meet the expected growth, as well as improve supply chain flows with positive effects on production costs.

We look to 2026 with confidence, strengthened by our role as an innovator, by our recognized industrial expertise, the long-term relationships with our customers and a solid business model focused on sustainable growth and value creation over time.

DARIO FERRARI
Executive Chairperson





CHIEF EXECUTIVE OFFICER'S LETTER



In a year that proved more complex than expected due to the challenging geopolitical environment and the general consolidation of the Beauty market, particularly in the U.S., our Group successfully focused on recovering profitability. Following many years of accelerated top line growth, sales in 2025 were substantially in line with the previous year, although amid a reduced packaging component and a greater concentration of higher value added business. This has enabled us, together with the procurement and production efficiency measures, to achieve significant EBITDA growth.

2025 in fact saw significantly increased profitability, thanks also to a sales mix more focused on the higher value added business lines: Make-up, the Group's main business unit, returned to account for more than 60% of total sales, supported mainly by the increase in multinationals business volumes and in the prestige segment.

This has allowed us to increase EBITDA by Euro 12.6 million on the previous year, representing nearly double-digit growth (+9%).

Within a more cautious procurement environment, particularly among the emerging brands (also in view of slowing U.S. consumption), the multinational Groups have instead stepped up the search for more innovative products to stimulate demand- both on the western and eastern markets. This approach is typical in market consolidation phases as gaining market share becomes essential to sustaining their business, with a focus therefore on stimulating demand through product innovation. Within this environment, Intercos was once again able to anticipate trends, strengthening its position as a key strategic partner for global Beauty market innovation.

Looking to the performances of our business units, Make-up's growth far outstripped the general market, up

+6%, despite the highly unfavorable exchange rate movements. Skincare contracted 4%, mainly in view of the American market, in which the emerging brands saw a year of significant volatility. Finally, the Hair&Body business unit reported the most significant decline (-17%), following a 2024 which benefitted from the launch of important new perfume lines (the Business Unit in fact grew +20% compared to 2023). In terms of the performance by geographic area, we continue to be greatly satisfied with the performances in Asia, which saw again in 2025- double digit growth at constant exchange rates. EMEA however was impacted by the Hair & Body segment result indicated above, reporting a slight contraction in the year (-5%). Finally, the Americas were substantially stable on the previous year, amid a market impacted by weak Make-up consumer volumes.

Finally, we are satisfied with the emerging country performances, with sales in both India and Brazil beating our expectations,

highlighting the attractiveness and the maturation process of these countries.

In terms of customer categories, the return to growth of the Multinationals (+9%) is highlighted and whose outsourcing trend, particularly in Make-up, accelerated during the year. The Emerging Brands however saw more fluctuating movements in view of the weaker fragrance performances and the contraction for skincare (particularly in the U.S.).

2025 again featured significant industrial expansion-focused capex, both in China and in Korea, following on from that in preceding years for the Polish and Italian Skin and Hair Care plant. The increase in production capacity will enable the Group to continue on its planned growth trajectories, supported also by recent organizational changes that provide the CEOs of the various Regions with more decision-making power in the area of innovation to build product portfolios which perfectly match the demands of their respective markets.

Intercos continues to look to the future with optimism, strengthened by a unique business model globally. The Group's proven ability to anticipate market trends in all regions will continue to support the growth of the Beautybrands and thus of the Beauty market worldwide.

We would like to thank all the people who, through their daily commitment and passion, help to consolidate a business model which, since its founding, stands out for its uniqueness internationally.



RENATO SEMERARI
Chief Executive Officer

VISION

To be at the heart of
beauty's favorite brands.



MISSION

To establish lasting partnerships with the most relevant and iconic cosmetic *brands*, offering complete ranges of makeup, *skincare* and hair & body care with a global approach.



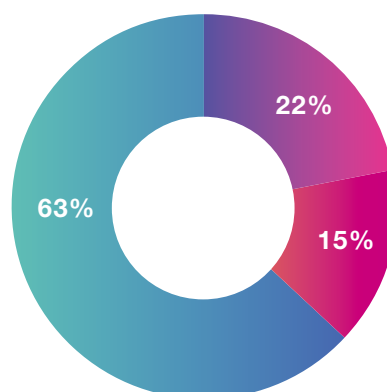
HIGHLIGHTS

World leading innovation partner to multinationals, emerging brands and retailers in the large, long-term growing and resilient beauty industry, underpinned by Intercos' global presence and diversified portfolio of proprietary superior products across categories.

1,047,233

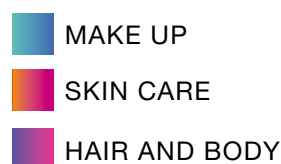
REVENUES 2025

Revenues by Business Unit



155,981

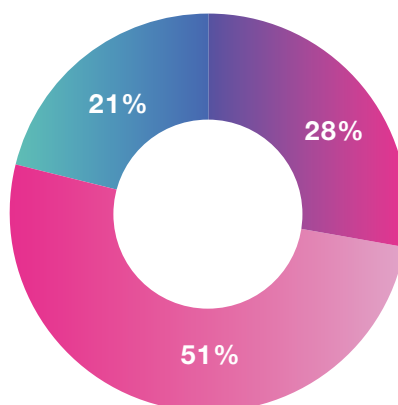
ADJUSTED EBITDA 2025



74,102

EARNINGS BEFORE TAX (EBT) 2025

Revenues by region



57,381

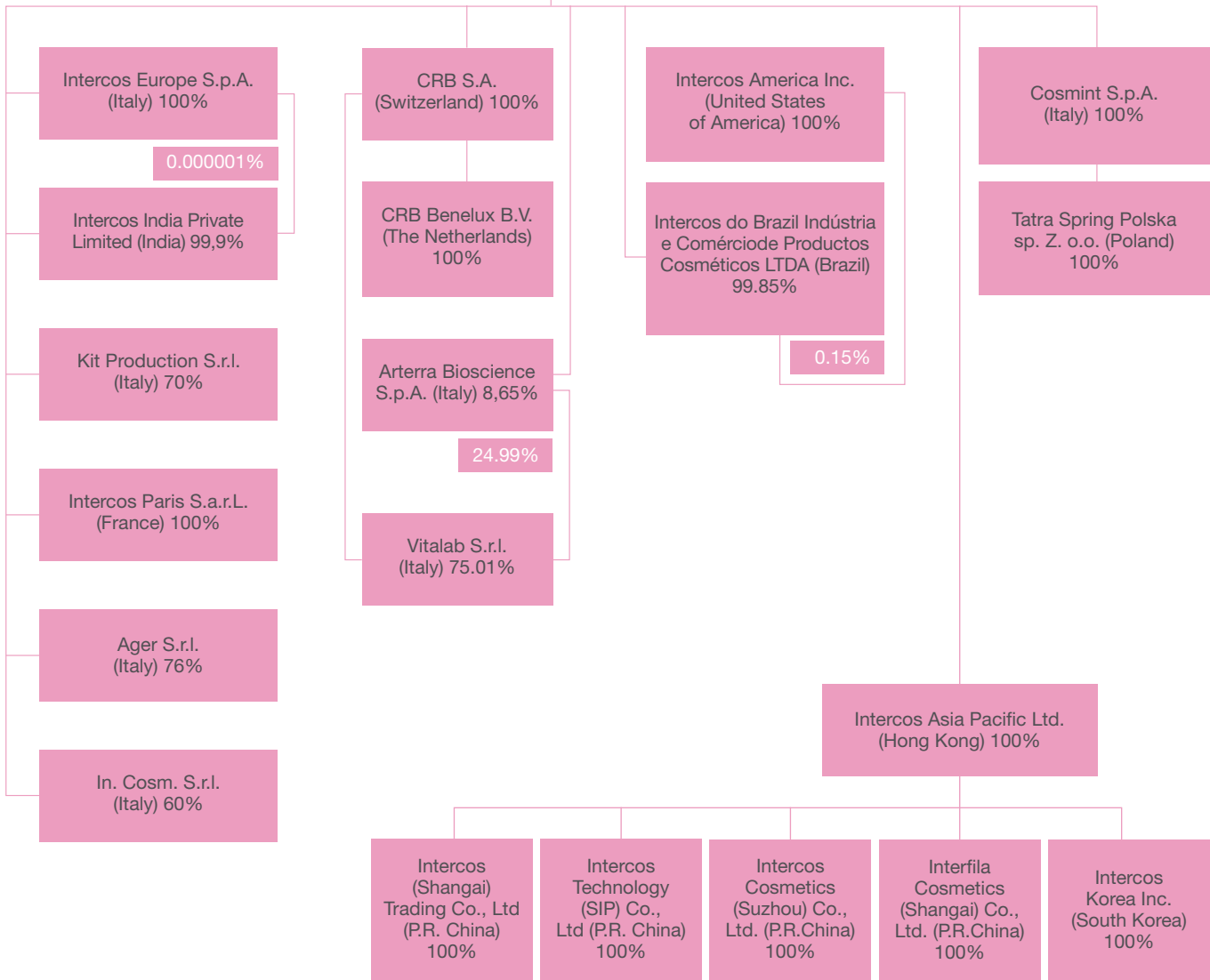
ADJUSTED NET INCOME 2025



THE GROUP STRUCTURE

At the preparation date of the financial statements, the Company's business is conducted through the following Group Companies:

Intercos S.p.A.



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03 INDEPENDENT AUDITORS' REPORT



The background features a complex, abstract design of overlapping, translucent, wavy shapes in various shades of pink, magenta, and light purple. These shapes create a sense of depth and movement, resembling liquid or smoke. The overall color palette is soft and pastel, with a gradient from light pink at the top to deeper magenta and purple at the bottom.

FINANCIAL STATEMENTS

Operating and financial performance

Group **sales** in 2025 amounted to Euro 1,047,233 thousand, increasing +0.3% on 2024 at constant exchange rates and slightly contracting (-1.7%) at reported exchange rates, due to the significant strengthening of the Euro against the Korean Won, the U.S. Dollar and the Chinese Renminbi. Significant improvement in sales mix: sales with higher value added, without the packaging component, (i.e. Free-issue), while contributing less to the development of the top-line, drove the marked increase in margins at consolidated level.

For further details, reference should be made to paragraph “*Intercos Group Key Financial Highlights*” of the Directors’ Report.

The 2025 **Industrial Gross Profit** was Euro 219,419 thousand (21% margin), an increase of Euro 12,385 thousand (+6%) on Euro 207,034 thousand in the previous year (19.4% margin), with the margin increasing on the previous year.

EBITDA totaled Euro 148,799 thousand, up 11.2% on the previous year (14.2% margin). Management uses adjusted EBITDA (i.e. net of non-recurring income and charges) in this annual financial report as an alternative performance measure. This supports a better assessment of the Group’s operating and financial performance.

Group Adjusted EBITDA in 2025 was Euro 155,981 thousand, up 8.8% (or +Euro 12,632 thousand). The excellent performance for the year stemmed from the significant recovery in profitability.

The Group’s focus on higher value added sales, the decrease in the packaging component of products sold, alongside the countless initiatives rolled out on both the sourcing and op-

erations side, have allowed a recovery of the profitability lost in past years.

This improvement in profitability was significant in all quarters of the year, driven by a more favorable sales mix due to an increased focus on the higher value added categories, particularly make-up’s prestige segment, which resulted in an Adjusted EBITDA margin on net sales in the year of 14.9%, increasing 1.4 percentage points.

At the same time, the Adjusted EBITDA on net sales excluding the packaging components (i.e. Value added sales) was 19.2%, increasing on 2024 by 1.6 percentage points. These results were not achieved through containing costs, but rather thanks to the improved gross profit, as a result of more streamlined operations and reflecting more efficient operations and the revenue from higher value added products.

EBIT was Euro 95,980 thousand (9.2% margin), compared to Euro 84,127 thousand in 2024 (7.9% margin), increasing Euro 11,853 thousand (+14.1%).

The increase is due to the higher EBITDA, partially offset by increased amortization and depreciation in the year for Euro 2,134 thousand and write-downs of capitalizations from previous years for Euro 1,040 thousand.

It is in addition noted that in 2025 further net non-recurring charges of Euro 7,182 thousand were recorded, which mainly include the extraordinary unforeseen lay off costs of Euro 3,848 thousand, Euro 5,739 thousand of costs incurred for general and legal consultancy, mainly in Italy and the United States, the provision of Euro 802 thousand following the setting of the new targets for the latest performance





shares plans drawn up from 2022, net of the non-recurring income of Euro 3,337 thousand regarding mainly for Euro 2,500 thousand the insurance reimbursement following the Cyber Attack and Euro 637 thousand regarding the release of the doubtful debt provision following the payment of the trade receivable of the customer "The Body Shop" (Euro 259 thousand of Cosmint S.p.A. and Euro 378 thousand of Tatra Spring Polska SP. Z.O.O.); please note that the provision in the year ended December 31, 2023 was classified as a non-recurring charge, as it was considered probable that the business would not continue.

For further details on the Performance shares plans, reference should be made to paragraph "Share-based payment plans" of the Explanatory Notes.

Net Profit of Euro 50,053 thousand is reported, increasing on the previous year (Euro 48,776 thousand, +2.6%), mainly due to the reduced tax impact and the decrease in non-recurring charges.

The net profit was mainly impacted by the higher net financial expense of Euro 21,878 thousand compared to the previous year, due to increased net realized and unrealized exchange losses, particularly as a result of the strengthening in 2025 of the Euro against the U.S. Dollar, the Renminbi and the Korean Won, and due to the fact that in 2024 financial income from the IRS derivative was recognized following the early settlement of the senior financing.

Finally, the 2025 tax rate was 32.5%, reducing on the previous year (34.1%).

Excluding non-recurring charges from the two periods, net of their tax effect, the 2025 profit would amount to Euro 57,381 thousand (Euro 56,668 thousand in 2024), increasing on the previous year (+1.3%) and mainly due to the effects outlined above.

The revenue margin would therefore amount to 5.5%, compared to 5.3% in the comparative period (increasing by 16 percentage points).

Investments in tangible and intangible assets in the year totaled Euro 74,891 thousand, of which Euro 50,953 thousand concerning property, plant and equipment and Euro 23,938 thousand intangible assets. In addition, Euro 5,693 thousand concerns the recognition of the effects from applying IFRS 16.

For further details, reference should be made to paragraphs "Property, plants and equipment" and "Intangible assets" of the explanatory notes.

Net financial (debt) position of Euro 100,489 thousand, in line with December 31, 2024 (+Euro 2,782 thousand). The movement reflects the cash generation sufficient to self-finance the payment of Euro 19,000 thousand of dividends in 2025 and the outlay of Euro 13,140 thousand to launch the buy-back program. The financial leverage (net financial position on adjusted EBITDA) has decreased further and is now 0.64x, decreasing from the 0.68x reported last year. The net financial position, excluding the accounting impact from the application of IFRS 16, was Euro 62,203 thousand.

It is also noted that during 2025, the parent company repaid the capital portions of credit lines for Euro 25,000 thousand on the Cassa Depositi e Prestiti loan ("CDP Loan Contract") and for Euro 10,000 thousand on the Line A loan.

For further details, reference should be made to Note "Bank borrowings and other lenders" in the Explanatory Notes.

Group's **shareholders' equity** at December 31, 2025 amounts to Euro 487,927 thousand, compared to Euro 478,858 thousand at December 31, 2024, increasing by Euro 9,069 thousand

(+1.9%). This movement is mainly due to the net profit for the year (Euro 50,053 thousand), the increase in the consolidation reserve of Euro 2,163 thousand, the positive effect of the LTIP plans reserve (Euro 802 thousand) and of the actuarial reserve, net of the tax effect (Euro 239

thousand), the decrease in the translation reserve (Euro 12,062 thousand) and of the Buy-back reserve (Euro 13,140 thousand) and finally the distribution of dividends (Euro 19,000 thousand).

Economic overview

The global economy in 2025 continued to gradually normalize following the fluctuations of the preceding years, although continuing to feature a significant degree of structural uncertainty. Macroeconomic dynamics have been impacted by inflation trends, prudent monetary policy stances and geopolitical tensions, in addition to trade tensions and the implications of the tariffs adopted by a number of major economies.

According to the International Monetary Fund (IMF), global GDP in 2025 grew 3.2%, amid moderate global growth compared to the immediately preceding years and weaker than the pre-pandemic historic average. The outlook for 2026 is also contained, with global growth of approximately +3.1% expected. The advanced economies report more moderate growth, while many of the emerging economies continue to grow at above-average rates.

Global inflation continued on its gradual downward trend in 2025. The projections indicate the further decline of global inflation for the coming year. In the eurozone and the United States, price trends in 2025 were affected by sector dynamics and the impact of trade tensions.

The major central banks, particularly the U.S. Federal Reserve and the European Central Bank, have adopted a cautious approach to managing interest rates, balancing the need to

support price stability with that not to unduly compress economic growth.

In this context, a number of rate reductions have been assessed or implemented in response to falling core inflation, while remaining largely near historically-high real levels, particularly in the United States.

Interest rates globally remained relatively high through much of 2025, affecting borrowing costs for businesses and households and, to a certain extent, curbing investment appetite. The labor markets in the major advanced economies however showed remarkable resilience, with low unemployment rates, although persistent cost-of-living pressures continued to erode household purchasing power and affect consumption and particularly in the discretionary sectors.

A major factor impacting the global economy has been the increasing role of protectionist trade policies and the introduction of tariff measures in various geographical areas, primarily in the United States. Increased tariffs have resulted in direct and indirect costs, affecting trade flows, commodity prices and the global value chain, with impacts across businesses and consumers and upon financial market stability. Uncertainties associated with tariff dynamics have contributed to increased volatility in trade and investment plans, generating downside risks in sectors particularly exposed to international trade.





Despite these elements of uncertainty, 2025 overall represented a year of gradual stabilization for the global economy, marked by moderate growth and a gradual rebalancing of the key macroeconomic aggregates.

However, it remains essential to closely monitor developments in trade policies, international financial conditions and geopolitical risks, factors that will continue to significantly determine the direction of economic activity over the medium-term.

Market overview

The Beauty market saw opposing trends in 2025. Growth rates, as expected, were substantially low in Europe, while the U.S. Beauty market continued to see growth, mainly thanks to the increase in the prices applied by sector Brands, with volumes however mostly decreasing in many categories.

In particular, we consider that the various provisions regarding the implementation of duties, on the one hand have impacted consumption, while on the other - particularly in the second half of the year - have led to a further increases in end prices.

China however saw more encouraging results, with the second half recovering strongly on 2024 and the first half of 2025.

The Group expects growth to pick up in 2026, particularly in the second half of the year, thanks to a recovering U.S. market and continued Chinese growth from the second half of the previous year.

The Intercos Group continues to benefit from the diversification of the countries in which it operates, offsetting any unexpected market developments. Intercos is a Group which over time has increased its presence across global markets in order to understand them, anticipate trends, and make products that are highly innovative. All the while remaining close to the end consumers of our long-term clients and partners, minimizing time-to-market. With fifteen production plants, twelve research centers and sixteen sales offices across the world, the Group is unique in the industry for its geographic, product and customer diversification and is well positioned to benefit from the resilience of the market in which it operates.

Intercos Group Key Financial Highlights

Alternative performance measures, not covered by IFRS, are used by management for a better assessment of the Group's operating and financial performance and are in line with the Group's performance policies and control parameters. These indicators should not be considered as substitutes for those set out by IFRS and are in line with ECEP ESMA 2025 which underscores the need to ensure consistency and transparency in the presentation of segmental and Alternative Performance Measures.

The alternative performance measures not stemming directly from the financial statements are outlined below:

- **EBITDA:** equal to the result before taxes, to which are added:

- > unadjusted financial expense;
- > amortization, depreciation and write-downs;

and from which unadjusted financial income is subtracted.

EBITDA also excludes income and charges from managing non-consolidated equity investments and securities, in addition to the results from the sale of consolidated equity investments, classified in the financial statements under "financial income and charges" or, for the results only of the investments valued at equity (non-operative), within the "effects of the valuation of investments at equity" item.

- **Adjusted EBITDA:** EBITDA after, as defined above, the following items (where applicable):

- > Any effects of the impairment test on goodwill;

- > Amortization of the portion of the purchase price allocated to intangible assets as part of business combinations, as established by IFRS 3;

- > Restructuring charges, as part of defined and relevant plans;

- > Other non-recurring charges or income, i.e., due to particularly significant events outside of core operations.

- **Adjusted net profit (loss)** is obtained by excluding the components assessed by the Company as of a non-recurring nature, i.e., particularly significant events outside of core operations, net of the relative tax impacts;

- **Operating Working Capital** includes inventories and trade receivables and payables;

- **Net Working Capital:** operating working capital net of other current assets and liabilities;

- **Net capital employed:** the sum of non-current assets, non-current liabilities and Net Working Capital;

- **Net debt (cash)** or net financial position: the sum of current and non-current financial payables, net of short and long-term financial receivables, including cash and cash equivalents;

- **Workforce:** the number of employees on the employee register on the last day of the period.

- **Value Added Sales:** sales net of packaging cost.

The key performance indicators for 2025 are presented below:





(K€)	December 31, 2025	December 31, 2024	Change
Revenues	1,047,233	1,064,904	(17,671)
EBITDA	148,799	133,772	15,027
Adjusted EBITDA	155,981	143,349	12,632
<i>% of revenues</i>	<i>14.9%</i>	<i>13.5%</i>	<i>1.4%</i>
EBIT	95,980	84,127	11,853
<i>% of revenues</i>	<i>9.2%</i>	<i>7.9%</i>	<i>1.3%</i>
EBT	74,102	74,033	69
<i>% of revenues</i>	<i>7.1%</i>	<i>7.0%</i>	<i>0.1%</i>
Net Profit	50,053	48,776	1,277
<i>% of revenues</i>	<i>4.8%</i>	<i>4.6%</i>	<i>0.2%</i>
Adjusted Net Profit	57,381	56,668	713
<i>% of revenues</i>	<i>5.5%</i>	<i>5.3%</i>	<i>0.2%</i>

(K€)	December 31, 2025	December 31, 2024	Change
Net working capital	112,757	112,074	683
<i>Net working capital turnover rate</i>	<i>9.3</i>	<i>9.5</i>	<i>-0.2</i>
Net capital employed	588,416	576,565	11,851
Non-current assets	495,172	487,089	8,083
Total net financial position (excluding IFRS 16 effects)	62,203	55,057	7,146
Net financial position	100,489	97,707	2,782

	December 31, 2025	December 31, 2024	Change
Workforce (number)	4,193	4,074	119
Basic earnings per share (in Euro)	0.52	0.51	0.01
Diluted earnings per share (in Euro)	0.51	0.50	0.01

Additional disclosure on the operating, equity and financial situation of the Group is provided below in the “Reclassified consolidated income statement”, “Reclassified consolidated statement of financial position”, “Consolidated net financial debt” and the “Reclassified consolidated statement of cash flow”.

Consolidated Income Statement

(K€)	December 31, 2025	December 31, 2024
Revenues	1,047,233	1,064,904
Cost of sales	(827,814)	(857,870)
Industrial Gross Profit	219,419	207,034
<i>% of revenues</i>	21.0%	19.4%
Research, Development and Innovation costs	(40,993)	(40,402)
Selling Expenses	(25,923)	(29,600)
General and Administrative Expenses	(55,856)	(51,838)
Other net operating income/(expenses)	(667)	(1,067)
EBIT	95,980	84,127
<i>% of revenues</i>	9.2%	7.9%
Amortization, depreciation & write-downs	(52,819)	(49,645)
EBITDA (*)	148,799	133,772
Net non-recurring charges	(7,182)	(9,577)
Adjusted EBITDA (*)	155,981	143,349
<i>% of revenues</i>	14.9%	13.5%
Net financial income/(charges) (**)	(21,878)	(10,094)
EBT	74,102	74,033
Income taxes	(24,049)	(25,257)
Net Profit	50,053	48,776
Of which:		
- Owners of the parent	49,826	48,524
- Minority interest	227	252
Earnings per share (in Euro):		
Basic	0.52	0.51
Diluted	0.51	0.50

(*) for further details, please refer to the section “Intercos Group Key Financial Highlights” of the Directors’ Report on page 24.

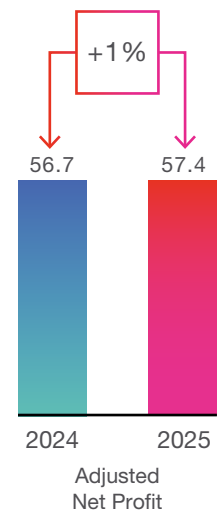
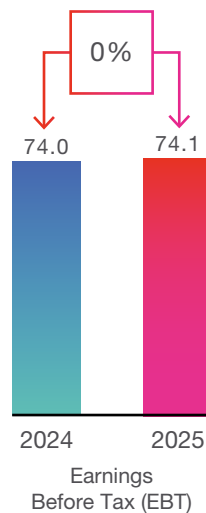
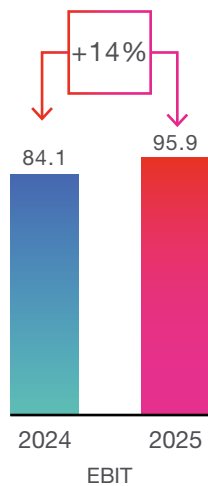
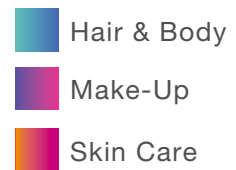
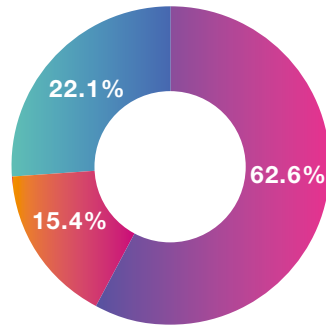
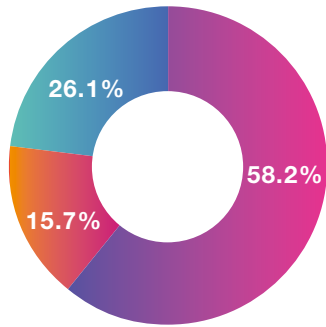
(**) the sum of financial income and charges without any adjustment.





Revenues 2024
€ 1,064.9 m

Revenues 2025
€ 1,047.2 m



Group sales in 2025 totaled Euro 1,047,233 thousand, up +0.3% on 2024 at constant exchange rates, while contracting -1.7% at reported exchange rates. The strengthening of the Euro against all of the overseas currencies with which the Group operates therefore had a negative impact of more than Euro 21 million.

We underline the improved sales mix: sales with higher value added, without the packaging component, (i.e. Free-issue), while contributing less to sales, drove the marked increase in margins at consolidated level.

The breakdown of revenues for 2025, compared with 2024, by geographic area is presented below. The Group opted to

represent sales by region from a commercial viewpoint, basing revenues according to the region in which the client has its headquarters.

SALES OVERVIEW BY REGION

Revenues by region are broken down below, based on the location of the invoiced customer's Headquarters.

Analisi delle vendite per Area Commerciale

(Euro thousands)	2025	2024
Americas	290,043	293,397
EMEA	531,690	559,477
Asia	225,500	212,030
Total	1,047,233	1,064,904

Fiscal year 2025 revenues (compared to the previous year) are presented below:

Sales Overview by Business Unit

(Euro thousands)	2025	2024
Make up	655,182	619,836
Skin care	160,998	167,090
Hair and Body	231,053	277,978
Total	1,047,233	1,064,904

Sales Overview by Customer

(Euro thousands)	2025	2024
<i>Multinational Brands</i>	510,930	468,878
<i>Emerging Brands</i>	465,558	526,564
<i>Retailers</i>	70,745	69,468
Total	1,047,233	1,064,904

From the first quarter of 2025, the classification of a number of customers was reviewed in order to reflect certain Emerging Brands being acquired by Multinational Brands and other retailers which, developing their proprietary brands, have expanded their distribution channels.

For comparability, the 2024 figures were made uniform.

For further information, reference should be made to paragraph "Segment information" of the Explanatory Notes.





Reclassified Consolidated Statement of Financial Position

(In Euro thousands)	December 31, 2025	December 31, 2024
Fixed Assets	458,012	445,489
Inventories	172,197	193,292
Trade receivables	140,232	160,562
Trade payables	(165,171)	(202,236)
Operating working capital	147,258	151,618
Other net current assets and liabilities (*)	(34,501)	(39,544)
Net working capital	112,757	112,074
Other net non-current assets and liabilities (**)	16,149	17,504
Investments in third party companies	1,498	1,498
Net capital employed	588,416	576,565
Equity	487,927	478,858
Cash and cash equivalents	(152,217)	(190,021)
Net financial payables	252,706	287,728
Net financial position	100,489	97,707
Total sources	588,416	576,565

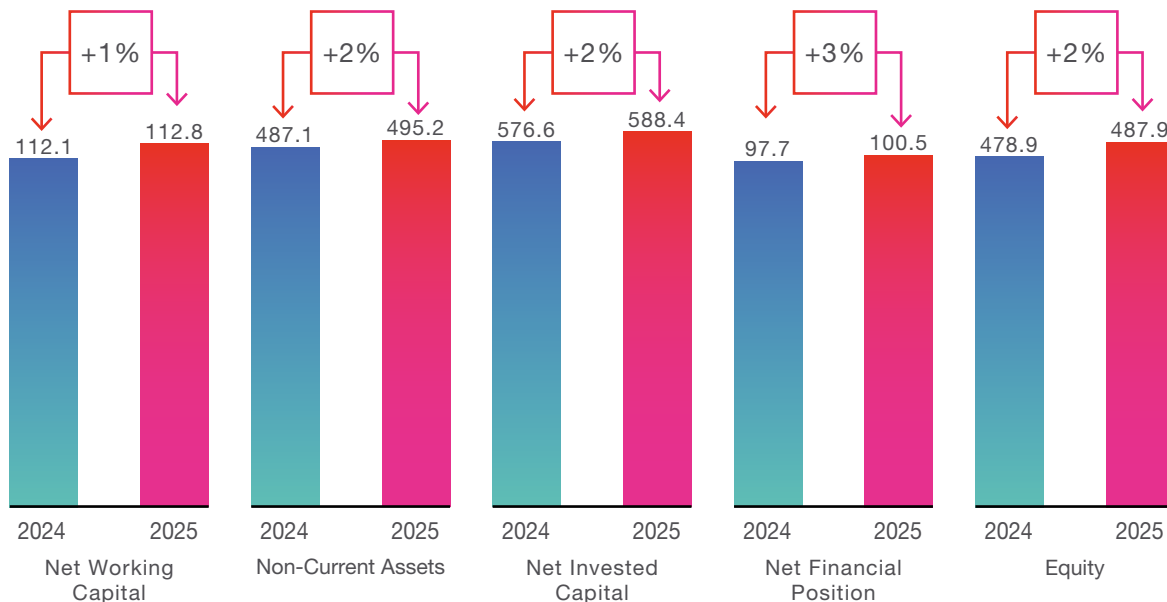
Ratios

Fixed assets / Capital employed	77.84%	77.27%
Net Financial Position / NE	0.21	0.20
Capital Employed / NE	1.21	1.20
Operating working capital / Revenues	14.06%	14.24%
Net Working Capital / Revenues	10.77%	10.52%

Notes on the reconciliation between the reclassified consolidated balance sheet and the consolidated balance sheet:

(*) includes the items "Other current assets" and "Other current liabilities"

(**) includes the items "Deferred tax assets", "Other non-current receivables", "Provisions for risks and charges", "Deferred tax liabilities", "Other non-current liabilities", "Employee benefits"



Net capital employed at December 31, 2025 was Euro 588,416 thousand, increasing Euro 11,851 thousand on Euro 576,565 thousand in 2024.

The increase is mainly due to the increase in net fixed assets (Euro 12,523 thousand), also due to the significant capex in 2025 focused on expansion both in China and Korea, and following on from the expansions of the plant in Poland and in Italy in previous years.

The Consolidated Net Financial Debt at December 31, 2025 was therefore Euro 100,489 thousand, increasing Euro 2,782 thousand on 2024. This increase, together with the increase in EBITDA, enabled the Group to further reduce financial leverage, which is now 0.64x (0.68x at December 31, 2024). Excluding the accounting impact from IFRS16, the net financial position as of December 31, 2025 is Euro 62,203 thousand.

We break down below the Consolidated net financial debt at December 31, 2025

Consolidated Net Financial Debt

(In Euro thousands)	December 31, 2025	December 31, 2024
Cash and cash equivalents	(152,217)	(190,021)
Net current financial liabilities to banks and other lenders	52,669	50,476
Net Current Financial Position	(99,548)	(139,545)
Non-current financial liabilities to banks and other lenders	200,037	237,252
Non-current financial debt	200,037	237,252
Net debt (cash)	100,489	97,707

The following table breaks down net financial debt at December 31, 2025 and December 31, 2024, restated in accordance with paragraph 175 of ESMA Recommendation 32-382-1138 dated March 4, 2021:

(In Euro thousands)	December 31, 2025	December 31, 2024
A Cash and cash equivalents	152,217	190,021
B Other cash equivalents	-	-
C Other current financial assets	42	49
D LIQUIDITY (A+B+C)	152,259	190,070
E Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	42,748	38,633
F Current portion of non-current debt	9,963	11,892
G CURRENT FINANCIAL DEBT (E+F)	52,711	50,525
H NET CURRENT FINANCIAL DEBT (I-E-D)	(99,548)	(139,545)
I Non-current financial debt (excluding current portion and debt instruments)	200,037	237,252
J Debt instruments	-	-
K Trade payables and other non-current payables	261	215
L NON-CURRENT FINANCIAL DEBT (I+J+K)	200,298	237,467
M TOTAL FINANCIAL DEBT (H+L)	100,750	97,922





It should also be noted that the Group does not have any indirect debt or debt subject to conditions and that it has assessed that its trade payables overdue by more than 30 days do not have a significant financing component, also taking into account the provisions of paragraph

184 of the new ESMA guidelines 32-382-1138 of March 4, 2021.

It should be noted that during the year the Group did not renegotiate any contractual maturities with its suppliers such as to have a significant impact, and that there are no disputes with the Group's creditors.

Reclassified consolidated statement of cash flow at December 31, 2025 and December 31, 2024

(In Euro thousands)	December 31, 2025	December 31, 2024	Change
Adjusted EBITDA	155,981	143,349	12,632
Adjustments (*)	(6,922)	(7,631)	709
Change in Trade Working Capital **	4,359	1,097	3,262
Other changes in Working Capital***	(5,042)	(8,788)	3,746
Investments****	(74,891)	(70,930)	(3,961)
Cash flow from operating activities	73,485	57,097	16,388
Other changes in long-term assets/liabilities	1,356	(2,760)	4,116
Net financial charges	(21,878)	(10,094)	(11,784)
Fees	(24,049)	(25,257)	1,208
Other changes Equity and other	443	1,522	(1,079)
Cash flow before dividends	29,357	20,508	8,849
Dividends paid	(19,000)	(18,000)	(1,000)
Buyback	(13,140)	-	(13,140)
Net cash flow	(2,783)	2,508	(5,291)

(*) considering only the portion of adjustments at EBITDA level with monetary impact and which in 2025 totaled Euro 6,922 thousand of total adjustments of Euro 7,182 thousand.

(**) "Change in Trade Working Capital" calculated as the change in the balances as per the "Reclassified Consolidated Statement of Financial Position" at page 29 to the "Operating Working Capital" account

(***) "Other Changes in Working Capital" calculated as the change in the balances as per the "Reclassified Consolidated Statement of Financial Position" at page 29 to the "Other Net Current Assets and Liabilities" account

(****) "Investments" report the increases in 2025 of Property, Plant and Equipment and of Intangible Assets

Operating Cash Flow in 2025 totaled Euro 73,485 thousand, significantly increasing on the previous year (+Euro 16,388 thousand), despite investments on net sales which reflected the one-off Group expansion plans (total investments reached 7.2% of net sales). The main changes included (i) a significant improvement in EBITDA (+Euro 12,632 thousand), followed by (ii) excellent trade working capital management, which reduced proportionally to the reduction in sales (Euro 3,262 thousand), and (iii) the reduced absorption of short-term balance sheet items (Euro 3,746 thousand), offset by the Euro 3,961 thousand increase in investments (reaching nearly Euro 75,000 thousand).

Cash flow before the distribution of dividends, although impacted by higher financial charges, mainly due to the unfavorable exchange rate movements, therefore generated cash of Euro 29,357 thousand, significantly increasing on 2024 (+Euro 8.8 million or +43%).

This allowed the Group to almost entirely absorb the outlays for the Buyback and for dividends (Euro 32,140 thousand), and to therefore report a net financial position substantially in line with the previous year (-Euro 2,783 thousand of net cash flow), despite the significant capex in 2025.

Significant transactions in 2025

- Between January and May 2025, the Company's Board of Directors, with the favorable opinion of the Appointments and Remuneration Committee ("ARC") and the Related Party Transactions Committee ("RPT Committee"), to the extent of their respective responsibilities, approved the following new organizational structures, deeming them consistent with the business challenges and the pursuit of the Intercos Group's growth objectives:
 - "HR, Organization, Legal, Regulatory & Sustainability" area: in January 2025, a single area was created to consolidate the "HR/Organization", "Legal" and "Sustainability" functions. In May 2025, the "Global Regulatory Affairs" department was also added, reporting directly to Non-Executive Director, Ms. Maria D'Agata (former Group General Counsel until December 2024) as "Group Chief HRO, Legal, Regulatory & Sustainability Officer";
 - "Commercial" Area: in March 2025, it was decided to appoint Executive Director Mr. Gianandrea Ferrari as the new "Group Chief Commercial Officer", effective May 2025;
 - "Innovation" area: following the April 8, 2025 departure of Group Chief R&D Officer Make-up, Ms. Gabriele Anisia Dep-ta, a single integrated "Innovation Make-up & SHPC" function was established in May 2025, reporting directly to Executive Director Ms. Ludovica Arabella Ferrari, as "Group Chief Innovation Officer Make-up & SHPC".
- On February 25, 2025, the Company's Board of Directors, after consultation with the Control and Risks Committee ("CRC"), approved a Group Anti-Corruption Policy, with the goal of (i) improving the Company's governance and Internal Control and Risk Management System, (ii) strengthening the Group's compliance with applicable regulations and with the guidelines issued on the subject by a number of international institutions (e.g., the UN, OECD, etc.), thus reducing legal and financial risks related to potential corrupt practices, (iii) protecting the Company's reputation and, therefore, ensuring the trust of investors/customers/business partners/employees, (iv) consolidating a corporate culture based on ethics, integrity and transparency.
- On March 4, 2025, the Company's Board of Directors, having heard the opinion of the ARC and the RPT Committee to the extent of their respective responsibilities, approved the appointment of two new Group Senior Executives (the "Organizational" SEs), namely Ms. Maria D'Agata, Group Chief HRO, Legal, Regulatory & Sustainability Officer and Mr. Stephan Tsassis, Group Chief Executive Officer Asia Pacific Region.
- On March 5, 2025, the Company enacted the capital increases to service the incentive plan known as the "2022-2024 Performance Shares Plan" (the "2022-2024 Plan"), issuing a total of 106,070 ordinary Intercos shares, with no indication of par value. Of these (i) 54,072 shares were issued in execution of the paid capital increase resolved to service the 2022-2024 Plan, and (ii) 51,998 shares were issued in execution of the paid capital increase resolved to service the same 2022-2024 Plan. On March 7, 2025, the Company therefore disclosed, pursuant





to Article 85-bis, paragraph 1, of Consob Regulation No. 11971/1999, the new composition of its share capital (fully subscribed and paid in), which currently stands at Euro 11,313,514.75

- On March 7, 2025, the Shareholder Dafe 4000 S.r.l. achieved multi-voting rights (in the ratio of two voting rights for each share) for 192,488 ordinary shares of the Company, pursuant to Article 127-*quinquies* of Legislative Decree No. 58/1998 and in application of the provisions of the Company's By-Laws.
- On March 31, 2025, the Company became aware of the following new significant shareholders in accordance with current laws and regulations:
 - NATIONALE NEDERLANDEN LEVENSVZERKERING MAATSCHAPPIJ NV with 3,695,673 shares constituting approx. 3.835% of the share capital (and 3,695,673 votes constituting approx. 2.902% of the total voting rights);
 - NN RE (NETHERLANDS) NV with 52,478 shares constituting approx. 0.054% of the share capital (and 52,478 votes constituting approx. 0.041% of the total voting rights);
 - NATIONALE NEDERLANDEN SCHADEVERZERKERING MAATSCHAPPIJ NV with 341,022 shares constituting approx. 0.354% of the share capital (and 341,022 votes constituting approx. 0.268% of the total voting rights); for a total of 4,089,173 shares constituting approx. 4.243% of the share capital (and 4,089,173 votes constituting approx. 3.211% of the total voting rights).
- As regards the investigation launched by the Lodi Public Prosecutor's Office as part of criminal case General Role No. 811/2023 concerning the use of substances and the disposal of waste by a Group contractor, after the results

of the unrepeatable technical investigations were filed and the report was prepared by the Public Prosecutor's Office's technical consultants, the Public Prosecutor requested that the case be dismissed both in relation to the individuals involved (including the Chairperson of Intercos S.p.A.) for the alleged environmental offenses initially charged, and in relation to the Company and its subsidiary Intercos Europe S.p.A. for the administrative offenses alleged under Article 25-*undecies* of Legislative Decree No. 231 of June 8, 2001 in relation to the aforementioned environmental offenses. This request was granted by the Judge for Preliminary Investigations, who in July 2025 ordered the proceedings be dismissed on the grounds that "*there is no case to answer*". The proceedings in question were therefore concluded with the recognition that the events under investigation had not occurred.

- On April 16, 2025, the Ordinary Shareholders' Meeting approved, in accordance with Article 114-bis of the CFA, the creation of a new incentive plan called the "2025-2027 Performance Shares Plan", which is the third and final cycle of the wider equity-based long-term incentive system comprising 3 (rolling) three-year plans (2023-2025, 2024-2026 and 2025-2027), approved by the Board of Directors on March 14, 2023. It is recalled that the Shareholders' Meeting of April 28, 2023 approved the "2023-2025 Performance Shares Plan" which comprises the first cycle of the stated long-term incentive plan and that the Shareholders' Meeting of April 11, 2024 approved the "2024-2026 Performance Shares Plan", which is the second cycle of the rolling incentive plan.

Intercos' treasury shares purchased under the authorizations granted as per Article 2357 of the Civil Code by the various Company Shareholders' Meetings will be used to service the "2025-2027 Performance Shares Plan". With respect to beneficiaries who are employees of Intercos or the subsidiaries, al-

ternatively or in combination, shares will be used from the share capital increase pursuant to Article 2349 of the Civil Code, approved by the Shareholders' Meeting on April 16, 2025. For further details, reference should be made to paragraph "*Share-based payment plans*".

- On April 16, 2025, the Ordinary Shareholders' Meeting - upon revocation of the authorization to purchase and dispose of treasury shares granted by the Ordinary Shareholders' Meeting of April 11, 2024 - also authorized the Board of Directors to purchase and dispose of treasury shares, pursuant to Articles 2357 and 2357-ter of the Civil Code, in addition to Article 132 of the CFA and its implementing provisions, in the manner proposed in the Board of Directors' illustrative report. The request for authorization to purchase and utilize treasury shares is to enable: (i) market liquidity and efficiency; (ii) the establishment of a "securities reserve"; (iii) the utilization of treasury shares as consideration for corporate transactions, including the exchange or sale of shareholdings, to be carried out by exchange, contribution or other act of disposal and/or use, with other parties, including the servicing of bonds convertible into Company shares or mandatory loans with warrants; (iv) its use to service existing and future remuneration and incentive plans, based on financial instruments and reserved for Directors and employees or collaborators of the Company and/or its direct or indirect subsidiaries, both through the free granting of purchase options and through the free allocation of shares (stock option and stock grant plans), in addition to scrip issues to shareholders, including the "2025-2027 LTI Plan" submitted for the Meeting's approval. The authorization is requested for the purchase, in one or more tranches, of ordinary Intercos shares up to a maximum number which, taking account of the ordinary Intercos shares which may be held in portfolio by the Company and by its subsidiaries, does not total more than 5%

of share capital. Authorization for the purchase of treasury shares is requested for the period of eighteen months from the motion of the Shareholders' Meeting. The authorization to utilize ordinary treasury shares is requested without time limit. The Board of Directors proposes that the purchases of ordinary shares are made in accordance with the trading limits and conditions established by Article 5 of Regulation (EC) No. 596/2014 (Market Abuse Regulation, hereafter "MAR") and Article 3 of the Delegated Regulation (EU) No. 2016/1052 in implementation of the MAR, where applicable. We note at December 31, 2025, the Company held 1,143,559 treasury shares (equal to 1.1867% of the share capital), purchased on regulated markets in implementation of the Buy-Back Program approved by the Board of Directors on September 12, 2025.

- On April 16, 2025, the Intercos Shareholders' Meeting, meeting in extraordinary session, approved the capital increase, free of charge and also in several tranches, pursuant to Article 2349 of the Civil Code, to be carried out by the closing date of December 31, 2028, for a maximum amount of Euro 43,350, through the issue of a maximum of 346,800 ordinary shares of the Company, with no express par value and with the same features as those in circulation and full rights, to be allocated to Intercos Group employees who are beneficiaries of the "2025-2027 Performance Shares Plan" incentive plan approved by the Shareholders' Meeting on the same date. For each new share issued, an amount of capital will be allocated that is equal to the implied par value of the Company's shares outstanding at the time the new shares are issued, through the use of a corresponding amount of profits and/or profit reserves as resulting from the most recently approved financial statements during the fiscal year in which the shares are to be granted, under the terms, conditions and in accordance with the procedures set out in the aforementioned incentive plan. The Extraordinary Share-





holders' Meeting also amended Article 5 of the By-Laws to incorporate the capital increase resolution. For further details, reference should be made to paragraph "*Share-based payment plans*" of the Explanatory Notes.

- As regards the loan contract with Cassa Depositi e Prestiti S.p.A. (the "CDP Loan Contract"), entered into by the Company on February 20, 2024 (and amended on October 28, 2024 with the signing of an "Amendment & Restatement Agreement"), to support a portion of the Group's financial needs related to the investments under the 2023-2027 business plan, on April 22, 2025 the Company sent Cassa Depositi e Prestiti S.p.A. the "pre-payment and cancellation notice letter" ("Notice Letter"), in which it expressed its desire to make early repayment and cancel the Loan. The Loan, whose final maturity date was December 31, 2030, was for a total amount of up to Euro 60,000 thousand, divided into (i) a first tranche ("Facility A") amounting to Euro 25,000 thousand and (ii) a second tranche ("Facility B") of up to Euro 35,000 thousand, with disbursement according to the Company's needs. Following the issuance of the Notice Letter, on April 29, 2025 (the "Repayment and Cancellation Date"), the Outstanding Loan under Facility A (the outstanding principal amount of which was Euro 25,000 thousand) was repaid in full, together with (i) any interest accrued up to and including the Repayment and Cancellation Date; (ii) any break costs applicable on the Repayment and Cancellation Date; and (iii) the agreed commitment fee. In addition, as of the Repayment and Cancellation Date, the available line of credit related to Facility B was also cancelled. For further details and the related impact on the income statement, please refer to paragraph "*Financial income and expenses*" of the notes to the financial statements.
- On June 30, 2025, the existing employment relationship with Ms. Morena Maurizia Genziana, former Group Chief Commercial Officer

and Organizational SE of the Company, was terminated by mutual consent, following her announcement that she intended to take up retirement benefits. For further information, reference should be made to paragraph "*Other current liabilities*" of the Explanatory Notes.

- On July 1, 2025, the Shareholders' Meeting of Intercos Concept S.r.l., a wholly-owned subsidiary of Intercos which supports the creation, launch, and strategic management of brands in the beauty industry, resolved to dissolve and place the company in voluntary liquidation, and to appoint Mr. Renato Semerari (Chief Executive Officer of the Intercos Group and Chairperson of the Board of Directors of Intercos Concept S.r.l.) as liquidator.

On September 29, 2025, noting the remaining assets to be liquidated and the amounts due from the tax authorities, it was deemed appropriate to close the state of liquidation of Intercos Concept S.r.l. and, as a result, the Final liquidation financial statements closed as of September 30, 2025, prepared in accordance with Article 2492 of the Civil Code, including the Liquidator's Report and the Plan for Distribution of the remaining assets among the shareholders of Intercos Concept S.r.l., were approved. On October 30, 2025, the subsidiary was removed from the Register of Companies. For further information, reference should be made to paragraph "*General information*" of the Explanatory Notes.

- On August 4, 2025, the Group Chief Financial Officer (Group CFO), Executive Officer for Financial Reporting and Group Organizational SE, Mr. Stefano Zanelli, resigned for personal reasons, effective August 31, 2025.
- On September 12, 2025, the Company's Board of Directors resolved to initiate a treasury share buy-back program (the "Buy-Back Program") in execution of the resolution passed by the

Shareholders' Meeting on April 16, 2025 and announced on the same date. The Buy-Back Program is for a maximum number of 3.9 million shares and involves a maximum total investment of Euro 56,000 thousand. The shares purchased on the basis of the Buy-Back Program may be used for all such purposes set out in the authorization approved by the Shareholders' Meeting, and in particular: (i) holding for subsequent use ("securities reserve"); and (ii) to serve incentive plans adopted by the Company, including the "2025- 2027 Performance Shares Plan" incentive plan approved by the Shareholders' Meeting. Buyback transactions under the Buy-Back Program will take place on the market in the manner and within the operating limits set out in the Shareholders' Meeting resolution, Article 5 of Regulation (EU) No. 596/2014 as amended (the "MAR Regulation"), Article 3 of the European Commission's Delegated Regulation (EU) No. 1052/2016 of March 8, 2016, and the applicable general and industry regulations. Buybacks under the Buy-Back Program must be made within the maximum period set at 18 months from the date of the Shareholders' Meeting resolution. For the sole purpose of the Buy-Back Program and exclusively for the Company's purchase of treasury shares, a prohibition has been placed on trading Intercos' stock during the 30 calendar days preceding the Board of Directors' approval of the Half-Year Financial Report, the Annual Financial Report and the Interim Financial Reports and related announcements to the market. Finally, it should be noted that the buyback

transactions will be subject to weekly periodic reporting to the market throughout the duration of the Buy-Back Program.

- On September 12, 2025, the Board of Directors, having heard the opinion of the CRC, the ARC and the Company's Board of Statutory Auditors, appointed Mr. Vittorio Brenna - formerly Group Chief Operating Officer (Group COO), as Group CFO and Executive Officer on an interim basis - pursuant to Article 154-bis of the CFA, in compliance with the professionalism requirements provided by law and the Company's By-Laws - effective September 13, 2025 and for the time required to the search for a suitable candidate to fill these roles.
- On November 6, 2025, the Board of Directors appointed, effective December 1 and until revocation, Ms. Paola Agasso as the new Group CFO and, having received the favorable opinion of the Board of Statutory Auditors, in compliance with the professional requirements as per legislation and the By-Laws, as the new Executive Officer for Financial Reporting, with responsibility for the declarations as per Article 154-bis of the CFA, including the declaration on sustainability reporting.
- On December 17, 2025, the Board of Directors of the company approved the 2026 Corporate events calendar, available on the Company's website at www.intercos-investor.com, "Press Release" section, in addition to the "1INFO" authorized storage mechanism at www.1info.it.





Related party transactions

The related party transactions do not qualify as atypical or unusual, as falling within the scope of the Group companies' normal operations. These transactions, where not concluded at standard or specific regulatory conditions, are however undertaken on an arm's length basis.

For a breakdown of the income statement and balance sheet impacts of the related party transactions in 2025, reference should be made to the Explanatory Notes of the consolidated financial statements (paragraph, "*Related Party Transactions*").

Research & Development

The Group in 2025 continued to invest in new products and technologies, confirming its international leadership in terms of innovation. In addition, the recent organizational changes will provide the CEOs of the various Regions with more decision-making power in terms of innovation, thus increasing the number of local market-specific products within their portfolios. With regards to the "Development costs" item on the Group balance sheet, an investment project has been rolled out focused on the following:

- Development costs on projects to create entirely original products on the cosmetics market, particularly in terms of families of New eco-sustainable cosmetic raw materials and dyes, while also for the application of alternative materials to plastics from fossil-origin and toward recovered plastics;
- Development costs on projects to build New Production Technologies, including the creation of innovative automatic packaging lines capable of significantly cutting production costs, as well as the development of new production techniques to be used in the cosmetics lines and the creation of new compounding platforms capable of performing specific analyses to satisfy market demands.

Group investment in intangible assets in 2025 totaled Euro 23,938 thousand and mainly concerned:

- development activities for Euro 7,477 thousand, mainly by the parent company Intercos S.p.A. (Euro 3,575 thousand), by Vitalab S.r.l. (Euro 601 thousand) and by CRB S.A. (Euro 2,555 thousand);
- software and patent rights totaling Euro 6,377 thousand, of which Euro 3,187 thousand concerning the parent company and software mainly at the subsidiary Intercos Europe S.p.A. for Euro 1,938 thousand, Cosmint S.p.A. for Euro 510 thousand and CRB Sa. for Euro 109 thousand;
- investments for projects in progress amounting to Euro 7,899 thousand, mainly attributable to the Parent Company Intercos S.p.A., of which Euro 7,183 thousand for the development of new formulas and new products.

For further information regarding the criteria given for the purpose of recognizing and valuing intangible assets, please refer to paragraph "*Basis of preparation of the Consolidated Financial Statements*" of the explanatory notes to the Financial Statements.

Personnel and Organization

The Group **workforce** (including temporary workers) at December 31, 2025, numbered 6,344 (compared to 5,878 at the end of 2024), with the number of employees increasing by 119 and temporary workers increasing by 347.

The breakdown by category follows:

Group workforce	December 31, 2025	December 31, 2024
Executives and Managers	447	421
White-collar	1,774	1,745
Blue-collar	1,972	1,908
Total	4,193	4,074
Temporary	2,151	1,804
Total	6,344	5,878

The breakdown between open-ended contract and fixed term staff is as follows:

Fixed-term and open-ended workforce	December 31, 2025	December 31, 2024
Open-ended	3,988	3,872
Fixed-term	205	202
Total	4,193	4,074

The total number of open-ended contract employees in 2024 was 3,872, compared to 3,988 as of December 31, 2025, an increase of 116 units, mainly attributable to the hiring of temporary workers by the subsidiary Intercos Europe S.p.A. and related to the increase in headcount in the Asian region, specifically for the subsidiaries Intercos Cosmetics Shuzhou Co. Ltd and Intercos Korea Inc.

Employees on fixed-term contracts at December 31, 2024 meanwhile numbered 202, compared to 205 at December 31, 2025.

Personnel costs increased by Euro 6,796 thousand, from Euro 241,912 thousand in 2024 to Euro 248,708 thousand in 2025 (+2.8%).

The increase in personnel expenses is mainly attributable to the increase in the number of executives, managers and white-collar workers.

The Group also uses temporary employment contracts for its production activities for more flexibility in its direct labor costs. Temporary personnel costs in 2025 amounted to Euro 47,902 thousand, reducing by Euro 2,614 thousand (-5.2%).

In 2025, regarding the health and safety of Group employees, no workplace deaths occurred, nor any accidents that resulted in an absence of greater than six months.





Risks and opportunities management

Every business activity involves opportunities and risks that must be managed. The competence with which this is done is a decisive factor for success in determining the development of a company's shareholder value. The goal in risk management is not to always eliminate every existing risk, but rather to consciously and within set and manageable limits, assume certain risks as part of business activities so as to be able to successfully exploit any arising opportunities. To this end, it is important to keep risks within acceptable limits, as well as to monitor and manage them systematically and on an ongoing basis, taking the issue of risk management into consideration from the initial stages of various decision-making processes.

Overall responsibility for an effective risk management system lies with the Board of Directors, which ensures, among other matters, overall consistency between financial reporting, sustainability reporting and the notes to the financial statements. The coordination and development of this system and the gathering of risk reports are the responsibility of management and the relative functions, with coordination by the function in charge of risk management, while the respective functional areas are responsible for the identification and reporting of individual risks, as well as the assessment and, if necessary, the implementation of counter-measures. Finally, the Internal Audit Department regularly reviews the effectiveness of the overall risk management system, taking measures based on a risk-based plan approved by the Board of Directors. The main results of these reviews are discussed at meetings of the Board of Directors and any internal committees thereto involved. Any adjustments to the risk management system are then implemented by the Management responsible.

Over the years, the Company has developed a structured Enterprise Risk Management

process which seeks to identify, assess and manage the main risks to which it is exposed. These risks consider, on the one hand, the specifics of the business in which the Company operates, and on the other hand the complexities of the cultural, regulatory and normative environment that an international Group must necessarily tackle.

During fiscal years 2024 and 2025, the Enterprise Risk Management methodology was progressively revised and updated, as follows. Firstly, from FISCAL YEAR 2024, the Company has supplemented its analyses of major risks with considerations of the short-, medium-, and long-term impacts, risks, and opportunities of material sustainability issues, in line with the double materiality analysis conducted.

The Group's ERM system, consistent with the activities carried out by the Sustainability team, therefore integrates the findings of the double materiality analysis (CSRD/ESRS) and maps the main IROs (impacts, risks and opportunities) along the value chain. Pursuant to ESRS 1 §9.2 and ESRS 2 IRO-1, this section outlines the connectivity between the material risks and financial disclosure, indicating for each risk, where applicable, the financial statement items affected, the 2025 findings already reflected, and the related ESG policies/targets/metrics.

These additions to the Enterprise Risk Management system are functional to complying with the regulatory requirements outlined in the European Directive 2464/2022/EU, known as the Corporate Sustainability Reporting Directive (CSRD), and subsequent recommendations by the relevant European bodies (i.e., EFRAG) in this area. For more details, see the Consolidated Sustainability Report at December 31, 2025. In addition, in order to improve the process of identifying, assessing

and managing major risks, the Enterprise Risk Management (ERM) procedure was updated in the first half of 2025 with the new methodology to assess and respond to risks set by the Company, in line with best practices and key guidelines dictated by regulations that are constantly evolving. The revised ERM procedure was formally approved by the Board of Directors in May 2025, and helps strengthen risk management capacity and the integration of risk and uncertainty awareness at every organizational level, and also forms the basis for the risk management activities carried out in the second half of the year, as well as planned for subsequent years.

For a better understanding of the impact of the risks on the Group's statement of financial position, earnings and cash flows, considerations are provided below for clarity on the Group's exposure to the various types of risk, their likelihood of occurrence, and the measures taken or to be taken to eliminate these risks or mitigate their impact. In line with market best practices and taking into account the size of the

CURRENCY RISK

As operating internationally, the Group is exposed to the currency risk generated by fluctuations in the value of trade and financial movements denominated in currencies other than the reporting currency of the individual Group companies.

The currencies for the majority of Group revenues are, in addition to the Euro, the US Dollar, the Swiss Franc, the Korean won and the Chinese Renminbi.

The overseas Group subsidiaries tend to purchase raw materials in currencies other than the Euro (mainly US Dollars), which are naturally offset by sales made in US Dollars by these companies. This development has reduced the impact of currency differences incurred by the Group.

Group, the Company has taken out insurance policies to cover a wide range of risks. Among others, these policies cover risks related to product liability, property damage, business interruption, cybersecurity, transportation, and financial loss, and provide adequate coverage for the directors and officers who may be involved. An independent department, working in cooperation with an outside insurance broker, regularly reviews and adjusts the type and extent of insurance coverage. When choosing insurers, the company places special emphasis on the creditworthiness of contract partners and on achieving maximum diversification in order to minimize the associated risks.

The Group's operations are exposed to various types of risk including, in addition to financial risks such as foreign exchange, interest rate, credit, and liquidity risks, the business risks discussed in more detail below.

As part of the sensitivity analyses outlined below, the impact on the net result and on the shareholders' equity was calculated without considering the tax effect.

Against revenues expressed mainly in the local currencies of the respective markets, the Group incurs a significant portion of costs in Euro, mainly for the production and management of the corporate structure.

In detail, the main exchange rates for the Group are:

- Euro/US Dollar: in relation to commercial and financial transactions made by companies operating in the Eurozone on the North American market and vice versa.
- Euro/UK Sterling: in relation to commercial and financial transactions made by companies operating in the Eurozone on the UK market and vice versa.
- US Dollar/Chinese Renminbi: in relation to commercial and financial transactions made by companies operating in China on the





North American market and vice versa.

- Euro/Chinese Renminbi: in relation to commercial and financial transactions made by companies operating in the Eurozone on the Chinese market and vice versa.
- Swiss Franc/Euro/USD: in relation to commercial and financial transactions made by the Group companies operating in Switzerland.
- Euro/Korean Won: in relation to commercial and financial transactions made by companies operating in the Eurozone on the Korean market and vice versa.
- Chinese Renminbi/Korean Won: in relation to commercial and financial transactions made by the Chinese companies operating on the Korean market and vice versa.

It is the Group's policy to hedge, where possible, exposures in currencies other than the functional currency of the individual companies. In particular, the Group undertakes the following hedges:

- certain flows: trade receivables and payables and exposures generated by loans receivable and payable;
- forecast flows: commercial commitments arising from certain or highly probable contractual obligations.

The above hedges are monitored by means of a positioning of the Group's foreign currency balance or by entering into derivative contracts.

A sensitivity analysis is illustrated below which shows the effects on the net result, and consequently also on consolidated shareholders' equity, deriving from an increase/decrease in the exchange rates of 7.5% compared to the actual exchange rates at December 31, 2025 and 2024.

In Euro thousands	December 31, 2025		December 31, 2024	
	-7.50%	+7.50%	-7.50%	+7.50%
US Dollar	1,042	(896)	1,911	(1,645)
UK Sterling	(133)	115	(139)	120
Other currencies	(171)	148	114	(98)
Total	737	(634)	1,886	(1,623)

The following table presents, with reference to the main monetary assets and liabilities, the amounts at December 31, 2025 of exposures in currencies other than the reporting currency of each Group company:

(In Euro thousands)	At December 31, 2025									
	USD	CHF	GBP	CNY	PLN	JPY	HKD	INR	CAD	Total
Trade receivables	13,221	-	3	-	-	-	-	-	-	13,224
Trade payables	(7,771)	(8)	(1,649)	(48)	(1,988)	(285)	(4)	-	(1)	(11,754)
Financial receivables	7,399	220	-	-	-	-	-	-	-	7,619
Total	12,849	212	(1,646)	(48)	(1,988)	(285)	(4)	-	(1)	9,089

INTEREST RATE RISK

The Company has in place a 5-year senior loan agreement with a syndicate of banks consisting of “Intesa Sanpaolo S.p.A.”, “BNP Paribas, Italian Branch”, and “UniCredit S.p.A.”, which was signed on July 31, 2024.

With regard to Tranche A, on June 30, 2025 the Company repaid the first installment of Euro 5,000 thousand and on December 31, 2025 the second installment of Euro 5,000 thousand (for an overall annual total of Euro 10,000 thousand). With reference to the Senior Loan Agreement, the Company has not entered into any interest rate risk hedging contracts.

As regards the loan contract with Cassa Depositi e Prestiti S.p.A. (the “CDP Loan Contract”), entered into by the Company on February 20, 2024 (and amended on October 28, 2024 with the signing of an “Amendment & Restatement Agreement”), to support a portion of the Group’s financial needs related to the investments under the 2023-2027 business plan, on April 22, 2025

the Company sent Cassa Depositi e Prestiti S.p.A. the “pre-payment and cancellation notice letter” (“Notice Letter”), in which it expressed its desire to make early repayment and cancel the Loan.

Following the issuance of the Notice Letter, on April 29, 2025 (the “Repayment and Cancellation Date”), the Outstanding Loan under Facility A (the outstanding principal amount of which was Euro 25,000 thousand) was repaid in full, together with (i) any interest accrued up to and including the Repayment and Cancellation Date; (ii) any break costs applicable on the Repayment and Cancellation Date; and (iii) the agreed commitment fee. In addition, as of the Repayment and Cancellation Date, the available line of credit related to Facility B was also cancelled.

A sensitivity analysis representing the impacts on the consolidated net result from an increase/decrease in interest rates of 50 basis points over the interest rates at December 31, 2025 and December 31, 2024 and amid constant other variables is reported below.

In Euro thousands	December 31, 2025		December 31, 2024	
	-0.50%	+0.50%	-0.50%	+0.50%
Euro (Euribor)	(966)	966	(1,090)	1090
US Dollar (Euribor)	(34)	34	(14)	14
KRW (Euribor)	(56)	56	(42)	42
Total	(1,056)	1,056	(1,146)	1,146

The potential impacts above are calculated by taking into account the liabilities representing the most significant portion of the Group’s debt at the reporting date and calculating, on this amount, the potential effect of the change in interest rates on an annual basis.

The liabilities subject to this analysis include variable rate financial payables and receivables, cash and cash equivalents and derivative financial instruments whose value is influenced by interest rate changes.

For further details, reference should be made to Note “Bank borrowings and other lenders” in the Explanatory Notes.





CREDIT RISK

Credit risk is recognized with reference to trade receivables, cash and cash equivalents, financial instruments, and deposits with banks and other financial institutions, and is defined as the risk that a counterparty fails to meet its obligations related to a financial instrument or commercial contract, thereby leading to a financial loss.

Credit risk relating to commercial counterparties is managed by the individual subsidiaries and monitored centrally by the central Administration, Finance and Control Department.

The Intercos Group has no significant concentrations of credit risk (no Group customer accounts for more than 10% of consolidated Group revenues). Procedures are in place to ensure the sale of products and services to highly reliable clients, taking into account their financial position, historical experience and other factors. The credit limits on the main clients are based on internal and external assessments on the basis of thresholds approved by management in the specific countries.

The breakdown of receivables with details by maturity at December 31, 2025 and December 31, 2024 is presented below.

In Euro thousands	Trade Receivables	Not yet due	Overdue 0-60 Days	Overdue 60-90 Days	Overdue over 90 Days	Write-down provision
December 31, 2025	140,232	115,870	19,524	3,979	5,496	(4,637)
December 31, 2024	160,562	130,901	26,990	2,365	6,782	(6,476)
Change 2025-2024	(20,330)	(15,031)	(7,466)	1,614	(1,286)	1,839
Change % 2025-2024	-12.66%	-11.48%	-27.66%	68.25%	-18.96%	-28.40%

Reference should be made to paragraph “Trade receivables” of the Explanatory Notes for further details.

The use of credit limits is monitored periodically at local level.

The doubtful debt provision was calculated in line with international accounting standard IFRS 9.

This provision has been calculated on an analytical basis, dividing receivables into classes according to their level of risk and applying to each class a percentage of expected loss based on historical experience.

The Group, at the end of 2025, had factored not yet overdue receivables through without recourse contracts for Euro 17,317 thousand, regarding: for Euro 9,337 thousand the subsidiary Intercos Europe SpA and for Euro 7,980 thousand the subsidiary Cosmint SpA.

In terms of the credit risk relating to the management of financial resources and cash, this risk is monitored by the Administration, Finance and Control Department of the Group, which introduces procedures to ensure that the Group companies undertake transactions with independent counterparties of high standing and who are considered secure.

LIQUIDITY RISK

The prudent management of liquidity risk from ordinary Group operations requires the maintenance of an adequate level of liquidity, in addition to funds available through committed credit lines.

The Group's Finance Department monitors forecast utilizations of the Group's liquidity reserves on the basis of expected cash flows.

The maturity of gross cash flows regarding financial liabilities at December 31, 2025 and December 31, 2024 are presented below:

(In Euro thousands)	December 31, 2025			
	<12 m	From 1 to 5 years	> 5 years	total
Medium/long-term bank loan (CRB)	412	1,648	1,621	3,681
Medium/long-term bank loan (Intercos S.p.A.)	9,728	158,919	-	168,647
Financial payables IFRS16	8,499	22,032	16,698	47,229
Finance leases	379	4,697	-	5,076
Long-term debt	19,018	187,296	18,319	224,633
Payables for subsidiary bilateral lines	31,637	-	-	31,637
Current bank borrowings	5,785	-	-	5,785
Short-term debt	37,422	-	-	37,422
Payables to factoring companies	-	-	-	-
Total financial debt	56,440	187,296	18,319	262,055

(In Euro thousands)	December 31, 2024			
	<12 m	From 1 to 5 years	> 5 years	total
Medium/long-term bank loan (CRB)	408	1,631	2,011	4,050
Financial Payables IFRS 16	9,640	25,106	13,740	48,486
Finance leases	393	5,076	-	5,469
Medium/long-term bank loan (Intercos S.p.A.)	11,485	193,769	-	205,254
Long-term debt	21,926	225,582	15,751	263,259
Other financial payables	200	-	-	200
Payables for subsidiary bilateral lines	24,941	-	-	24,941
Current bank borrowings	4,731	-	-	4,731
Short-term debt	29,872	-	-	29,872
Payables to factoring companies	1,005	-	-	1,005
Total financial debt	52,803	225,582	15,751	294,136

Group liquidity reserves at the reporting date are presented below:

(In Euro thousands)	December 31, 2025	December 31, 2024
Cash and cash equivalents	152,217	190,021
Committed Senior Financing (Revolving) line not used	50,000	50,000
Capex Facility Senior Financing (Tranche C) line not used	100,000	100,000
Committed CDP Facility B line not used	-	35,000
Total	302,217	375,021

For further details, reference should be made to Note "Bank borrowings and other lenders" in the Explanatory Notes.





RISKS ASSOCIATED WITH EXISTING DEBT AND ANY COVENANT BREACHES

The Senior Loan Agreement signed with the bank syndicate on July 31, 2024 includes certain mandatory early repayment clauses, in addition to restrictions on the operations of the Parent Company and its main subsidiaries. In particular, among other matters, the Parent Company's ability to take on further debt and pay dividends is linked, subject to certain exceptions, to compliance with a given financial covenant (Leverage Ratio*). These limitations could affect the Parent's ability to pay dividends, conduct its business, in addition to its ability to respond to market conditions and benefit from any business opportunities. Where the Group is unable

to manage its level of indebtedness and other obligations and commitments, it may need to refinance its debt or dispose of assets in order to obtain the necessary resources. However, the Group cannot guarantee that such refinancings or disposals can be made on a timely basis or on satisfactory terms, or may be made at all, or are permitted under the existing debt terms. The Senior loan agreement provide for certain restrictions on the Group's operations, including, by way of example, limitations on the possibility of creating liens or guarantee instruments on all or part of the assets in order to guarantee any form of indebtedness ("negative pledge").

Details of guaranteed debt at December 31, 2025 is provided below:

(Euro thousands)				
Company	Institute	December 31, 2025	December 31, 2024	Guarantee type
Intercos America Inc.	Banca Intesa	2,553	2,888	Bank guarantee
Intercos America Inc.	Bank of West	4,255	-	Corporate guarantee
CRB S.A.	Banque Cantonale Vaudoise	2,564	3,227	Mortgage guarantee on building and land
CRB S.A.	Banque Cantonale Vaudoise	623	823	Mortgage guarantee on building and land
Intercos Korea Inc.	BNP Seoul	11,329	13,053	Corporate guarantee

The financial constraint Leverage Ratio* is calculated on the items of the consolidated financial statements and from the calculations carried out, for the year ending December 31, 2025, this parameter, at 0.64, has been complied with.

For further details, reference should be made to Note "Bank borrowings and other lenders" in the Explanatory Notes.

*Adjusted Net Financial Position / EBITDA

PRODUCT QUALITY, PRODUCT LIABILITY, AND CONSEQUENT REPUTATIONAL ISSUES

The Group is exposed to risks related to the quality and safety of its products and defects or malfunctions that could result in complaints, product recalls, government investigations, regulatory interventions, claims, lawsuits, fines and/or compensation requests from customers, regulators, consumers and/or related trade associations, whether or not based on scientific evidence. Any such events over the short-term could adversely affect the Group's production activity, operating results and financial position, and also damage the Company's image and confidence in its products. The Group, even considering the active insurance policies covering product liability damages (the limits of which are considered adequate in relation to the estimation of the related risks), has nevertheless provided in its future multi-year forecasts for an increase in these costs, when applied by the insurance companies. These costs are reflected within the cost line of general and administrative expenses, and provision for risks. For further details, please refer to paragraph "Non-recurring provisions for risks and charges" of the notes to the financial statements.

It is not possible however to exclude the risk of claims for damages exceeding the maximum amounts provided for in such policies or that are not covered. To mitigate these risks, the Group follows strict quality criteria, not only in the control of its products, but also in the proper definition, application and monitoring of product development and manufacturing processes. It also puts in place strict internal quality controls, periodically runs analyses and new quality protocols instructed directly by the customers or to comply with applicable regulations, including the correct IT safekeeping of formulas and patents through the constant monitoring of IT risks (see "Risks associated with information systems and IT security").

With reference to monitoring and verification activities, the function that deals internally with quality assurance carries out numerous audit activities and continuously monitors a number of specific indicators, relating both to internal production processes (i.e. internal quality) and to any customer complaints (i.e., customer satisfaction), in order to intercept and correct any situations that may lead to non-conformities in a timely manner.

In addition, as part of the continuous improvement in QA&Compliance, the Corporate Compliance Committee's activities were consolidated in 2025, with the aim of anticipating changes in the global legislative environment and to be able to foresee possible actions to transpose such legislative changes, proactively and sufficiently in advance, so as not to suffer business impacts or, possibly, create competitive advantages.

Finally, in terms of the opportunities stemming from these issues, it is necessary to consider how constant efforts to achieve and maintain higher and higher quality standards, including obtaining international certifications, enables the Company to improve its value proposition to customers.

Given the relevance of the issue to the Group and its customers, as well as the various mitigation actions in place and the monitoring results observed, the risk is considered medium.





FLUCTUATION IN THE PRICE OF RAW MATERIALS

The price of components and raw materials used by the Group for production activities may be subject to in the short-term (even significant) fluctuations, and depends above all on external factors that are beyond the Group's control, such as any introduction of new laws and regulations that affect supplier operations or supply methods, possible changes in exchange rates and price levels, fluctuations (both upwards and downwards) in the price of the raw materials used by suppliers for the production of components and semi-finished products purchased by the Group, any developments in market demand, the allocation of suppliers to competitors, interruptions in suppliers' production cycles or in delivery orders, in addition to possible delays in the supply of components and semi-finished products by suppliers. These price fluctuations can also be affected by sustainability factors (see "Natural resource scarcity"; "Supply chain ESG regulatory requirements"; "Climate change" in the Sustainability Statement).

The Group does not undertake hedges on raw material prices and as such may not be able to offset the increase in raw material costs with an increase in final product sales prices or otherwise, thereby impacting the Group's business, operating results and margins.

In addition, any increase in the cost of raw materials over the long term, resulting in an increase in the final price of the Group's products on the market, could have an impact on sales volumes, in addition to the Group's competitiveness, market share and the maintenance of commercial relationships with its clients, affecting profitability and its prospects and financial statements.

These possible outside events are constantly monitored by Management in order to promptly introduce effective mitigation measures in the shortest possible time. In this regard, it should

be noted that, given the fragmentation of raw materials purchased, the continuous renewal of the range of products sold, and thus the constant turnover of raw materials used, sensitivity analyses with specific reference to changes in raw material prices, which are carried out by company management primarily with a view to short to medium-term impacts, are difficult to predict in the long term. However, and as has been the case in the past, for many products sold, Intercos develops the formula internally, and therefore the resulting bargaining power allows any situations of price volatility, even of a significant extent, to be reflected back to the end customer.

The Group has always responded positively to the historical trend of increasing raw material prices, leading to both market recognition in terms of product penetration and the maintenance of business relationships with customers as a result of price adjustments. The Group also constantly works to make its procurement policies more efficient, both in terms of consolidating business relationships with its suppliers and in terms of the search for any new solutions required for the Company's innovation and production needs, in addition to alignment with the developing regulatory framework. The stimulus created by the need to respond proactively to the challenges posed by the commodities market may represent an opportunity for the Company, in terms of continuous innovation and consequent consolidation of its competitive advantage.

Given the complexities outlined above and the mitigation actions in place - and consistent with the results of the monitoring activities carried out - the risk is considered medium-low.

RELATIONS WITH SUPPLIERS AND SUB-SUPPLIERS

The Group is exposed to the risk over the short-term that the replacement of specific suppliers or sub-suppliers or non-fulfillment by them may interrupt or compromise production. The Group's capacity to discharge its obligations to clients is reliant also on the fulfilment of contractual obligations by suppliers and sub-contractors. Where the Group is unable to reclaim the entire compensation paid and/or greater costs incurred from suppliers and/or sub-contractors through its right to regress, the occurrence of these risks could negatively impact the Group's financial position, results of operations and cash flows. Relations with suppliers may also be subject to audits and verifications by the authorities with regard to legislative and regulatory compliance.

In terms of supply chain risks, there is a reputational and/or compliance risk of working with suppliers, including suppliers of production-related services, who do not comply with applicable regulations on, but not limited to, the environment, health and safety, tax and contributions, social issues, including respect for human rights, etc. In applying these assessments, the Group has taken into account in its long-term plan the forecast of higher costs both internally, for carrying out verification activities on third parties directly by its own employees, and externally through specialized consulting companies.

The Group has in addition adopted a Sustainability Policy that addresses responsible purchasing, and a Policy for Sustainable Sourcing that outlines Intercos' commitment to qualifying suppliers according to environmental and social criteria, including respect for human rights, health and safety and tax and contributions. It has in addition adopted procedures regarding the qualification of new

suppliers and the monitoring of existing suppliers, including, where deemed appropriate, the use of specialized external companies of primary standing.

Considering the numerous mitigation measures in place, and with the goal of maintaining a constant focus on monitoring the third parties with which the Group does business, this risk is considered to be medium-high.

Considering the numerous mitigation measures in place, which are reflected in general and administrative expenses, and with the goal of maintaining a constant focus on monitoring the third parties with which the Group does business, this risk is considered to be medium-high. Based on this, it is reported that no particular issues are highlighted that would influence the reader of the financial statements or shareholder decisions.

RISKS RELATED TO ESG REQUIREMENTS IN THE SUPPLY CHAIN

The Group is exposed to possible non-compliance with current environmental and social laws and regulations that affect the entire supply chain, as well as possible difficulties for suppliers in adapting to new legislative scenarios that impact the relevant business (e.g., EUDR). The risk is considered in the medium term. In this context, the Group has introduced a Sustainable Procurement Policy, committing to develop a sustainable supply chain based on the principles of international standards, such as SA 8000, ISO 14001 and ISO 45001, for supplier qualification. In this regard, the Group's constant search for supply collaborations with players that comply with current ESG regulations, as well as those that are able to adapt to any new regulations, may result in a general increase in supply costs due, on the one hand, to the need to select suppliers with specific characteristics,





including in terms of size, resulting in greater bargaining power, and, on the other hand, to the effective higher charges that suppliers incur, reflected in the cost of raw materials purchased, in order to comply with ESG requirements, and in general and administrative expenses. Finally, the Group considers the impacts that such cost increases could have in terms of price revisions, with consequent impact on its relationships with its customers. This is considered within procurement plans, both in terms of possible increases in raw material costs and in terms of any price increases to end customers. In view of the above, and taking into account recent regulatory developments of possible impact for the Group (e.g., in reference to EUDR), the risk is considered medium-high.

RAPID INNOVATION AND NEW PRODUCT LAUNCHES

The Company is exposed to the risk that it may not be able to maintain its current market position due to its inability to develop innovative solutions in a timely manner to meet the needs of all customers. Therefore, the expected results in terms of the number of products developed and/or the revenues obtained from those products may not materialize over the medium-term. It may not be excluded that, due to changes in market conditions or other factors (including the complexity of customer requests received), the Company may not be able to design and produce cosmetic, hair-care, skin-care and body-care products with aesthetic, technical and technological characteristics that ensure that they are innovative on the market and/or appreciated by consumers. The occurrence of such risks could have very significant adverse effects on the Company's financial position, results of operations and cash flows. Based on the above, the risk in this paragraph is considered to be of low significance given also the Company's drive in terms of investment in research and the development of new products.

From a financial connectivity perspective, any delays in launches or lower innovative efficacy could be reflected in revenues, the product mix and margins, as well as in R&D investment and inventory turnover.

RISKS RELATED TO CLIMATE CHANGE

With reference to climate change, it should be noted that Intercos does not fall within the scope of Directive 2003/87/EU (as latterly amended by EU Directive 2018/410), which introduced and regulated the European Union Emissions Trading System (EU ETS), which is the main tool adopted by the European Union to achieve the CO₂ reduction targets for the major industrial sectors and the aviation industry. Though Intercos is not among the industries covered by the ETS, the Company considers combating climate change a priority of strategic importance for medium-long-term business continuity. The commitment to this topic began in 2019, when, as part of the 2019-2025 Sustainability Plan, the Group set a target to reduce Scope 1 and 2 greenhouse gas emission intensity, according to a market-based approach.

In 2025, the Group embarked on an update of its sustainability strategy beyond 2025, undertaking a more in-depth analysis of the climate impacts associated with its operations, extending the scope of the assessment not only to direct and indirect emissions (Scope 1 and Scope 2), but also to those generated along the upstream and downstream value chain (Scope 3).

In this context, within the "Beyond 2025" Sustainability Plan, starting in 2026 the Group will introduce Scope 1, Scope 2 and Scope 3 emission reduction targets for all operating locations expressed in absolute values, overcoming the previous approach based solely on intensity indicators.

In order to further the achievement of its decarbonization objectives, the Board of Directors and the Shareholders' Meeting approved the Performance Share Plan, which includes the following targets for its management team:

- In the 2023-2025 Plan a target has been included for a 20% reduction in greenhouse gas emissions by 2025, compared to 2019 values, the performance indicator of which is the percentage reduction in Scope 1 and 2 emissions (according to the market-based approach) per million pieces produced at Group production sites in the year 2025, compared to the year 2019, based on the data published in the Sustainability Statement for the year 2025;
- The 2024-2026 Plan includes, in continuity with the 2023-2025 Plan, a target goal of a 26% reduction by 2026 in Scope 1 and Scope 2 emissions (according to the market-based approach) per million pieces produced internally by the Group's production sites, compared with 2019 values;
- The 2025-2027 Plan includes, in continuity with the previous plans, a target goal of a 34% reduction by 2027 in Scope 1 and Scope 2 emissions (according to the market-based approach) per million pieces produced internally by the Group's production sites, compared with 2019 values;

These plans involve costs associated with increasing the Group's reserves, in compliance with the IFRS 2 accounting standard, and reflecting the expected payout underlying the achievement of the projected targets. These costs, although not having a financial impact, are adequately considered in the Company's long-term plans.

For further information, reference should be made to paragraph "Equity" of the Explanatory Notes.

The issue of climate change is one of the subjects reported on annually through the Sustainability Report, pursuant to Legislative Decree No. 125 of September 6, 2024, which in turn transposes Directive 2022/2464/EU, known as the Corporate Sustainability Reporting Directive (CSRD). At the Group level, Intercos describes in detail the main risks and opportunities related to sustainability reporting that are generated and/or suffered throughout the value chain, the policies adopted and related objectives, key ESG performance indicators, and the Company's management, governance and organizational model. In addition, in accordance with Regulation (EU) No. 2020/852 (EU Taxonomy Regulation) and the CSRD, from the 2021 reporting year the Group outlines in its Sustainability Report the portion of revenues, capital expenditures (capex) and operating expenditures (opex) identified as eligible and aligned, as per the EU's Taxonomy, in terms of the climate change related objectives, or rather climate change mitigation and adaptation. As of 2025, for the purposes of applying the EU Taxonomy, the Group makes use of the simplifications and proportionality measures provided for in the "Omnibus Package", as transposed into applicable legislation and the delegated regulations.

On March 4, 2026, the Board of Directors of Intercos S.p.A. resolved to approve the Internal Audit Plan 2026, which also includes activities to audit the main sustainability reporting processes. The main Enterprise Risk Management activities were also presented on the same date, which will include analysis and insights in the area of ESG risks. We note that the Group's ERM model considers several ESG scope risks, among which climate change risk is of particular relevance. This particularly refers to potential extreme physical risks (which can cause damage to Group assets, leading to financial losses and/or operational disruptions) and transitional risks





(such as regulatory or market changes, which can lead to sanctions and higher operational costs) in the short, medium and/or long term. The Risk Policy, prepared in collaboration with the ERM Committee – which defined key points in consultation with the Internal Audit function – provides guidance on risk management, supports the achievement of business objectives, protects personnel and company assets, and ensures financial sustainability. The Policy also covers sustainability risks, mapped in the Risk Register, identified and assessed also through the double materiality assessment conducted in 2024 and confirmed in 2025, in accordance with the regulatory requirements dictated by CSRD and the related Italian Legislative Decree. The assessments carried out as part of the periodic updates to the Risk Register considered the cross-cutting influences of sustainability risks and opportunities on the macro risk categories identified under the ERM model, which include several risk categories, including strategic, operational, financial, and compliance risks. These, in turn, include several sub-categories of risk, including “ESG drivers”. By way of example, these include damage to physical assets (e.g., Operational risk due to physical damage resulting from climate change which can impact the Group’s assets), the environment (e.g., Operational risk due to water scarcity), health and safety (e.g., Operational and reputational risk associated with failure to protect employees’ health and safety), human resources (e.g., Operational and reputational risk associated with failure to protect employees’ human rights), and legal aspects (e.g., Operational and reputational risk due to unfair business practices conducted by employees). During 2025, the Company also initiated some specific qualitative analyses of physical risks, with the support of a specialized external company, so as to determine the company’s risk profile, identifying the most exposed production sites, as well as the related miti-

gation actions. Taking into consideration the risks defined in Appendix A of Delegated Regulation 2021/2139, a preliminary screening was conducted in order to identify the material risks, based on the location of production plants and interviews with management. For risks considered to be applicable, an analysis was conducted using a specialized climate analysis tool, which assessed the future evolution of risk (hazard) levels on each of the 15 plants. Extreme events such as droughts, heat waves, heavy rainfall and floods were considered, analyzing potential effects on structures, machinery and production continuity. Relevant climate hazards were grouped into four clusters: i) Temperature (heat waves, heat stress, thermal variability); ii) Wind (cyclones, hurricanes, storms); iii) Water - acute events (heavy rains, floods); iv) Water - chronic phenomena (droughts, water stress, precipitation changes). Finally, some mitigation measures already in place to reduce the effects of adverse climate events on production sites were mapped. For the purpose of risk assessment, the analysis considered the climatic evolution of the geographical areas where the plants are located, using two time horizons (short-to-medium term to 2030 and long term to 2050) and referring to the most severe climate scenario (RCP 8.5 - Worst-case emission scenario). Applicable physical risks were evaluated according to the ERM materiality scale already adopted by the Group, at the aggregate level for the different plants, based on their materiality. The likelihood was also estimated based on the output of the tool used in the initial screening, while the impact was assessed, through interviews with the relevant management, considering potential operational impacts. The assessment carried out showed, both in the short to medium and in the long term, low to medium significance for all risk clusters, except for the Water - critical events cluster, whose long-term significance is medium to high. The

results were shared with internal stakeholders to check their robustness and refine values and considerations. The assessment was carried out at the aggregate level (not by individual plant), including the mitigation measures already in place.

In terms of financial reporting, although the IAS/IFRS standards do not make explicit reference to climate-related issues, these impacts are taken into account by the Group in the application of the international accounting standards where significant, by assessing their effects, both in the application of the individual accounting standards and on the going concern. Within this context of analysis, and the management of the risks and procedures above, it should be noted that the Group has not currently identified any significant risks, nor have any doubts or uncertainties arisen regarding events or conditions that might affect the application of international accounting standards beyond the information already reported.

On the climate transition front, the Group has initiated a plan, whose drafting began in 2025, and which to date has not yet been finalized. The goal is to progressively align its strategy with the climate change mitigation goals. The initiative is part of the path embarked on with the 2019-2025 Sustainability Plan, which targeted a 20% reduction in Scope 1 and 2 emissions intensity compared to the base year. The update of the sustainability strategy beyond 2025 therefore included a more in-depth analysis of Scope 1-2-3 emissions, preparatory to setting absolute reduction targets covering all three Scopes under analysis.

RECRUITMENT AND RETENTION STRATEGIES

The Group is exposed to the risk of losing key figures critical to business development and the achievement of the business plan's goals, with costs to the organization that are difficult to quantify given the pervasive impact of the risk. The industry in which it operates requires the use of highly specialized personnel, which is a crucial element in maintaining a high level of competitiveness.

For the effective mitigation of this risk, which may materialize over the short-term, the Group is actively involved in employer branding activities aimed at strengthening its visibility in the market, including through initiatives and collaborations with leading schools and universities nationally and internationally. Market scouting activities for relevant positions are carried out not only reactively, but also proactively, in order to anticipate possible future needs. Succession plans and programs aimed at developing talent internally are also in place, and the internal learning program has been steadily strengthened over the years.

In addition, the Group promotes people's safety and well-being by ensuring a healthy, diverse and inclusive work environment. Internal policies and procedures support work-life balance, social protection, equal opportunity, wages that are fair internally and competitive in the reference market, and the protection of universal rights of individuals and communities. Forced labor, child labor, harassment and discrimination are prevented, with a strong commitment to the inclusion and empowerment of local communities.

These principles are reiterated in the Group's Code of Conduct.

All of the above risk management initiatives entail a higher cost of personnel selection, as





well as training and maintaining a corporate welfare system, which are adequately considered in the long-term plans. In addition, maintaining high standards in terms of well-being, inclusiveness, and lack of misconduct within the organization entails increased administrative expenses to implement procedural frameworks and provide for dedicated verification and/or training activities.

In view of the above, the risk is considered to be of medium-low significance.

OPERATION OF IT SYSTEMS AND INFORMATION SECURITY

The Group is exposed to the risk that in the short-term its information systems may be infected by viruses or subject to unauthorized access aimed at hindering their normal operation and/or at extracting or corrupting Group data, as well as the risk that malfunctions, errors and/or unwanted access to Group software connected with the systems of suppliers and/or customers could harm the Group's suppliers and/or customers. The occurrence of such risks could have significant adverse effects on the Group's financial performance and standing.

Normal Group operations also depend on the appropriacy and efficiency of its own information systems and those of its consultants and other collaborators. These systems may be exposed to risks of viruses, and/or of unauthorized access by third parties intending to deliberately extract or corrupt information, and/or disrupt computer systems, which could lead to errors or delays in the execution of operations, inefficiencies in administrative processes, partial or total production stoppages, and other interruptions in the Group's operations.

With specific reference to protecting intellectual property, this could be lost or damaged as a result of potential IT security violations.

Finally, we note that any unauthorized access has a potential impact in terms of privacy protection and compliance with the provisions of the GDPR and other regulations that may apply, considering that the risk is generally limited to personal information of company employees. In this regard, through workshop sessions and interviews with relevant managers, a number of ESG Risk Drivers were identified, assessed and mapped as part of the Risk Register (i.e., Operational and reputational risk due to violation of employees' privacy and sensitive data).

In recent years, the Group has made numerous investments to upgrade and digitize internal systems and documentation, launching projects to optimize processes and automate many activities. The Group has begun implementing Robotic Process Automation solutions and has adopted data analytics solutions to analyze market trends using a platform that gathers internal data and data from externally managed servers, as well as to create tools for the KPI analysis of operations and innovation. Given the growing exposure to cyber risk worldwide, the Group constantly monitors its IT infrastructure. Specifically, the internal IT function is guiding the Group's digital transformation, the key element of which is cyber security and in whose regard it has raised awareness among the company population, including through specific training plans.

The Group also conducts annual disaster recovery tests to check the timing and functionality of business systems that are critical to business continuity.

Following the cyber attack suffered in 2024, the Group further stepped up certain investments and the existing cyber security program, with

a number of projects completed by the end of 2025 or very early in 2026. Specifically, a contract was signed for an EDR (End Point, Detection and Response), an artificial intelligence system which, in addition to being an antivirus system, performs behavioral analysis of PCs and servers. Work was carried out to upgrade corporate networks, strengthening security through the installation of new Firewalls, sub-network segregation, bolstering the existing VPN system and monitoring systems. The DLP (Data Loss Prevention) process was accelerated. The Company also completed, with the support of external expert consultants, a project focused on compliance with the “NIS2” EU Directive which aims to strengthen EU cybersecurity. Finally, Intercos obtained “SOC2 Type 1 - for CyberSecurity” and “SOC2 Type2 for CyberSecurity” certification. For further details regarding the insurance reimbursement obtained as a result of the Cyber Attack of 2024, please refer to paragraph “Other Income and Expenses” of the notes to the financial statements.

In view of the elevated level of inherent risk within cybersecurity, but also the numerous risk management and mitigation actions that the Company has put in place, this risk is considered to be of medium significance. In this regard, the Group has taken into account in its future forecasts the ongoing costs related to the management of activities related to cyber security, which is detailed in the annually approved budget.

DISPUTES AND OTHER LEGAL OR ADMINISTRATIVE PROCEEDINGS

The Group is currently involved in (and could in the future become involved in further) lawsuits, litigation, or administrative proceedings in a wide range of matters, including those related to product liability issues.

By way of non-exhaustive example, a number of claims (some of which have already been dismissed) have been filed against the subsidiary company Intercos America for asbestos-related personal harm. Generally speaking, the compensation claims (including indemnification requests) brought against the Group or advanced against the Group as part of claims, disputes or other procedures could be costly and time-consuming and may lead to settlements, injunctions, or damages payments. These outcomes could significantly impact the Group’s business, its prospects, financial conditions, liquidity, operating results, and cashflow. As litigation is inherently uncertain, it is not possible to predict the final outcome of lawsuits, disputes, or proceedings (particularly when they are at an early stage) to which the Group is currently or may become a part, and the impact of a number of these cases could have a material adverse effect on the Group’s business, in addition to its prospects, financial condition, liquidity, operating results, and cash flows.

It should be noted that the foreseeable legal costs associated with this risk were taken into account when establishing the long-term plans. This risk is considered to be of medium-high significance. For further details regarding the cost incurred in this regard, please refer to paragraph “Other Income and Expenses” of the notes to the financial statements.

GROUP INTERNATIONAL OPERATIONS

At December 31, 2025, the Group operates through 15 production plants worldwide, and 20 companies. The Group’s presence and operations in various international markets, in addition to being a source of competitive advantage in terms of its ability to reach different geographic areas, diversify and stimulate constant innovation, expose it to risks connected with the geo-political and macroeconomic





conditions of the countries in which it operates and possible changes in regulations and taxation, among others. Such developments may occur over the short-term.

Given the international scope of the Group's activities, it is exposed to risks arising from relations between countries, the different regulations applicable to the Group's products, credit and tax regulations and, in general, the macroeconomic, political and social situation of each of the countries in which the Group operates. In this regard, it should be borne in mind that the Group does not have production plant in Russia, Ukraine and the areas of the Middle-East recently affected by conflicts, nor research centers or representative offices, and it should be noted that at the closing date of the financial statements there were no business volumes with customers based in Russia. However, the various conflict or potential conflict situations continue to generate uncertainty, whose impacts may not be fully assessed in the short term.

Changes in legislation or amendments to current regulations, including at international level, could require the Group to incur additional costs to adapt its production facilities or the characteristics of its products to the new provisions, including those regarding the ingredients to be indicated on the product label. In particular, the possibility cannot be ruled out that restrictions may be introduced at international level on the circulation of products, the recognition and enforcement of judgments, the management of distribution and supply channels and the collection of receivables, with the provision of longer payment periods by the Group's debtors, or the introduction of customs charges and duties in general that might prejudice, even to a significant extent, the Group's ability to offer its products on economically competitive terms in the countries in which it currently operates or in which it might decide to operate in the future.

With reference to the introduction of duties by the U.S. government and the possible consequences that this has generated or could generate, it should be noted that the Group, through its U.S. subsidiary, has established a structured process for monitoring cost increases, particularly with reference to packaging, in order to pass them on to the end customer.

It should be recalled that the Group is not a packaging manufacturer and therefore the duties were applied to end customers without any mark-up, and therefore without any impact on margins.

The risk cannot be excluded that, in the future, products marketed by the Group in territories outside the EU may be subject to further duties by the relevant importing countries.

In addition, the Group conducts its business on the basis of permits and authorizations granted by administrative authorities, whose holding is essential in order to carry out production activities. Should these permits or authorizations be suspended, revoked or not renewed, the Group could be restricted in the performance of its activities and this would lead to a reduction in production, with a consequent reduction in revenue volumes and possible impacts on the activities and prospects, as well as on the Issuer's and Group's financial position, results of operations and cash flows. The countries in which the Group distributes its products include emerging or developing countries, such as the Philippines, India, Brazil, Chile and Mexico.

Demand for the products offered by the Group is therefore influenced by the general economy, economic trends and the business environment of the countries and markets in which the Group operates. Consequently, the high degree of geopolitical uncertainty that continues to characterize certain emerging countries of interest to the Group, as well as potentially significant recessions, inflation and weakening

of the local currency, may lead to a reduction in investment and demand, with potential negative impacts on the Group's sales volumes. Finally, the above may lead - by way of example but not limited to - to investments that are not in line with the strategy adopted by the Issuer, to a reduced protection of the Group's intellectual property rights, to an increase in fixed costs connected with the opening and management of new production and/or distribution sites and to the uncertainty of the economic and financial outcome of the new initiatives undertaken, with impacts on the demand for the products offered by the Group, as well as on the financial position, results of operations and cash flows. and prospects of the Issuer and the Group. The Group also benefits from certain tax and customs advantages, with particular reference to the Suzhou plant (Intercos Cosmetics) located in the "EPZ zone", which cannot be excluded may be modified or revoked by the respective local authorities, with possible negative effects on the activities and prospects as well as on the Issuer's and Group's financial position, results of operations and cash flows.

With reference to the assessment of this risk, the Group has carried out, with the support of a specialized external company, certain qualitative analyses on "country-risk" with reference to its own activities, confirming how the strong territorial segregation, also related to the number of customers served, constitutes a fundamental element of mitigation of the possible impacts, while concluding that, in view of the highlighted complexities and the mainly "external" nature of the described risk, it is considered of medium significance.

WORKERS' HUMAN RIGHTS

The Company is exposed to the risk over the short-term of the inadequate management of workers' human rights, including workplace discrimination, as well as health and safety aspects, as some specific manufacturing activities (e.g., the manual handling of heavy loads, exposure to potentially hazardous chemicals) could impact people's fitness for work. The Company has adopted a Sustainability Policy that seeks to promote the safety and well-being of people by ensuring a healthy, diverse and inclusive work environment, promoting work-life balance, social protection, equal opportunities and fair wages, while at the same time protecting the universal rights of people and communities, preventing forced labor, child labor, harassment and discrimination, and promoting the inclusion and empowerment of local communities. This commitment is reiterated within the Group's Code of Conduct. With particular reference to occupational health and safety management, the Company has also adopted a Health and Safety Policy, and specific procedures in this area have been adopted locally. Finally, the Global Safety Network is operational, which is a working group comprising HSE managers from all Group companies. With reference to workers' human rights, through workshop sessions and interviews with relevant Management, a number of ESG Risk Drivers were identified, assessed and mapped within the Risk Register (i.e., Operational and reputational risk associated with failure to protect employees' human rights; Operational and reputational risk associated with failure to protect employees' health and safety; Operational and reputational risk due to cases of discrimination in the workplace). In view of the management methods adopted by the Company and the significance of the issues involved, the risk is considered to be of medium significance. For further information on performances and indicators related to human rights, well-being and worker health and safety, please refer to the ESRS S1 section of the Sustainability Statement.





Double materiality assessment

For many years, the Group has been actively engaging and systematically consulting its stakeholders so as to improve environmental, social and governance (ESG) performance.

To identify sustainability material topics for the Group, the Intercos Group conducted the double materiality analysis in 2024, in line with the reporting requirements outlined by the CSRD and its related reporting standards, the European Sustainability Reporting Standards (ESRS).

The stakeholder mapping and double materiality analysis are updated annually, in line with the Procedures adopted. In 2024, these activities were carried out through workshops and

one-on-one interviews with top management, and were discussed and validated by the Sustainability Global Steering Committee.

The results of the analysis conducted in 2024 were confirmed also for 2025.

In 2025, among the key sustainability risks and opportunities identified and reported as elements of connectivity between financial and non-financial information are: risks related to product ESG requirements, risks related to ESG requirements in the supply chain, and risks related to climate change.

For further analysis on risks and opportunities, see the Consolidated Sustainability Report at December 31, 2025.

Tax consolidation

It is recalled that the Company Intercos S.p.A., jointly with all its subsidiaries resident in Italy participates, as a Consolidating Company, in the consolidated taxation, pursuant to Article 117 and subsequent of the Income Tax Law, with intercompany relations arising from participation in the Group Consolidation governed by special Regulations and an agreement between the participating companies, which establishes a common procedure for the application of the statutory and regulatory provisions.

The Companies participating in the domestic tax consolidation are, in addition to the Parent Company:

- Intercos Europe S.p.A.,
- Ager S.r.l.,
- Vitalab S.r.l.,

- Kit Productions S.r.l.,
- Cosmint S.p.A.

Each company participating in the tax consolidation transfers its assessable income or tax loss to Intercos S.p.A., which recognizes a credit (equal to the IRES to be paid) to the companies that contribute assessable income, or a debit to the companies that transfer a tax loss. Intercos S.p.A., as the consolidating company, is responsible for, in addition to any higher taxes declared and the relative penalties and interest relating to its own individual overall income, for the amounts that may be due, with reference to the consolidated tax return, also following the “formal control” as per Article 36-ter of Presidential Decree 600/73, in addition to, jointly and severally, for the amounts due relating to the penalties issued to the companies taking

part in the consolidation who have committed violations in calculating their individual position. Similarly, the consolidated companies are jointly and severally liable to Intercos S.p.A., as the consolidating company, for any higher taxes assessed in relation to the consolidated company's tax return, referring to adjustments

to the income presented in its own tax return, including those resulting from "formal controls" as per Article 36-ter of Presidential Decree No. 600/1973. All of the above, as governed by the Tax Consolidation Agreement originally entered into on June 5, 2008 and subsequent updates.

Corporate governance and ownership structure report of the company as per Article 123-bis of Legislative Decree No. 58 of February 24, 1998 and subsequent amendments and supplements (CFA)

Intercos S.p.A. is a company whose shares have been traded since November 2, 2021 on the Euronext - Milan Italian Stock Exchange.

As the Company's shares were not previously traded on any regulated market, the company had adopted corporate governance measures which were appropriate to its characteristics at the time.

From the trading commencement date, Intercos S.p.A. has implemented the corporate governance structure outlined in the "Corporate Governance and Ownership Structure Report" ("**Corporate Governance Report**") prepared with reference to the "Format for the corporate governance and ownership structure report" issued by Borsa Italiana in December 2024.

Intercos S.p.A. adopts, as a reference model for its corporate governance, the provisions of the Corporate Governance Code for Listed Companies approved in January 2020 by the Corporate Governance Committee ("**Corporate Governance Code**" or "**GC Code**").

The 2025 Corporate Governance Report is available on the Company's website at www.intercos-investor.com, in the "Governance" section.

The corporate boards comprising the Intercos S.p.A. governance system are the Board of Directors, the Board of Statutory Auditors and the Shareholders' Meeting. For completeness, we also indicate that the Board of Directors has appointed a company Supervisory Board, which supervises and controls the observance, effectiveness, implementation and updating, where necessary, of the Organization, Management and Control Model pursuant to Legislative Decree No. 231.

The Board of Directors is granted the broadest range of powers for the management of the company and defines the Group's strategic objectives and guidelines, undertaking all actions considered beneficial to achieve the corporate scope, excluding only those reserved by law to the Shareholders' Meeting.





On April 11, 2024, the Intercos S.p.A. Ordinary Shareholders' Meeting appointed the Company's new Board of Directors, using the slate voting method in accordance with the applicable statutory and regulatory provisions.

The new Board will remain in office until the approval of the financial statements at December 31, 2026 and comprises 11 (eleven) Directors, four of whom are independent, as specified in the table below:

Name	Office	Gender
Dario Gianandrea Ferrari	Executive Chairperson	M
Renato Semerari	Chief Executive Officer	M
Ludovica Arabella Ferrari	Executive Director	F
Gianandrea Ferrari	Executive Director	M
Nikhil Kumar Thukral	Non-Executive Director	M
Ciro Piero Giuseppe Cornelli	Non-Executive Director	M
Maria D'Agata	Non-Executive Director	F
Vincenzo Giannelli	Independent Director pursuant to the CFA and the CG Code	M
Michele Scannavini	Independent Director pursuant to the CFA and the CG Code	M
Paola Boromei	Independent Director pursuant to the CFA and the CG Code	F
Patrizia De Marchi	Independent Director pursuant to the CFA and the CG Code	F

The Directors Ms. Patrizia De Marchi, Mr. Michele Scannavini, Mr. Dario Gianandrea Ferrari, Mr. Renato Semerari, Mr. Nikhil Kumar Thukral, Ms. Maria D'Agata, Mr. Vincenzo Giannelli, Mr. Gianandrea Ferrari, Ms. Ludovica Arabella Ferrari and Mr. Ciro Piero Giuseppe Cornelli were drawn from the majority slate submitted by the shareholders Dafe 4000 S.r.l. and Dafe 5000 S.r.l. (jointly, the "Dafe Companies"), holders of a total of 32.205% of the share capital (which obtained 82.162% of the votes at the meeting), while the Director Ms. Paola Boromei was drawn from the minority slate presented by institutional investors collectively representing 2.368% of the share capital (which obtained 17.837% of the votes at the meeting).

The Directors Ms. Patrizia De Marchi, Mr. Michele Scannavini, Mr. Vincenzo Giannelli and Ms. Paola Boromei have also declared that they meet the independence requirements pursuant to the law, the By-Laws and the Corporate Governance Code, also considering the quantitative and qualitative criteria for assessing the significance of relationships, including economic ones, that could compromise the independence of Board members, as approved by the Company's Board of Directors.

The Shareholders' Meeting also confirmed Mr. Dario Gianandrea Ferrari as Chairperson of the Board of Directors.

At the end of the reporting period, the composition of the Board of Directors of Intercos complies with the provisions of the law and the By-Laws, and it should be noted that four of the eleven members are of the under-represented gender.

Directors shall hold office for 3 financial years, unless a different, shorter period is established by the Shareholders' Meeting at the time of their appointment, and may be re-elected. The current members of the Company's Board of Directors shall remain in office for the three-year period 2024-2026, and therefore until the Shareholders' Meeting called to approve the 2026 Annual Accounts.

On April 15, 2024, the Board of Directors resolved to establish the following internal committees with investigative, proposal and advisory functions, with a term of office equal to that of the Board of Directors and, therefore, until the approval of the financial statements for the year ended December 31, 2026:

- (i) the Appointments and Remuneration Committee ("**ARC**"), composed of three Directors, the

majority of whom are independent, in the persons of the Directors Ms. Patrizia De Marchi (as Chairperson), Mr. Ciro Piero Giuseppe Cornelli and Mr. Michele Scannavini;

(ii) the Control and Risks Committee (“CRC”), consisting of three Non-Executive Directors, the majority of whom are independent, in the persons of the Directors Mr. Vincenzo Giannelli (as Chairperson), Ms. Paola Boromei and Mr. Ciro Piero Giuseppe Cornelli;

(iii) the Related Party Transactions Committee (“RPT Committee”), consisting of three Independent Directors, in the persons of: Mr. Michele Scannavini (as Chairperson), Ms. Patrizia De Marchi and Ms. Paola Boromei.

The Board of Statutory Auditors comprises, according to the By-Laws, three Statutory Auditors

and two Alternate Auditors, appointed by the Shareholders’ Meeting to ensure compliance with law and the By-Laws, and is supported by an independent audit firm. The Statutory Auditors remain in office for three years and may be re-elected.

On April 11, 2024, the Company’s Ordinary Shareholders’ Meeting appointed the Company’s new Board of Statutory Auditors, using the slate voting method in accordance with the applicable statutory and regulatory provisions.

The new Board will remain in office until the approval of the financial statements at December 31, 2026 and comprises three Statutory Auditors and two Alternate Auditors, as specified in the table below:

Name	Office	Gender
Paolo Prandi	Statutory Auditor and Chairperson of the Board of Statutory Auditors	M
Monica Manzini	Statutory Auditor	F
Giovanni Rossi	Statutory Auditor	M
Daniela Savi	Alternate Auditor	F
Maurizio Nastri	Alternate Auditor	M

We note that the Chairperson of the Board of Statutory Auditors, Mr. Paolo Prandi, was drawn from the minority slate presented by institutional investors collectively representing 2.368% of the share capital (which obtained 17.419% of the votes at the Meeting), while the Statutory Auditors Giovanni Rossi and Monica Manzini were both drawn from the majority slate presented by the Dafe Companies, which hold a total stake of 32.205% of the share capital (which obtained 82.580% of the votes at the Meeting).

Alternate Auditor Maurizio Nastri was drawn from the majority slate submitted by the Dafe Companies, while Alternate Auditor Daniela Savi was drawn from the aforementioned minority slate.

The Shareholders’ Meeting shall be called whenever the Board of Directors deems it ap-

propriate or when it is required by law. The Ordinary Shareholders’ Meeting for the approval of the financial statements shall be called at least once a year, within 120 days from financial year-end, or within 180 days where the Company is required to draw up the consolidated financial statements, or when specific needs related to the structure and purpose of the Company so require, subject to the provisions of Article 154-bis of the Consolidated Finance Act and, in any case, any applicable regulatory provision.

The Supervisory Board oversees the observance, efficacy, implementation and updating, where necessary, of the Organization, Management and Control Model, as per Legislative Decree No. 231/2001, in order to prevent the commission of the offenses set out in the Decree. For the performance of such tasks, the Supervisory Board is invested with all powers of initi-





ative and control of all company activities and personnel, and reports exclusively to the Board of Directors through its Chairperson. The Intercos S.p.A. Supervisory Board was appointed by the Board of Directors on April 15,

2024. It shall remain in office until the approval of the annual financial statements at December 31, 2026 and is composed as detailed in the following table.

Name	Office	Gender
Giuseppe Schiuma	Chairperson Supervisory Board	M
Francesco Cimatti	External Supervisory Board member	M
Maria D'Agata	Internal Supervisory Board member	F

THE ETHICS CODE AND CODE OF CONDUCT

The Company has updated the Intercos Group Code of Conduct last approved in May 2024. We note that, in order to adapt the document to the medium-term regulatory changes that have occurred and also to ensure the highest ethical standards, the provisions of the Ethics Code - also last approved in May 2024 - have been integrated into the new text of the "Code of Conduct". This defines the ethical principles and behavioral norms adopted by Intercos Group companies both in Italy and abroad.

The new text of the Code of Conduct, which was submitted for Board of Directors approval on May 7, 2024, was prepared by the Sustainability Team and the Intercos Legal Department. It was reviewed by the Group Chief Quality Officer, the Group Chief Executive Officer, and the Company's Supervisory Board.

The updated Code of Conduct can be consulted on the Company's website www.intercos.com in both Italian and English, so that it is accessible to all company stakeholders.

SHARE CAPITAL (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 1, LETTER A), CFA)

As at December 31, 2025, the share capital of Intercos S.p.A., fully subscribed and paid-in, amounts to Euro 11,313,514.75 and is divided into 96,364,020 ordinary shares, without par value, corresponding, pursuant to Article 120, paragraph 1 of the CFA and Article 6 of the By-Laws, to 127,363,621 voting

rights (each ordinary share grants the right to one vote, except for the 30,999,601 shares for which the multi-voting right has been achieved, in the ratio of two voting rights for each share). It should be noted that Intercos' By-Laws provide for the mechanism of multi-voting rights (Article 6 of the By-Laws).

The issue and circulation of ordinary shares is regulated by current legislation. Intercos' share capital structure is detailed in the table below.

Share capital structure

	No. of shares	No. of voting rights	Listed	Rights and obligations
Ordinary shares	96,364,020	127,363,621	Euronext - Milan	Rights and obligations as per law and By-Laws

SIGNIFICANT HOLDINGS (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 1, LETTER C), CFA)

At December 31, 2025, on the basis of the information received pursuant to the applicable legislation (in particular, pursuant to Article 120 of the CFA) and the entries in the shareholders' register, shareholders who directly or indirectly hold more than 3% of the voting rights in Intercos are as follows:

Declarant	Direct shareholder	No. shares	% ordinary share capital (*)	Number of votes (**)	% voting rights
Dario Gianandrea Ferrari	Dafe 4000 S.r.l. (***)	23,000,940	23.869%	46,001,880	36.119%
	Dafe 5000 S.r.l. (****)	7,998,661	8.300%	15,997,322	12.560%
	Total	30,999,601	32.169%	61,999,202	48.679%
CP7 Caledonia AIV GP, LLP	CP7 BEAUTY LUXCO SARL	12,848,518	13.333%	12,848,518	10.088%
GIC Private Limited	RAFFLES BLUE HOLDINGS LIMITED	5,713,292	5.929%	5,713,292	4.486%
	GIC PRIVATE LIMITED	108,074	0.112%	108,074	0.085%
	Total	5,821,366	6.041%	5,821,366	4.571%
NN Group NV	NATIONALE NEDERLANDEN LEVENSVERZEKERING MAATSCHAPPIJ NV	3,695,673	3.835%	3,695,673	2.902%
	NN RE (NETHERLANDS) NV	52,478	0.054%	52,478	0.041%
	NATIONALE NEDERLANDEN SCHADEVERZEKERING MAATSCHAPPIJ NV	341,022	0.354%	341,022	0.268%
	Total	4,089,173	4.243%	4,089,173	3.211%

(*) The share capital consists of 96,364,020 ordinary shares, with no indication of nominal value.

(**) The total amount of voting rights is 127,363,621.

(***) The Shareholder Dafe 4000 S.r.l. has received increased voting rights on 192,488 and, therefore, all 23,000,940 shares it owns.

(****) The Shareholder Dafe 5000 S.r.l. has received increased voting rights on all 7,998,661 shares it owns.

As of December 31, 2025, the Company held 1,143,559 treasury shares (equal to 1.1867% of the share capital), purchased on regulated markets in implementation of the Buy-Back Program approved by the Board of Directors on September 12, 2025.





Subsequent events

- Subsequent to 2025 year-end, on January 22, 2026, Pat McGrath Cosmetics LLC (“PMG”), an Intercos Group customer, filed for reorganization under Chapter 11 before the U.S. Bankruptcy Court for the Southern District of Florida (“Court”), continuing operations as a “debtor in possession”. Following the first hearing on January 26, 2026, the Court approved a USD 1 million loan (from the shareholder), as well as critical vendor relief, authorizing the payment of certain pre-petition claims of critical vendors in order to ensure business continuity. Intercos America, Inc. was recognized early on as a Critical Vendor. At the subsequent hearing, the Court also approved a Loan granted by GDA Luma Capital Management LLP to support business continuity and the payment of Critical Vendors, thus making up to USD 5 million of liquidity available to PMG. GDA Luma’s overall DIP Loan, the proposed amount of which - based on the information collated - is USD 20 million, is expected to be approved on March 5, 2026. In the same context, the Court also stated that it was not against further payments to Critical Vendors, provided they were agreed upon and with GDA’s consent, and also formally approved the appointment of a Chief Restructuring Officer (“CRO”) for PMG. From subsequent contacts, GDA confirmed its willingness to support PMG’s business continuity and the payment of critical suppliers, including Intercos. The Group’s total open receivables as of December 31, 2025 amounted to Euro 1,954 thousand. Following financial year-end, PMG made a payment of Euro 128 thousand. PMG, under the name of the newly-appointed CRO, sent Intercos a “Critical Vendor Acknowledgment and Good Faith Negotiations Letter”, by which it acknowledges all Group companies having business relations with PMG (Intercos America, Intercos Europe and Interfila Cosmetics-Shanghai) as Critical Vendors and recognizes the existence and amount of pre-petition payables to these companies.
- On January 28, 2026, the Group requested the partial utilization of the Capex Facility Senior Financing Line (Tranche C) to the Banking Syndicate. This utilization, totaling Euro 25,000 thousand, fits within a larger availability of the Capex Facility Senior Financing (Tranche C) line for a maximum stipulated amount of Euro 100,000 thousand. The utilization will allow additional flexibility to finance tangible and intangible investments. For further details on the senior financing, reference should be made to Note “*Bank borrowings and other lenders*” in the Explanatory Notes.
- The Board of Directors on March 4, 2026 noted Chief Executive Officer Mr. Renato Semerari’s decision to complete his tenure at the natural conclusion of office in March 2027, ensuring an orderly succession process consistent with the principles of management continuity. Mr. Renato Semerari has expressed his willingness to continue as a member of the Company’s Board of Directors and to serve as a consultant to the Group, in a manner to be defined over the coming months and that includes, in any case, a periodic operational presence at the company. His involvement is intended to ensure strategic continuity and an effective transfer of the leadership of the company to the next Chief Executive Officer. The Board of Directors also agreed with the indication to identify Mr. Gianandrea Ferrari as the Group’s next Chief Executive Officer, whose appointment will be considered by the newly-appointed Board of Directors within the scope of defining the future governance structure. This choice, together with the retention by the Founder, Mr. Dario Gianandrea Ferrari, of the position of Chairperson of the Board of Directors with powers in the area of “innovation”, confirms the Ferrari family’s commitment to the Intercos Group, with the goal of ensuring the continuity of strategic direction and of encouraging generational transition. In the meantime, Mr. Renato Semerari will continue to perform his duties with full powers until the conclusion of the present term.

- In relation to the recent geopolitical developments in Iran and the Middle East subsequent to December 31, 2025, the Group is constantly monitoring the changing environment and the potential direct and indirect impacts upon its operations and financial performance. The Group's exposure to customers located in the Middle East is insignificant overall in terms of consolidated revenues, limiting the potential direct impacts from any deterioration in the regional situation. Possible indirect effects may emerge mainly in relation to energy and commodity costs where the geopolitical sit-

uation leads to tensions on the global commodity markets. The Group has already put in place adequate monitoring safeguards and, where necessary, will consider activating mitigation measures, including mechanisms for adjusting prices to customers, similar to those adopted during previous geopolitical shocks. As of the approval date of these financial statements however, it is not possible to reliably estimate the possible economic and financial impact of these events, given the uncertainty and variability of the environment.

Policies or governmental, economic, fiscal, monetary or political factors which have had, or which could have directly or indirectly, significant repercussions on Group activities.

The previously reported financial results were not materially affected during the period by governmental, economic, fiscal, monetary or political policies or factors.



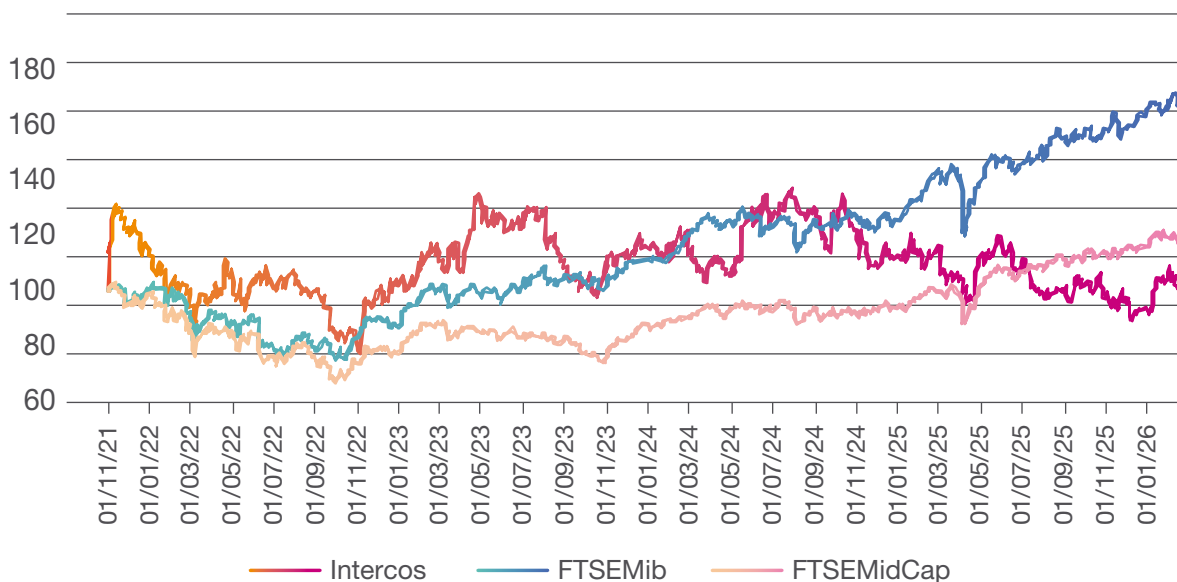


Intercos' share performance

Intercos was listed on the Euronext Milan on November 2, 2021 at a placement price of Euro 12.50 and closed on December 30, 2025, the final trading day of the year, at a price of Euro 11.06, decreasing 20.5% on the end of 2024 (Euro 13.92). The performance in the period was weaker than the overall FTSEMib index, which

continued to be driven by excellent results mainly within the banking sector, ending the year up 31.5%. The FTSEMidCap also performed very well in the period (+23.2%), supported mainly by finance and defense sector shares. The market capitalization at December, 31 2025 is Euro 1,065,786,061

Intercos vs. Equity Market Share price performance (base100)



The FTSEMib in 2025 saw a steady upward trend, supported by banking stocks and the finance sector in general, which continued to report very strong results throughout the year, with profits often in excess of market expectations. The performance of the FTSEMidCap was driven by the defense, IT services and financial sector stocks. The segment, on the other hand, in which Intercos operates (Consumer Staples) has undergone a significant de-rating, caused substantially by expecta-

tions regarding the erosion of the purchasing power of end consumers, particularly in the discretionary world - both in the west and the east. As at February 16, 2025, it should be noted that of the ten brokers who follow Intercos S.p.A., nine have a "Buy" recommendation, with one having a "Hold". For further information and updates on the share performance and for the latest company information, please visit the website www.intercos-investor.com - Investor Relations section.

Outlook

We look to 2026 with optimism. Following a 2025 that saw, on the one hand, very weak markets in the western hemisphere- mainly the US- and on the other a recovering Asian market (particularly China in the second half of the year), we expect in 2026 also the U.S. market to gradually recover. We therefore are faced with an opposing situation to that of a year ago, with the Beauty market in early 2025 showing tangible signs of slowing down, as highlighted by the growth seen in the year (well under 4%). This expectation for 2026 is also confirmed by our Group's order intake in late 2025, with December seeing Intercos' highest-ever order intake. We therefore expect the short and medium-term to see a return of the normal growth rates typical of our market. We believe that our Group is perfectly positioned to benefit from this.

Sales in 2025 consolidated on the strong growth reported over the 2021-2024 period, which beat expectations. We have meanwhile increased their quality, rebalancing the overall mix with Make-up- our main asset- again accounting for more than 60% of total sales, a free-issue sales weight in line with our business model, and an expanding prestige segment. The significant increase in profitability has allowed us to fully recover that lost in previous years, putting in place a new foundation for building the Group's growth over the medium-term.

Intercos' central position in the Beauty industry continues to strengthen, as highlighted also by Make-up business growth which far outstripped the general market. The Group is increasingly influencing Beauty trends, across all continents. We consider this position to be unique and it represents a key asset for future growth.

The fact that, within a globally weak market, Intercos has seen sales growth from new projects is proof that our business model, focused on innovation, is a winning one.

In view of all this, we expect the Beauty market to recover in 2026 and particularly from the second quarter. As for Intercos, we expect a return to top line growth in the year, of approximately +5%/+6%, despite the still unfavorable exchange rate trends. Looking to the order intake, which mainly increased towards the end of the year, and in view of the comparable basis, growth is expected to emerge particularly from the second quarter.





Consolidated Sustainability Statement At 31/12/2025 in accordance with Legislative Decree No. 125/2024

INTRODUCTION

ESRS 2 – BP-1; BP-2

BP-1 - General basis for preparation of the sustainability statements

The Sustainability Statement (hereinafter also the “Statement” or “Report”) has been prepared in accordance with the Corporate Sustainability Reporting Directive (the “CSRD”) and the European Sustainability Reporting Standards (“ESRS”) issued by the European Commission. In Italy, the CSRD was transposed into Legislative Decree No. 125/2024 (the “Decree”). In line with these provisions, the Intercos Group prepares its Sustainability Statement on a consolidated basis.

The Intercos Group’s Sustainability Statement covers the period from January 1 to December 31, 2025.

The consolidation scope for sustainability information aligns with that used for financial disclosure, and includes companies fully consolidated for financial disclosure purposes.

At the reporting date of December 31, none of the Companies included in the consolidation scope, except for the Parent Company, is individually required to prepare a Sustainability Statement.

No specific information has been omitted in relation to intellectual property, know-how, or the results of innovation, except as noted in section ESRS E1-4.

In accordance with the requirements of the aforementioned Decree, the Sustainability Statement addresses material topics across the three Environmental, Social, and Governance (“ESG”) pillars.

None of the metrics disclosed in this document have been validated by a third-party body. To ensure alignment with the three priority areas that underpin the Group’s Sustainability Strategy, the Statement, prepared in compliance with the ESRS requirements under the CSRD, has been structured based on the following three areas:

- Environmental Sphere - “We believe in Sustainable Beauty”: ESRS E1, ESRS E2, ESRS E3, ESRS E4, ESRS E5
- Social Sphere - “We care for people”: ESRS S1, ESRS S2, ESRS S4
- Governance Sphere - “We live our Values”: ESRS G1

The Sustainability Statement is based on the “double materiality” approach, through which the Group considered its operations and the entire upstream and downstream value chain to assess the materiality of impacts, risks and opportunities related to sustainability matters.

The document has been subject to limited assurance by the appointed independent audit firm.

BP-2 - Disclosures in relation to specific circumstances

Since 2024, the Group has conducted an update of its Enterprise Risk Management (ERM) Framework, with a focus on sustainability risks, in order to progressively align it with the requirements of the CSRD. The Directive encourages companies to integrate considerations of material impacts, risks, and opportunities over the short, medium and long term. In 2025, specific analyses were carried out on climate-related risks, including an initial qualitative assessment of both transition and physical risks, while previously identified risks were reconfirmed.

The definition of time horizons considered for the above is consistent with the one adopted by the Group's ERM Framework. The short term is defined as a period of one year, the medium term corresponds to a horizon between one and five years, and the long term refers to a horizon beyond five years. [Ref. ESRS 2 BP-2 9a] The decision to maintain consistency with the ERM Framework time horizons is dictated by the Group's need to report on and analyze related topics.

The forward-looking information has been prepared based on assumptions about events that may potentially occur in the future and possible future actions that will be taken by the Group. Where necessary, any estimates concerning value chain considerations or sources of uncertainty in results are reported in the respective sections, based on the best methodologies available. In particular, Scope 3 greenhouse gas emissions data are based on estimates, as specified in the relevant methodological note.

During the reporting period, the criteria, methodologies and metrics adopted in the preparation and presentation of sustainability information remained unchanged from the previous reporting period.

Where references are made to other documents, these are always clearly specified within the body of the Statement, along with the corresponding ESRS disclosure requirement or data point to which they refer.





THE GROUP TODAY

ESRS 2 – GOV-1; GOV-2; GOV-3; GOV-4; GOV-5; SBM-1

MISSION AND VISION

Figure 1



THE COSMETICS SECTOR AND THE ROLE PLAYED BY INTERCOS

SBM-1 - Strategy, business model and value chain

The Intercos Group (hereinafter also the “Group”, “Intercos”, or the “Company”) is a global innovation partner in the beauty sector, with an integrated B2B business model covering the entire value chain: from advanced scientific research to formulation development, process engineering and full-service solutions, including packaging, industrialization, and strategic support to brands. Founded in 1972, the Group now operates across three continents with 12 research centers, 15 production sites and 16 commercial offices. It collaborates with over 700 international customers, including some of the world’s leading cosmetics brands. The Group’s strategy is based on continuous innovation and the ability to anticipate global

industry trends, thanks to sustained investment in R&D, equal to over 5% of revenues, and long-standing partnerships with universities, research centers, and industrial players. Its offering spans all major product categories: In Color Cosmetics, the Group develops cutting-edge textures, release technologies, and application systems; in Skincare and Personal Care, it formulates high-efficiency solutions supported by proprietary biotech actives and an advanced dermatological approach; in Haircare, it integrates performance, sensory quality, and hair well-being; in Fragrance, it combines olfactory quality, safety, and sensory innovation. Intercos’ global presence, paired with deep local market insight, enables it to respond swiftly and precisely to customer needs, integrating ESG-related impact, risk, and opportunity considerations into its strategy. This reinforces the Group’s role as a point of reference for responsible innovation, con-

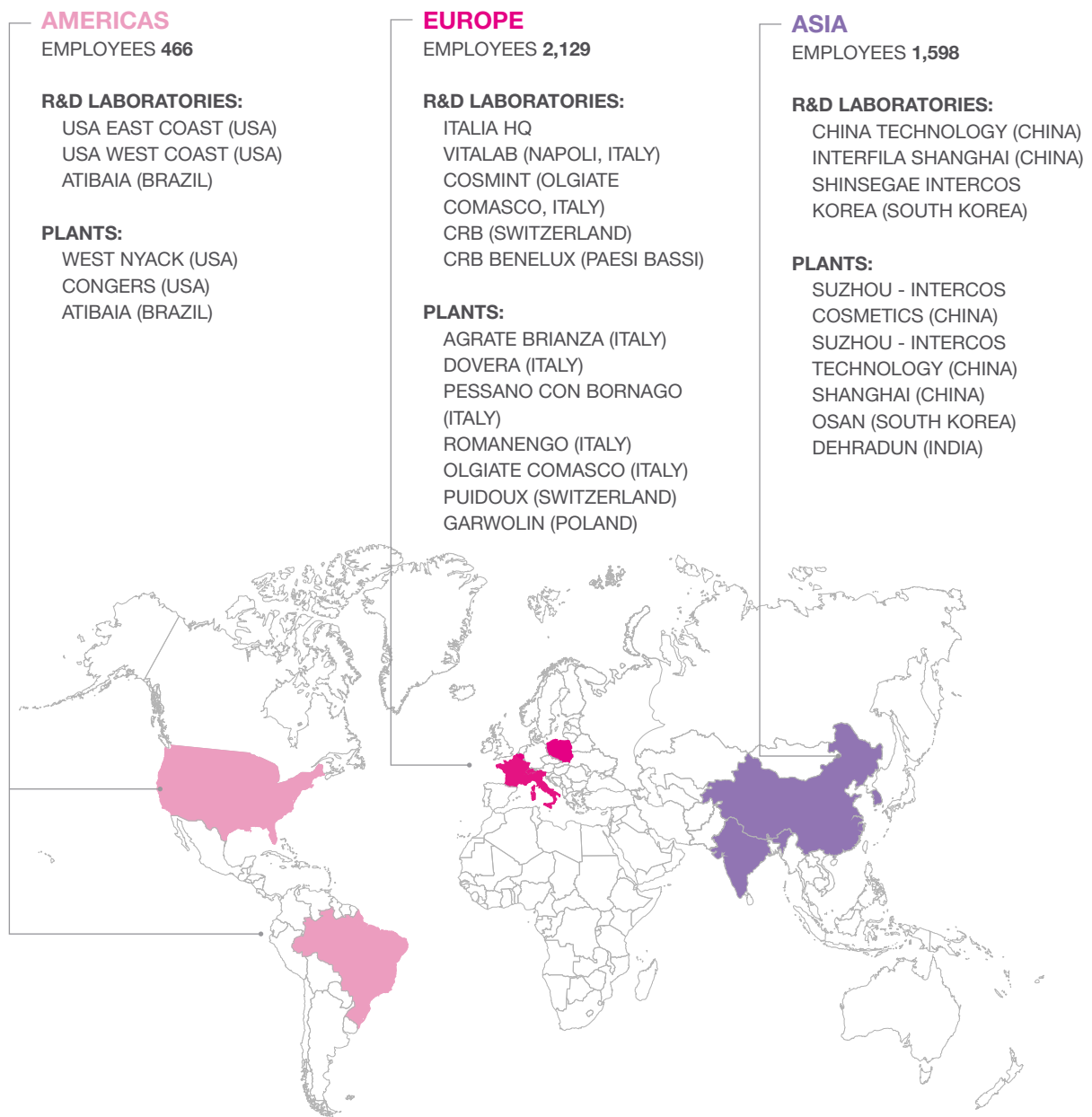
tributing to the sustainable and forward-looking evolution of the beauty industry.

The upstream value chain mainly includes: Suppliers of raw materials and packaging materials, logistics providers, temporary employment agencies, and other service providers (consultants, IT, energy, subcontractors). The downstream value chain involves approxi-

mately 700 customers worldwide, including multinational brands, independent players, and retailers.

There were no significant changes in the Group's business activities compared to previous years in terms of market segments, product offerings, or customer categories.

Figure 2





At December 31, 2025, the Intercos Group employed 4.193 staff (+3% on 2024), distributed as follows:

Table 1

Geographic Areas	No. Employees	
	2024	2025
ITALY	1,585	1,645
REST OF EUROPE*	472	484
USA	374	348
BRAZIL	110	118
CHINA	1,090	1,103
SOUTH KOREA	379	417
INDIA	64	78
GROUP TOTAL	4,074	4,193

* Switzerland, Poland, The Netherlands

The Group operates in the manufacture of toiletries: Perfumes, cosmetics, soaps, and similar products (C.20.42). In 2025, the Group recorded revenues of Euro 1,047.2 million. For a detailed breakdown of revenues by operating segment in accordance with IFRS 8, please refer to Chapter “4. Segment Disclosure” of the Notes to the Financial Statements.

CORPORATE GOVERNANCE

GOV-1 (21., 22., 23.) - The role of the administrative, management and supervisory bodies

Intercos S.p.A. (“Intercos” or the “Company”) is a company whose shares have been traded since November 2, 2021 on the **Euronext - Milan Italian Stock Exchange**.

From the trading commencement date, Intercos has implemented the corporate governance structure outlined in the “Corporate Governance and Ownership Structure Report” (“**Corporate Governance Report**”) prepared with reference to the “Format for the corporate governance and ownership structure report” issued by Borsa Italiana in December 2024.

Intercos adopts, as a reference model for its corporate governance, the provisions of the Corporate Governance Code for Listed Companies approved in January 2020 by the Corporate Governance Committee (“**Corporate**

Governance Code”).

The 2025 Corporate Governance Report is available on the Company’s website at www.intercos-investor.com, in the “Governance” section.

The **corporate boards** comprising the Intercos S.p.A. governance system are the **Board of Directors**, the **Board of Statutory Auditors** and the **Shareholders’ Meeting**.

The Company’s Board of Directors has appointed:

- three internal committees, the **Appointments and Remuneration Committee** (the “**ARC**”), the **Control, Risks and Sustainability Committee** (the “**CRSC**”), and the **Related Party Transactions Committee**. These committees possess investigative, propositional, and advisory functions, in support of the Board of Directors;
- the **Supervisory Board** (the “**SB**”) supervises and controls the observance, effectiveness, implementation and updating, where neces-

sary, of the Organization, Management and Control Model pursuant to Legislative Decree No. 231/2001 (the “**231 Model**”);

- the **Internal Audit Manager**, appointed to verify if the Internal Control and Risk Management System is functional and adequate. This responsibility also extends to sustainability control and management systems.

The **Board of Directors** is granted the broadest range of powers for the management of the Company and defines the Group’s strategic objectives and guidelines, undertaking all actions considered beneficial to achieve the corporate scope, excluding only those reserved by law to the Shareholders’ Meeting.

The Board of Directors therefore comprises **11** Directors, **seven men** and **four women**. The Executive Chairperson of the Board of Directors is Dario Gianandrea Ferrari, Company founder.

In addition to the Executive Chairperson, the members of the Board of Directors include:

- Chief Executive Officer Renato Semerari;
- two Executive Directors, Ludovica Arabella Ferrari and Gianandrea Ferrari;
- seven Non-Executive Directors, including three Independent Directors pursuant to Legislative Decree No. 58 of February 24, 1998 (CFA) and the Corporate Governance Code.

Directors shall hold office for 3 financial years, unless a different, shorter period is established by the Shareholders’ Meeting at the time of their appointment, and may be re-elected. The Directors’ mandates expire on the date of the Shareholders’ Meeting called to approve the financial statements relating to their third year of office. Therefore, the current Board of Directors will remain in office until the Shareholders’ Meeting called to approve the 2026 Annual Accounts.

Table 2

	Number			Total
	Men	Women	Other and/or N/D	
Members of the administrative, management and supervisory bodies	7	4	-	11
Executive Members	3	1	-	4
Non-executive Members	2	1	-	3
Independent Board Members	2	2	-	4
Members representing employees and other workers	In 2025, employees and other workers have been represented by the Group’s Chief HRO, Legal, Regulatory & CSR Officer.			
Member with experience relevant to the sectors, products and geographic locations of the undertaking	The President, the CEO and the Executive members have many years of experience in the cosmetic industry.			
	Percentage			
Members of the administrative, management and supervisory bodies	63.6%	36.4%	0%	100%
Executive members	75.0%	25.0%	0%	36.4%
Non-executive members	66.7%	33.3%	0%	27.3%
Independent board members	50.0%	50.0%	0%	36.4%
Gender diversity	36.4%	The percentage expresses the ratio between the number of female directors on the total.		





The Company has not adopted a diversity policy regarding the composition of the current Board of Directors in terms of aspects such as age, gender composition, and educational and professional background also relating to ESG factors and the topic of impacts generated by organizations on the economy, environment, and people. That said, the qualitative and quantitative composition of the Board of Board of Directors in office is deemed to ensure sufficient diversity in terms of skills, age and experience.

The Chairperson, the CEO, and the Executive Directors have many years of experience in sustainability, gained through participation in various international industry events and trade fairs, where ESG topics are explored in depth. This experience is further demonstrated by the CEO's and Executive Directors' participation in the Intercos Group's Sustainability Global Steering Committee ("**SGSC**") – a body composed of Top Management and key departmental representatives. The SGSC serves as the forum where the Group's main sustainability-related impacts, risks, and opportunities are analyzed and discussed.

For more details on the role, appointment and composition of the Board of Directors, please refer to the chapter "Board of Directors" in the Corporate Governance Report.

On July 20, 2021, the Board of Directors resolved to establish the following internal committees (confirmed at the meeting of November 11, 2021) with investigative, proposal and advisory functions, with a term of office equal to that of the Board of Directors and, therefore, until the approval of the financial statements for the year ended December 31, 2026:

- the **Appointments and Remuneration Committee**, composed of three Directors, of whom two are independent, in the per-

sons of the Directors Patrizia De Marchi (as Chairperson), Ciro Piero Cornelli and Michele Scannavini;

- the **Control, Risks and Sustainability Committee**, consisting of three Non-Executive Directors, of whom two are independent, in the persons of the Directors Vincenzo Giannelli (as Chairperson), Paola Boromei and Ciro Piero Cornelli. As of March 4, 2026, this committee has assumed the name "Control, Risks and Sustainability Committee", in light of specific tasks assigned to it regarding sustainability;
- the **Related Party Transactions Committee**, made up of three Independent Directors, in the persons of Michele Scannavini (as Chairperson), Patrizia De Marchi and Paola Boromei. Regarding conflicts of interest and related party transactions, we note that, on December 16, 2021, with the favorable opinion of the aforementioned Related Party Transactions Committee, the Board of Directors approved the final version of the Related Party Transactions (RPT) Policy, establishing rules for identifying, approving, managing and guaranteeing the transparency and propriety of transactions with related parties, whether carried out directly, via subsidiaries, as per Article 93 of the Italian Consolidated Finance Act, or, in any case, via parties subject to Intercos Group management or coordination activities.

The **Board of Statutory Auditors** comprises, according to the By-Laws, three Statutory Auditors and two Alternate Auditors, appointed by the Shareholders' Meeting to ensure compliance with law and the By-Laws, and is supported by an independent audit firm. The Statutory Auditors remain in office for three years and may be re-elected.

Therefore, the current Board of Statutory Auditors will remain in office until the approval

of the financial statements for the year ending December 31, 2026. For details on the composition of the Board, see the section entitled “Corporate governance and ownership structure report of the company as per Article 123-*bis* of Legislative Decree No. 58 of February 24, 1998 and subsequent amendments and supplements (CFA)” in the Directors’ Report.

The **Shareholders’ Meeting** represents **all of the shareholders** and their resolutions, taken in accordance with law and the Company’s By-Laws. The Shareholders’ Meeting shall be called whenever the Board of Directors deems it appropriate or when it is required by law. The **Ordinary Shareholders’ Meeting** for the approval of the financial statements shall be called at least once a year, within 120 days from financial year-end, or within 180 days where the Company is required to draw up the consolidated financial statements, or when specific needs related to the structure and purpose of the Company so require, subject to the provisions of Article 154-*bis* of the Consolidated Finance Act and, in any case, any applicable regulatory provision.

The **Supervisory Board** oversees the observance, efficacy, implementation and updating, where necessary, of the 231 **Model**, to prevent the commission of the offenses set out in Legislative Decree No. 231/2001. For the performance of such tasks, the SB is invested with all powers of initiative and control of all company activities and personnel, and reports exclusively to the Board of Directors through its Chairperson. The SB is composed as reported in the “Company Information” section of the Annual Report.

Finally, we report that the Board of Directors appointed an **Internal Audit Director** as its Internal Audit Manager on January 31, 2020, in compliance with the recommendations of the Corporate Governance Code. The **Internal Audit Manager** – who is independent of all operational areas and reports to the Board of Directors – is responsible for ensuring the effectiveness and adequacy of the Internal Control and Risk Management System. In addition, the Internal Audit Manager must ensure that the required information is collected and submitted to the Director overseeing the Internal Control and Risk Management System, the Board of Statutory Auditors, and the CRSC. For further details, see the chapter on the Internal Control and Risk Management System - Control, Risks and Sustainability Committee in the Corporate Governance Report.

Consistently with the “sustainability framework” and the policy adopted as part of “sustainability reporting management under CSRD,” the administrative, management and supervisory bodies of the aforementioned company (i.e., Board of Directors and Board of Statutory Auditors) are responsible for overseeing sustainability matters (including material Impacts, Risks and Opportunities). The Group Sustainability & HS area is also involved and aligned by the Group Sustainability & HSE area and by a dedicated internal committee, the SGSC, an international, multifunctional body responsible for managing the sustainability matters most relevant to the company and stakeholders globally. The following chapter presents a description of its main responsibilities, composition, and functioning.





GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Within the Group's sustainability management governance model, the SGSC plays a key role in **ensuring that the sustainability strategy is aligned with the business strategy.**

The divisions represented within the SGSC include: Research & Innovation; Facility & HSE; HRO, Legal, Regulatory and CSR; Quality Assurance; Finance; Sourcing & Packaging Development; Sales; Strategic Marketing & Accounting Development.

These divisions are responsible for implementing projects and initiatives at legal entity, country, and/or business unit level, depending on the organizational characteristics of the functions themselves.

The **main responsibilities of the SGSC** are as follows:

- Manage sustainability topics that are material to the Group and its stakeholders at a global level;
- Oversee the updating and implementation of the Group's sustainability strategy, in line with the adopted Sustainability Policy, together with the Board of Directors;
- Validate the contents of the Sustainability Plan and ensure consistency with the commitments outlined in the Group's Sustainability Policy;
- Monitor the progress of planned actions towards achieving the targets set out in the Sustainability Plan;
- Propose any necessary changes to the contents of the Sustainability Plan – whether already included or under development – in

line with the Group's specific needs and/or requests from its key stakeholders;

- Propose and validate any other relevant sustainability-related initiatives beyond those directly related to executing the Sustainability Plan;
- Promote collaboration between Group functions to improve positive impacts and integrate sustainability considerations into business decisions, in line with the Group's long-term commitments and strategies.

The SGSC meets with the following frequency:

- (At least) twice a year, to discuss the scale of risks, impacts, and opportunities related to material sustainability topics, to oversee the adoption of the Group's Sustainability Policy and Sustainability Plan, and to monitor the Plan's progress;
- Annually, to update the double materiality assessment.

The SGSC is committed to continuously monitoring the management of impacts, risks, and opportunities analyzed for the purpose of sustainability reporting and for ongoing oversight of the Group's sustainability strategy and plan. This is achieved through the active role of the SGSC's participating functions, at both corporate level (where present) and across legal entities, countries, and business units. At the same time, the company has introduced mechanisms to assess the performance of the SGSC in managing economic, environmental and social impacts through remuneration, and in mitigating negative impacts either directly or in collaboration with relevant partners.

Any critical issues related to the company's negative impacts on stakeholders are reported directly by the SB to the Board of Directors of

Intercos S.p.A., if they concern offenses covered by the OMCM. In other cases, critical issues are reported to the SGSC, which informs the Board of Directors through its members who are also part of the Board, namely Chief Executive Officer Renato Semerari and the two Executive Directors Ludovica Arabella Ferrari and Gianandrea Ferrari.

The **Group's sustainability governance model involves other bodies in addition to the SGSC**. Their responsibilities are detailed below.

Board of Directors (BoD)

- Oversees and approves the Group's Sustainability Plan and all other strategic sustainability planning validated by the SGSC and the CRSC;
- Oversees the update and adoption of the Group's Sustainability Policy and strategy;
- Supervises dependencies, impacts, risks, and opportunities related to sustainability as identified by the Group, in accordance with the requirements of the CSRD, at least annually;
- Approves the final draft of the annual Sustainability Statement pursuant to the CSRD, integrated into the Annual Financial Report.

Control, Risks and Sustainability Committee, supported by the SGSC and the Group Sustainability & HSE function, which, as of March 4, 2026, was given the following powers in sustainability matters by the company's Board of Directors:

- review and assess the sustainability matters related to operating activities and interaction with the stakeholders;

- review and evaluate the Group's Sustainability Plan and any other corporate strategic sustainability planning, and monitor how it is being implemented through periodic updates on environmental, social and governance KPIs;
- monitor the sustainability dependencies, impacts, risks and opportunities identified by the Group, verifying consistency between ESG strategies and risk policies;
- examine the layout of the draft Sustainability Statement and the structure of its contents, as well as the completeness and transparency of the information provided therein, providing its comments to the Board of Directors called upon to approve this document;
- review and evaluate the double materiality assessment and data collection and consolidation system to draft the Sustainability Statement in accordance with the ESRS Standards and procedures adopted by the Company;
- monitor the Company's positioning on sustainability issues, with particular reference to its positioning in the ethical sustainability indices;
- oversee Company and Group company sustainability initiatives;
- express opinions, at the request of the Board of Directors, on any further sustainability matters, including any programs and/or initiatives promoted by the Group in the area of corporate social responsibility.

Board of Statutory Auditors

- Supervise the Intercos Group's compliance with CSRD obligations and the proper preparation of the Sustainability Statement, at least annually.





Group Sustainability & HSE Area

- Convenes the SGSC and organizes and coordinates its meetings;
- Prepares the agenda and minutes for each SGSC meeting;
- Collects updates on the progress of sustainability projects and initiatives related to the development of the Sustainability Plan;
- Gathers input from the internal and external stakeholders on sustainability topics that are material to the Group;
- Informs the SGSC of any updates regarding current and future sustainability demands from stakeholders, in addition to internal activities that may require changes to the Sustainability Plan and/or long-term corporate strategy;
- Manages activities related to the Sustainability Statement in accordance with the CSRD, following the relevant operating procedure;
- Manages Group-level sustainability reporting activities other than the Sustainability Statement in accordance with the CSRD, in addition to other non-public sustainability disclosures addressed to customers and/or external stakeholders (business review, meetings with investors, etc.), in line with the applicable procedures;
- Manages the analysis and update, at least annually, of key stakeholders and the double materiality assessment, in accordance with the related operating procedure;
- Collaborates with management and other corporate functions to promote sustainability across business processes and implement projects and initiatives linked to the Group's sustainability strategy.

Management/Responsabili aziendali

- Adopt the Group's sustainability strategy and planning at the global and/or local and/or regional level, depending on the applicable governance structure;
- Coordinate local teams in executing planned actions to achieve the targets set out in the Sustainability Plan, in line with the applicable governance structure;
- Collaborate with the SGSC and Group Sustainability & HSE area to promote projects and initiatives defined for the adoption of the Sustainability Plan, in line with the Group's sustainability strategy;
- Support the Company's CRSC in fulfilling its sustainability-related responsibilities;
- Fulfill their responsibilities related to both CSRD and non-CSRD reporting, providing timely feedback and support to the relevant functions, in line with the applicable operating procedure.

The Board of Directors and supervisory bodies are informed at least annually by the heads of the relevant functions (primarily the Group Sustainability & HSE area) on the adoption of due diligence and the outcomes of related policies, actions, metrics, and targets.

The full list of impacts, risks, and opportunities addressed by the administrative bodies during the year, in accordance with the activities outlined in the Sustainability Management Policy, is available in the section titled "Impacts, Risks, and Opportunities."

REMUNERATION POLICY

GOV-3 – Integrazione delle prestazioni di sostenibilità nei sistemi di incentivazione

The Intercos **Remuneration Policy** is closely related to its business strategy, which sees ESG as one of its founding elements and essential for the creation of long-term value for the organization and its shareholders. The Policy includes incentives designed to reward performance, including that based on sustainability KPIs. The Policy is defined in accordance with the corporate governance model adopted by the Company and in line with the recommendations of the Corporate Governance Code, as summarized below:

Table 3

PURPOSE OF THE POLICY	PRINCIPLES OF THE POLICY	ELEMENTS OF REMUNERATION
Value creation	Align management's interests with corporate strategies by clearly linking Remuneration Policy to business results.	Short-Term Incentive Long-Term Incentive
Performance Enhancement	Ensure that remuneration systems contribute: a) to the achievement of the Company's strategic objectives, the pursuit of the Company's medium- to long-term interests and the sustainable success of the Company; and b) considered risk management, including by constantly monitoring the effectiveness and reviewing remuneration and incentive systems	Short-Term Incentive Long-Term Incentive
Attractiveness and Motivation	Ensure a transparent remuneration and incentive system designed to attract, motivate and retain key people for the organization with the skills and professionalism critical to the sustainable success of the Company.	Fixed remuneration Non-monetary benefits Short-Term Incentive Long-Term Incentive
Sustainability	Contribute to the pursuit of the Company's strategy, in a manner that is functional to the pursuit and achievement of the objective of creating value in the medium-long term for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Group.	Long-Term Incentive

The underlying principles and related compensation components of the Remuneration Policy are defined based on its objectives (i.e., fixed remuneration, short- or long-term incentives, non-monetary benefits). The Intercos Group Remuneration Policy and Report is prepared in compliance with Article 123-ter of the Consolidated Finance Act (CFA). Through incentive systems and remuneration policies linked to sustainability targets, the Group grants a long-term incentive to members of the administrative, management and control bodies, Senior

Executives, key roles and talents in the company who contribute concretely to enacting the company's strategy. These mechanisms are designed to support value creation in the medium to long term for the benefit of shareholders, considering the interests of other stakeholders relevant to the Group.

Intercos applies the Principles of the Remuneration Policy across the board to all the resources that contribute to the Group's work, in an inclusive manner at each level of the organiza-





tion and with the aim of creating a corporate culture targeted at creating long-term sustainable value. At the same time it maintains a special focus on key people who can contribute to the achievement of the Company's objectives, in line with the Group's values.

The preparation and approval of the Remuneration Policy involves the **Appointments and Remuneration Committee** (ARC), the Board of Directors, the Board of Statutory Auditors and the Shareholders' Meeting. The Remuneration Policy for the members of the Board of Directors is defined in accordance with the **regulatory and statutory provisions**, according to which:

- the **Shareholders' Meeting** determines an overall amount for the remuneration of all **Directors**, including Executive Directors;
- within the limits of the remuneration established by the Shareholders' Meeting, the determination of the remuneration due to each Director is carried out by the **Board of Directors**, taking into account the roles and

powers assigned. The Board of Directors determines the remuneration of the Directors vested with **special offices** in compliance with the By-Laws and for their participation in the Board Committees, having heard the opinion of the **Board of Statutory Auditors**.

Specifically, the ARC, exercising its powers also as provided for in the Corporate Governance Code, assists the Board of Directors in the **preparing the Remuneration Policy** by formulating proposals regarding the structure and relative contents and, together with the Board of Directors, monitors its correct implementation, as well as the need to make any revisions.

The Board of Directors is, therefore, the **board responsible** for approving the Remuneration Policy, based on the proposal made by the ARC.

Subsequently, when approving the Financial Disclosure, the **Shareholders' Meeting** is called to decide in favor or against the Remuneration Policy.

Table 4

Party remunerated	Proposal body	Decision-making body	Support structure	Independent experts
Chairperson	Board of Directors assisted by the Appointments and Remuneration Committee	- Shareholders' Meeting (*) - Board of Directors (**)		
Chief Executive Officer	Board of Directors assisted by the Appointments and Remuneration Committee	- Shareholders' Meeting (*) - Board of Directors (**)		
Directors	Board of Directors assisted by the Appointments and Remuneration Committee	- Shareholders' Meeting (*) - Board of Directors (**)	HR&O, Legal, Regulatory & CSR Functions.	Independent consultant
Board of Statutory Auditors	Shareholders' Meeting	Shareholders' Meeting		
Senior Executives	Board of Directors assisted by the Appointments and Remuneration Committee	Board of Directors		

(*) The Shareholders' Meeting determines the total amount of the remuneration for all Directors, including Senior Directors.

(**) Within the limits of the total remuneration set at the Shareholders' Meeting, the determination of the remuneration due to each Director is approved by the Board of Directors, having consulted the Board of Statutory Auditors, taking into account the offices and powers assigned.

Regarding the inclusion of ESG targets in the Remuneration Policy – specifically within the long-term **incentive plan** for top management, known as the **Performance Share Plan**, which was approved by the Board of Directors and the Shareholders' Meeting – we note that:

- In the 2023-2025 Plan a target has been included for a 20% reduction in greenhouse gas emissions by 2025, compared to 2019 values, the performance indicator of which is the percentage reduction in Scope 1 and 2 emissions (according to the market-based approach) per million pieces produced at Group production sites in the year 2025, compared to the year 2019, based on the data published in the Sustainability Statement for the year 2025;
- The 2024-2026 Plan includes, in continuity with the 2023-2025 Plan, a target goal of a 26% reduction by 2026 in Scope 1 and Scope 2 emissions (according to the mar-

ket-based approach) per million pieces produced internally by the Group's production sites, compared with 2019 values;

- The 2025-2027 Plan includes, in continuity with the previous plans, a target goal of a 34% reduction by 2027 in Scope 1 and Scope 2 emissions (according to the market-based approach) per million pieces produced internally by the Group's production sites, compared with 2019 values;

The incentive plans mentioned above are fully aligned with the Group's broader sustainability strategy, which includes a target to reduce GHG emissions within the framework of the 2025 Sustainability Plan. Under the 2023-2027 rolling three-year Performance Share Plan, 20% of the long-term variable remuneration for plan beneficiaries is tied to sustainability targets (reduction of greenhouse gas emissions).





DUE DILIGENCE

GOV-4 – Statement on due diligence

The Intercos Group adopts a precautionary approach to limit and mitigate potential adverse impacts on the environment and human rights through the use of several tools adopted at both the Group and operational levels. These include:

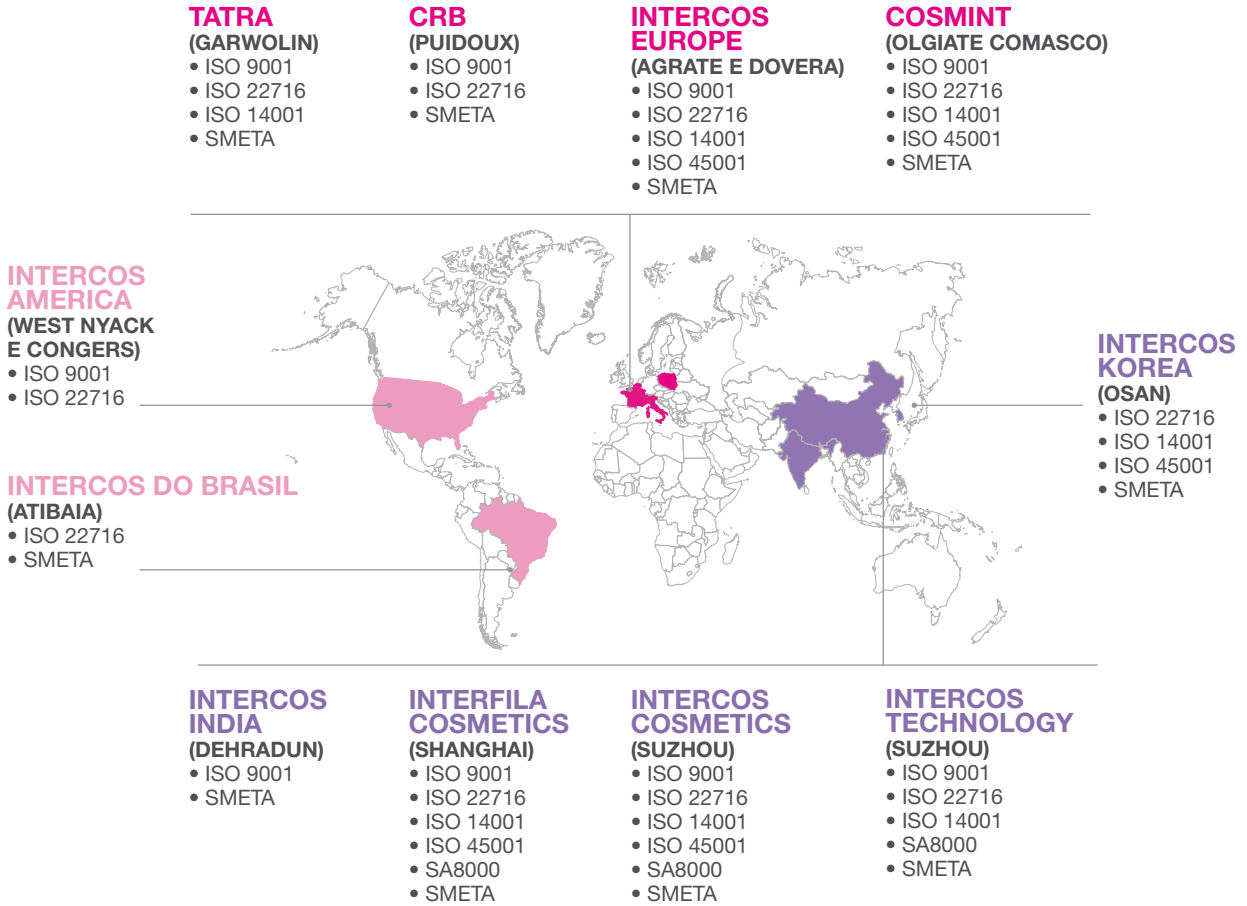
- a formalized internal audit process for assessing the management methods used to monitor and internally report on the main sustainability impacts, i.e., health and safety, the environment, and human resources;
- an Organization, Management and Control Model pursuant to Legislative Decree No. 231/2001 and a Code of Conduct, which forms an integral part of the 231 Model. It guides Intercos personnel in their relations with stakeholders and in the application of the company values and principles;
- a whistleblowing policy and reporting system adopted in compliance with Legislative Decree No. 24/2023 (the so-called “Whistleblowing Decree”);
- a supplier qualification system for goods and services based on ethical, environmental, and social criteria, consistent with international best practices in these areas and aligned with the adopted Code of Conduct and related internal procedures;
- third-party certified management systems for major production sites (e.g., ISO 14001; ISO 45001; ISO 9001; ISO 22716; SA 8000);
- on-site third-party audits requested by customers and partners (e.g., SMETA audit 4 Pillars or 2 Pillars). Specifically, the following

Intercos Group companies are part of the Sedex international network: Intercos Europe S.p.A., Cosmint S.p.A., CRB S.A., Tatra Spring Polska Sp. Z.o.o., Intercos America Inc., Intercos Technology (SIP) Co., Ltd., Intercos Cosmetics (Suzhou) Co., Ltd., Interfila Cosmetics Shanghai Co., Ltd., Intercos do Brasil Ltda, Intercos India Ltd., and Intercos Korea Inc. Among these companies, in the three-year period 2023-2025, SMETA (Sedex Members Ethical Trade Audit) audited the following: Intercos Europe S.p.A., Cosmint S.p.A., CRB S.A., Tatra Spring Polska Sp. Z.o.o., Intercos Technology (SIP) Co., Ltd., Intercos Cosmetics (Suzhou) Co., Ltd., Interfila Cosmetics Shanghai Co., Ltd., Intercos do Brasil Ltda, Intercos India Ltd., and Intercos Korea Inc.

The companies with certified management systems and/or third-party ethical-social audits are highlighted in the infographic below. Additionally, across the Group's 15 main production sites:

- 80% (12 sites) are ISO 9001 certified (quality);
- 87% (13 sites) are ISO 22716 certified (Good Manufacturing Practices);
- 53% (8 sites) are ISO 14001 certified (environment);
- 47% (7 sites) are ISO 45001 certified (health and safety);
- 73% (11 sites) hold a certification in the ethical-social domain based on a recognized international standard, i.e., SA 8000 certification (3 sites) and/or ISO 45001 (7 sites) and/or have undergone a SMETA audit during the 2023-2025 period (11 sites).

Figure 3



Finally, the Intercos Group acts in accordance with the principles outlined by the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises, which are also referenced in the Group's Code of Conduct.

CORE ELEMENTS OF DUE DILIGENCE	Paragraphs in the sustainability statement	
a) Embedding due diligence in governance, strategy and business model	ESRS 2 - GOV-1 ESRS 2 - SBM-1	
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 - SBM-2 ESRS S1-2 ESRS S2-2	ESRS S4-2 ESRS G1-2
c) Identifying and assessing adverse impacts	ESRS 2 - IRO-1 ESRS 2 - SBM-3	
d) Taking actions to address those adverse impacts	ESRS E1-1, E1-2, E1-3, E1-4 ESRS E2-1, E2-2, E2-3 ESRS E3-1, E3-2, E3-3 ESRS E4-1, E4-2, E4-3, E4-4 ESRS E5-1, E5-2, E5-3	ESRS S1-1, S1-3, S1-4, S1-5 ESRS S2-1, S2-3, S2-4, S2-5 ESRS S4-1, S4-3, S4-4, S4-5 ESRS G1-1, G1-3
e) Tracking the effectiveness of these efforts and communicating	ESRS E1-5, E1-6, E1-7 ESRS E2-4, E2-5 ESRS E3-4 ESRS E4-5 ESRS E5-4, E5-5	ESRS S1-6, S1-9, S1-10, S1-13, S1-14, S1-16, S1-17 ESRS G1-4, G1-6





INTERNAL CONTROLS AND RISKS GOV-5 – Risk management and internal controls over sustainability reporting

The **Risk Policy**, prepared in collaboration with the ERM Committee – which defined key points in consultation with the Internal Audit function – provides guidance on risk management, supports the achievement of business objectives, protects personnel and company assets, and ensures financial sustainability. The Policy also covers **sustainability risks, mapped in the Risk Register**, identified and assessed through the double materiality assessment conducted in 2024 and confirmed in 2025, in accordance with the regulatory requirements dictated by CSRD and the related Italian Legislative Decree.

The assessments carried out as part of the periodic updates to the **Risk Register** considered the cross-cutting influences of sustainability risks and opportunities on the macro-risk categories identified under the ERM Framework, which comprise several risk categories, including **strategic, operational, financial, and non-compliance** risks. These, in turn, include several sub-categories of risk, including **“ESG risk drivers”**. In particular, the ESG risk drivers considered in this context are directly linked to the sustainability topics deemed material to the Group, based on the updated materiality assessment and the relevant topic-specific ESRS standards.

The ESG risk drivers considered and assessed within the corporate ERM Framework refer to short-, medium-, and/or long-term time horizons; they are both direct risks related to business transactions and risks affecting the Group's value chain. With particular reference to the approach followed in risk assessment, including the prioritization methodology, the double materiality assessment carried out

in 2024 and confirmed in 2025 by the Group sought to identify risks and opportunities that have or may have a significant influence (in the short, medium, and long term) on the company's performance, from a financial perspective.

Sustainability-related risks already monitored by Intercos were further integrated through analysis of the Group's impacts, dependencies, and the risks deriving from actions undertaken to address sustainability matters. The parameters assessed include:

- the nature of the risk (internal, external, strategic);
- the functions involved and associated monitoring KPIs;
- the trend compared to previous assessments (declining, unchanged, improving);
- the “irremediable” character, i.e., how difficult it is to mitigate or repair the resulting damage;
- the risk management plan (response strategy, type of control, effectiveness of control).

The risks identified through the assessment were mapped in a matrix based on **“likelihood”** (rare, unlikely, possible, likely, almost certain), and **“consequence”** (insignificant, minor, moderate, major, severe) within a matrix, categorizing them as not relevant, relevant, or very relevant based on these characteristics (e.g., unlikely risk with minor consequences: categorized as not material; possible risk with moderate consequences: categorized as material; almost certain risk with severe consequences: categorized as very material).

These considerations – shared by the ERM Committee with the SGSC, and monitored by the administrative and supervisory bodies in accordance with the adopted Risk Policy and related procedures – form a foundational tool supporting operational decisions and business strategy. These decisions seek to ensure the

Group's long-term operability and competitiveness. In line with the Risk Policy adopted, the results of the risk assessment are reported to the administrative bodies at least annually.

For a detailed description of the main risks evaluated within the Group's ERM Framework, please refer to section 10, Risk and Opportunity Management, of the Directors' Report. Specific information on risks directly linked to ESRS topics – including short-, medium-, and long-term impacts, risks, and opportunities, in addition to the relevant ESG Drivers – can be found in the general sections of this report and in the following topic-specific ESRS sections.

With specific reference to internal controls on sustainability reporting, in line with the Risk Policy and Risk Management Plan, the Group launched dedicated on-site internal control activities in 2023 related to the monitoring and reporting of sustainability data. These audits were coordinated by the Internal Audit function, with the Group Sustainability & HSE area acting as a guest auditor. The goal of these internal audits on sustainability processes is to promote the integration of sustainability reporting internal control activities, for example with those carried out under Law 262/2005,

in response to the growing demands for data quality and accountability introduced by the CSRD and the ESRS standards.

The outcomes of internal controls related to the sustainability reporting process are shared with relevant business functions, top management, the Board of Directors, the Control, Risks and Sustainability Committee, and the Board of Statutory Auditors. Where necessary, actions are adopted to correct and mitigate the identified risks, such as establishing or updating procedures, to strengthen the reliability and traceability of the information disclosed.

In 2024, the Group also adopted an Operating Procedure for managing the CSRD reporting process, issued by the Chief Executive Officer, who is responsible for overseeing its implementation. This procedure describes the detailed phases of the reporting process, including the definition of roles and responsibilities of "data owners" and validators for each sustainability metric. In line with the Sustainability Management Framework and the aforementioned operating procedure, both the responsible personnel and data owners are equally accountable for ensuring the quality and reliability of the reported information and metrics.





SUSTAINABILITY FOR INTERCOS

ESRS 2 – SBM-1; SBM-2, SBM-3, IRO-1, IRO-2

SUSTAINABILITY STRATEGY

SBM-1 – Strategy, business model and value chain

Global challenges require joint action from everyone who participates in the economy. As such, Intercos is aware that it has a responsibility to grow its business and the entire value chain in a sustainable manner while also respecting the environment and people’s rights.

To define a long-term strategy, and as a preparatory activity for the development of the Sustainability Plan (2019), the Group conducted a materiality assessment, engaging its key stakeholders. This process enabled the identification and evaluation of the mutual dependencies and impacts between the Group and its stakeholders, helping to determine priority areas.

Based on the three priority areas that emerged, the Group developed its sustainability strategy in 2019. This strategy was formalized through the Group Sustainability Policy and translated into a strategic plan consisting of 11 targets to be achieved by the end of 2025.

Table 5

INTERCOS GROUP SUSTAINABILITY POLICY	
WE LIVE OUR VALUES	<p>We are committed to conducting our business activities in compliance with all the laws applicable in the jurisdictions where we operate, and in accordance with the highest ethical standards, building upon the values of respect, integrity and transparency. Consequently, we live our values:</p> <ul style="list-style-type: none"> • by allowing zero tolerance for corruption and by creating a culture for transparency among our entire workforce; • by promoting and ensuring the respect for the principles of free competition and by conducting our business practices according to the principles of good faith, honesty and fairness, • by guaranteeing the outmost respect for the right to business confidentiality of our clients and the safety of our products for final consumers.
WE CARE FOR PEOPLE	<p>We believe that our people represent the key ingredient of our success, thanks to their talent, passion, hard work and loyalty. For this reason:</p> <ul style="list-style-type: none"> • we care for our people’s safety and wellbeing by guaranteeing a healthy, diverse and inclusive workplace and enabling work environment and by promoting work-life balance, social protection, equal opportunities and fair wages; • we care for our people’s future by investing in the development of their skills and competences, through dedicated trainings and constructive <i>performance</i> reviews; • we care for our people and communities’ universal rights, empowerment and inclusion, by preventing our operations and value chain from forced and compulsory labour, child labour, harassment and discrimination, by promoting a diverse and inclusive workplace and by engaging with local communities by creating opportunities for the most vulnerable. <p>We Care for People by guaranteeing in our Group’s operations and fostering along our value chains the respect of universal human and labour rights recognized within UN Guiding Principles on Business and Human Rights, in line with our Corporate Ethical Values.</p>
WE BELIEVE IN SUSTAINABLE BEAUTY	<p>We are aware of our influence in determining the future trends of the <i>beauty</i> industry. For this reason, we commit to offering our clients ever improving <i>avant garde</i> products while considering their social and environmental impacts along the entire value chain. As such, we commit to playing an active role in addressing global challenges in all phases of our operations:</p> <ul style="list-style-type: none"> • from product design, by innovating our formulas, ingredients and packaging as to continuously reduce the use of not renewable resources, and promote the use of recycled and recyclable materials and ingredients that guarantee the respect for human rights and the environment, such as: preservation of natural ecosystems and biodiversity, non-deforestation, circular economy principles; • to process efficiency, by improving our industrial processes as to reduce energy, our carbon footprint and water consumption, to efficiently manage our waste, to reduce water and air pollution, to minimize any substance of concern/very high concern within operations where technically feasible, and to actively contribute to the fight against climate change while fostering a smooth transition for climate adaptation; • along the value chain, by encouraging our suppliers to join our commitment to respect the environment and society and to ensure due diligence approach along the entire value chain.

The Sustainability Policy, first published in 2019 and updated in 2024 as part of the Group's Corporate Sustainability Management Framework, was approved by the Intercos Group CEO and applies to all Group companies (direct scope). The strategy and ESG pillars define strategic decisions and priorities that also extend to the Group's external scope, including: The upstream value chain, through sustainable design choices for formulas and packaging, under the environmental sub-pillar "from product design"; the upstream value chain, through the commitment to responsible supplier management, under the sub-pillar "along the value chain"; the downstream value chain, through the commitment to customer and partner confidentiality, and to the safety of products for end consumers, described under the pillar, "We live our Values"; the upstream value chain, through the commitment to promoting respect for universal human rights and workers' rights across the supply chain, as stated in the pillar, "We care for People".

In line with the responsibilities outlined in the adopted Sustainability Management Framework, the Sustainability Global Steering Committee and its members – including the CEO and Executive Directors of the Intercos Group – are responsible for enacting the sustainability strategy as detailed in the current Sustainability Policy and Sustainability Plan, as previously described in the section "Corporate Governance".

Below are the pillars of the Group's sustainability strategy, along with the related macro-objectives, organized by area:

WE LIVE OUR VALUES

1. Create a corporate culture rooted in the values of the Code of Conduct;
2. New induction program, to be gradually rolled out across the Group;
3. Strengthen anti-corruption practices within the Group through regular training and internal compliance audits.

WE CARE FOR PEOPLE

4. Extension of Solidarity Recruiting projects to all Group companies;
5. Commit to zero workplace injuries across all operations.

WE BELIEVE IN SUSTAINABLE BEAUTY

... from product design:

6. Develop products with strong environmental and ethical considerations, strengthening compliance of new formulations with our internal CLEAN list. This target reflects the interests of key customers, subdivided by Business Unit;

... to process efficiency:

7. Eliminate waste disposal in landfill
8. Reduce the intensity of greenhouse gas emissions (Scope 1 and 2);

... along the value chain:

9. Use RSPO-certified raw materials in all new products that we formulate and manufacture;
10. Ensure continued sourcing of Indian mica exclusively from the RMI;
11. Social and environmental assessment of Group suppliers.





Below are the specific monitoring indicators, the departments responsible according to the Procedures adopted, performance monitored at the base year (2019), performance monitoring to 2025, and the impact scope:

Table 6

	INDICATOR	OWNER FUNCTION	BASELINE (2019)	TARGET (2025)	MONITORING (2024)	MONITORING (2025)	SCOPE OF IMPACT
1	Percentage (%) of legal entities training employees on the values of our Corporate Ethical Code	HR	30%	100%	100%	100%	Internal – company population
2	Number of internal audits carried out in the year (n. / Y), relating to the following activities: relation with public bodies and authorities, relation with clients and suppliers, cash flows, environmental, health and safety matters, power of attorneys, consultants and agents' engagement, donations, representation and travel expenses, etc.	Legal	12	30	30	30	Internal – company corporate governance
3	Percentage (%) of employees trained on anti-corruption practices over the total number of employees working in the company departments for which a risk of corruption has been identified	Legal	0% (baseline year: 2020)	94%	100%	99.4%	Internal – company population at risk of corruption
4	Percentage (%) of Legal Entity having at least one solidarity recruiting project on course	HR	33%	100%	100%	100%	Internal and external – company population and people belonging to vulnerable categories
5	Total Incident Rate (TIR) = Number of recordable cases * 200.000 / Number of employee hours worked	Industrial Operations – HSE	0.6	< 0.4	0.68	0.74	Internal – company population

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* MU: formulazioni sviluppate dalla BU Make-Up conformi alla lista CLEAN sul totale delle nuove formulazioni presentate nell'anno dalla BU Make-Up
 Skin: formulazioni sviluppate dalla BU Skin Care conformi alla lista CLEAN sul totale delle nuove formulazioni presentate nell'anno dalla BU Skin Care
 HPCF: formulazioni sviluppate dalla BU Hair, Personal Care & Fragrances conformi alla lista CLEAN sul totale delle nuove formulazioni presentate nell'anno dalla BU Hair, Personal Care & Fragrances

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	INDICATOR	OWNER FUNCTION	BASELINE (2019)	TARGET (2025)	MONITORING (2024)	MONITORING (2025)	SCOPE OF IMPACT
6	Percentage (%) of formulations compliant with the IntercoS CLEAN list on the total of new formulations presented at the main IntercoS events in the year	R&I Make Up; R&I Skincare; R&I Hair, Personal Care & Fragrances	33%	MU: 70% Skin: 80% HPCF: 70%	MU: 32% Skin: 93% HPCF: 64%	MU: 97% Skin: 98% HPCF: 100%	Internal and external – products formulation
7	Percentage (%) of volume of industrial waste sent to landfill / volume of industrial waste produced	Industrial Operations – HSE	18.3%	0%	0%	0%	Internal and external – production sites and environment
8	Tons of CO ₂ e emitted (Scope 1 + Scope 2 market-based) / million units produced in the Group's production plants	Industrial Operations – HSE	25.6	20.5	20.7	15.2	Internal – production sites
9	Percentage (%) of RSPO certified raw materials out of the total of Palm Oil derivatives used in new products formulated and manufactured in the year. (Pure contract manufacturing is excluded)	R&I Make Up; R&I Skincare; R&I Hair, Personal Care & Fragrances	52%	100%	96%	96.3%	Internal and external – products formulation and biodiversity
10	Percentage (%) of Indian mica purchased in the year that is supplied by RMI members	R&I Make Up; R&I Skincare; R&I Hair, Personal Care & Fragrances; Sourcing & Packaging Development	100%	100%	100%	100%	Internal and external – products formulation and human rights
11	Sourcing from suppliers that are progressing on a recognized sustainability program (i.e. assessed by the Group or audited by independent third parties)	Sourcing & Packaging Development	63% (baseline year: 2021)	100%	89%	95%	External – supply chain





The 2019-2025 Sustainability Plan was a key phase in structuring the Group's approach to ESG issues. Building on this experience, in 2025 the Group defined a new Beyond 2025 Sustainability Plan, with 2021, 2024 or 2025 as the baseline and target years of 2030 or 2035 depending on the targets, designed to respond to the changing regulatory environment, stakeholder expectations, and emerging sustainability challenges by promoting greater strategic integration.

The process of defining the *Beyond 2025* Plan saw the cross-functional involvement of key corporate functions, including Operations, HSE, Procurement, Research and Innovation, Human Resources and Legal, to integrate sustainability issues into the Group's operational and strategic processes. The contribution of various departments made it possible to consider the specific characteristics of the individual areas of activity and strengthen the alignment between sustainability targets, operational choices and medium- to long-term planning. The target-setting process also considered the evolving European and international regulatory framework for sustainability and due diligence along the value chain, including the Deforestation Regulation (EUDR), the *Corporate Sustainability Due Diligence Directive* (CS3D), and the provisions introduced by CSRD and ESRS. These references helped guide target-setting consistent with emerging regulatory expectations and Group responsibilities along the value chain.

The Plan is based on a two-tiered strategy designed to clearly and consistently structure sustainability targets.

This approach reflects the Group's role as a contract manufacturer, which entails an impact on sustainability both directly, through the activities and processes under its control, and indirectly, along the value chain, working together with customers, suppliers, and partners.

Consistently with this dual dimension, the Plan's targets are organized according to two complementary action areas:

- Apply, which includes the actions and targets directly attributable to the Group's operational choices and activities, the responsibility and effectiveness of which depend on Intercos and its actions;
- Promote, which includes initiatives to promote sustainable choices and practices that do not fall exclusively under the Group's control, as they are influenced by the decisions of stakeholders along the Group's value chain, where Intercos can exert influence but not act independently.

This approach allows the Group to act on directly governable levers and, at the same time, to encourage responsible behavior even in areas where the final decisions do not fall exclusively under its control.

The Plan is divided into five strategic areas, defined consistently with the three pillars of the Group's Sustainability Policy, with which they are closely interconnected. This alignment ensures consistency between the principles guiding the Group's sustainability commitment, strategic guidelines, and operational targets.

Areas Sustainability Plan	Areas Sustainability Policy		
	We live our values	We Care for People	We Believe in a Sustainable Beauty
-			
Climate and Environment	✓		✓
Responsible Innovation & Product Stewardship		✓	✓
Responsible Value Chain & Due Diligence	✓	✓	✓
People Safety & DEI		✓	
Governance & Transparency	✓		

The plan includes a total of 25 targets, divided into the five strategic areas listed above. Of these, 19 targets fall within the Apply sphere, while six targets fall within the Promote sphere. All targets set in the Plan apply to the Group's production companies as a whole, covering the entire scope of the activities they perform. The targets' geographical scope coincides with the geographical areas where the Group operates, with no specific territorial limitations, unless otherwise specified for individual targets.

Below are the areas of the Plan with their targets, broken down by scope:

Area		Base year	Target year
Climate & environment			
Apply	Reduce Scope 1, 2 and 3 GHG emissions, with a SBTi-validated target	2024	2035
	Improve % of purchased renewable electricity from grid, reaching 100% for industrial plants	2025	2030
	Maintain zero industrial waste sent to landfill	2025	2030
	Certify no. 2 additional operational plants according to ISO 45001 and/or 14001 and/or 50001	2025	2030
	Reduce intensive water withdrawals by 30% by 2030 (m3 / mil. units internally produced)	2021	2030
Promote	Promote alternatives to CMR substances used in formulations in all Group's Legal Entities	2025	Recurring annual target
	Strive to ensure zero release of SVCs/SVHCs into air and water from our production sites over time, in full compliance with the most current applicable legislation, and commit to using our best efforts to sustain zero emissions in the long run	2025	Recurring annual target

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Area		Base year	Target year
Responsible innovation & product stewardship			
	Consistently maintain clean formulas in all formulations presented at industry events, and establish a process to monitor and track compliance	2025	Recurring annual target
Apply	Maintain the adopted strict Animal Testing Policy that expressly prohibits all affiliates from carrying out animal testing for their product	2025	Recurring annual target
	Reach and maintain 100% of RSPO certified raw materials out of the total of Palm Oil derivatives purchased, supported by the Group's sites RSPO certification	2025	2030
	Maintain 100% of mica supplied by RMI members	2025	2030
Promote	Promote full traceability (to the manufacturing site) of the natural-derived ingredients purchased: 100% of relevant materials' volumes traced by 2035	2025	2035
	Scout and promote (when technically feasible) sustainable packaging solutions into clients' briefs for new developments and implement a tracking process	2025	2030
Responsible value chain & due diligence			
Apply	Maintain 100% of all new suppliers screened under quality, social and environmental aspects (excluded customer-nominated), in line with current applicable policies	2025	2030
Promote	Directly engage with at least 80% of suppliers to grow on the sustainable pathway and increase mutual collaborations on sustainable topics by having at least 1 "engagement" (e.g. training sessions, focused questionnaires) by the end of 2030 per each of them	2025	2030
	Guarantee full traceable, deforestation-free sourcing of critical forest-derived packaging materials purchased by the group by 2035, with a rolling plan involving the different Legal Entities over this period or, where not possible, take all the mitigation actions to prevent it	2025	2035
People safety & DEI			
	Continue striving for zero incidents across all Group operations by maintaining a TIR* below 3 by 2030 and below 2 by 2035, covering direct employees as well as agency and temporary staff	2025	2030/ 2035
	Create a global strategy and reach 250 workers under inclusive sourcing initiatives by 2030	2025	2030
Apply	Commit to fair and sustainable compensation for all employees, aiming for 100% to earn above minimum living wage levels by 2030 - a goal built on our current strong compliance	2025	2030
	Commit to fostering diversity, equity, and inclusion in the workplace also promoting a culture based on gender balance and pay equity, with the goal of structurally reducing the gender pay gap and eliminating the equal pay gap across the Group by 2030	2025	2030
	Reaffirm our commitment to wellbeing, DEI values, and people engagement by ensuring that each Legal Entity implements at least one dedicated initiative per area annually	2025	Recurring annual target
Governance & transparency			
	Integrate sustainability-related objectives and targets into incentive plans to align performance with short and long-term responsible growth	2025	Recurring annual target
Apply	Guarantee annual training on our ethical values and anti-corruption practices for 100% of eligible active employees, reinforcing our culture of integrity	2025	2030
	Adhere to United Nations Global Compact in 2026	-	-
	Improve the internal due diligence on the Group's own operations (including: biannual SMETA plan of all legal entities; 2 HSE-related internal audits each year; 2 CSRD-related internal audits each year; annual legal sustainability audit on all legal entities)	2025	Recurring annual target

Monitoring performance against the Plan targets will begin in FY 2026. Specific quantitative indicators will be used to monitor performance, which will be reviewed periodically to assess whether the results are aligned with the trajectories initially defined, and to analyze any significant trends or veering from the path to achieving the targets. Any changes to targets, metrics, or measurement methodologies will be adequately documented and justified, highlighting the effects on data comparability over time.

As a B2B operator, the Intercos Group's products and offerings, by their very nature, are responsive to the current and/or emerging needs of the customers themselves and the global and local cosmetics industry market. Sustainability and the interpretation of those needs applied to Intercos' value chain have always been a driving and distinguishing element of Intercos' business development strategy, the specific markets in which it operates, and the product offerings it provides to its target customers.

Right from research and innovation, sustainability is a driver that influences product design

choices. The Group's tireless pursuit of innovation, combined with its extensive knowledge of the market, means it can adapt to meet consumer needs as they develop, thus anticipating trends and actively influencing them.

The Intercos Group also owns intellectual property for most of its formulas and for several manufacturing processes whose results customers and competitors find difficult to replicate. These factors have allowed the Intercos Group to win the loyalty of its customers and consolidate business partnerships - some of which have lasted twenty years - with leading players in the cosmetics industry.

GROUP STAKEHOLDERS

SBM-2 – Interests and views of stakeholders

The Intercos Group believes that it will only be successful in the pursuit of its objectives if it takes into account the **expectations of its stakeholders**, i.e. individuals who could influence the Group's activities and/or be influenced by them in turn.





The table below shows the Group's main stakeholders and the main activities they are involved in:

Table 7

STAKEHOLDER	COMMUNICATION AND ENGAGEMENT CHANNELS
Shareholders and financial institutions	<ul style="list-style-type: none"> • Shareholders' Meeting; • Ongoing contact with financial institutions throughout the year; • Meetings with shareholders; • Quarterly publication of consolidated results; • Website, social media, press releases, and newsletter; • Non-Financial Reporting; • Periodic sustainability assessments (CDP, EcoVadis) • Dedicated meetings and participation in conferences with institutional investors.
Public bodies	<ul style="list-style-type: none"> • Inspections and audits; • Procedures for obtaining authorizations; • Requests for and exchange of information.
NGOs and multi-stakeholder associations	<ul style="list-style-type: none"> • Membership of Roundtable on Sustainable Palm Oil (RSPO); • Membership of Responsible Mica Initiative (RMI); • EcoVadis platform registration; • Carbon Disclosure Project (CDP) platform registration.
Local communities	<ul style="list-style-type: none"> • Solidarity recruiting projects and initiatives; • Provision of support to local associations and foundations.
Suppliers	<ul style="list-style-type: none"> • Sector trade fairs; • Selection, assessment, and monitoring process; • Relationships with suppliers certified by the Roundtable on Sustainable Palm Oil (RSPO); • Relationships with vendors certified by the Responsible Mica Initiative (RMI).
Trade Unions	<ul style="list-style-type: none"> • Union meetings with external and internal representatives; • Workers' meetings.
Universities and research centers	<ul style="list-style-type: none"> • Recruiting and employer branding activities (career days); • Communication through social media; • Partnership agreements for joint research projects.
Employees and collaborators	<ul style="list-style-type: none"> • Welcome day induction project; • Training schemes; • Annual performance appraisals; • Welfare initiatives; • Internal comms; • Company webinars on various topics; • International workshops; • Communication through social media.
Public opinion	<ul style="list-style-type: none"> • Updates to website content; • Communication through social media; • Press releases; • Articles published in newspapers and magazines; • Non-Financial Reporting; • Periodic sustainability assessments (CDP, EcoVadis).
Competitor	<ul style="list-style-type: none"> • Sector trade fairs; • Membership of the EcoBeautyScore Consortium; • Trade associations.
Environment	<ul style="list-style-type: none"> • Regulatory compliance; • Environmental protection projects and initiatives; • Research and development projects; • Environmental certifications (ISO14001); • Periodic sustainability assessments (CDP, EcoVadis).
Clients	<ul style="list-style-type: none"> • Periodic performance assessment meetings (business reviews); • Meetings on specific topics and projects; • Sector trade fairs; • Membership of the EcoBeautyScore Consortium; • Company webinars on various topics.

The Group carefully considers input and suggestions from detailed stakeholder engagement. These include, but are not limited to:

- everyday relationships with customers, which influence research into and offering of new products that reflect their needs and expectations;
- shareholder input, which is incorporated into Group strategy to ensure the long-term value of the company and guarantee the value of investments and shares;
- listening to public institutions and NGOs, which enables the Group to contribute to its positive impact on the environment and people, in order to strengthen its reputation;
- partnerships with key suppliers, which supports business continuity, benefiting both parties;
- listening to and engaging with labor organizations and employees, which is critical to maintaining a safe and engaging work environment;
- collaboration with universities and research centers with which Intercos has long collaborated, constantly pursuing innovation in cosmetic research. These institutions provide an important pool of candidates for the recruitment of talent to enter the workforce.

Analysis of the stakeholder influences listed above are taken into account and noted in updates to the double materiality assessment. These updates are carried out at least once a year, in line with the adopted procedures, and are discussed and approved by the Sustainability Global Steering Committee (SGSC). Stakeholder engagement is not carried out directly but through the following methods:

- desk context analysis;
- discussion with corporate top management, which liaises with stakeholders and is then involved in the materiality process within the SGSC.

As part of its guiding role, the Board of Directors is informed at least annually of stakeholders' interests in sustainability issues through the active participation of the CEO and Executive Directors in the SGSC, and through the validation of the double materiality assessment conducted for the Sustainability Statement. For further details, see the section "MATERIAL IMPACTS, RISKS AND OPPORTUNITIES".

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model *IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities*

In 2024, the Intercos Group conducted the **double materiality assessment**, which was confirmed in 2025, updating the considerations that had already emerged through "**impact materiality**" (hereinafter "IM"), with additions related to "**financial materiality**" (hereinafter "FM"), required by the ESRS. The financial materiality assessment led to the identification of risks, which were then categorized by type and corresponding material ESRS Topic.

The Group decided to adopt a phased introduction of FM considerations by integrating the impact, risk, and opportunity analyses within the **ERM Framework**. These analyses considered short-, medium- and long-term time horizons in line with the methodology previously described.

In line with the Policies adopted, these studies were conducted by means of **detailed interviews with the corporate management**, discussed with the ERM Committee, and shared with the **Sustainability Global Steering Committee**. The SGSC then validated the results, thus completing the double materiality assess-





ment. As part of this assessment, the opinion of external stakeholders was considered, using the findings of the engagement activity described in “Group Stakeholders”.

With regard to IM, the assessment was conducted considering the Intercos Group value chain used for the materiality assessment update performed in 2023.

The **impact materiality assessment** analyzed the actual or potential, positive or negative, short-, medium-, and long-term material impacts that the company has on people and the environment, whether they are attributable to the company’s operations, upstream and downstream value chain, including through its products or services, and through its business relationships.

This process led to the identification of 21 impacts, including four that were considered material in both direct operations and the value chain from the perspective of both severity and probability. For a detailed description of the assessment methodology, please refer to the section on risks and internal controls.

The positive and negative impacts identified are directly related to the Group’s strategy and business model, featuring development and innovation activities, producing and marketing cosmetic products on an international scale, and a global supply chain. These impacts thus originate from the operating methods, sourcing choices, and organization of activities along the value chain, and relate to the structure and operation of the business model.

The Group is involved in material impacts both through its own operations and through relationships along the value chain.

Direct involvement relates particularly to environmental impacts linked to production processes (GHG emissions, water consumption,

waste generation, potential air and water pollution, use of substances of concern), and social impacts related to workers’ health and safety, working conditions, and management of its personnel. In addition, the Group is directly involved in impacts related to product quality and safety and the use of raw materials that may affect biodiversity and ecosystems.

Involvement through business relationships, on the other hand, concerns impacts related to working conditions along the supply chain, respect for human rights, and the environmental effects associated with sourcing raw materials and supplier activities. In these cases, the Company is linked to impacts through its business relationships with entities operating in the upstream value chain. In terms of financial materiality, the materiality of risks and opportunities is determined based on the probability of their occurrence combined with the scale of the expected financial effects. The assessment conducted during 2024 and confirmed in 2025 considered risks already mapped in the Group’s ERM Framework, including specific sustainability risks, supplemented by precise assessments related to the ESRS topics and sub-topics applicable to the Group. The assessment returned a total of 28 **“ESG Risk Drivers”**, each evaluated by time horizon (short-, medium- and/or long-term) and materiality. Among the ESG Risk Drivers identified and evaluated, three are considered material based on both likelihood and impact, all identified in the medium to long term. We also note that currently the material risks and opportunities do not have a financial impact on the Group’s business, and no specific material changes in financial results are anticipated in the short term.

The double materiality assessment conducted considered the impacts, risks, and opportunities (hereinafter “IROs”) relating to the direct scope (offices and production plants) and the value chain upstream and downstream of

the organization itself. The main risks, already mapped within the corporate ERM Framework, were supplemented with the new considerations that emerged.

These additions to the Enterprise Risk Management system are necessary to comply with the regulatory requirements outlined in the CSRD and subsequent recommendations by the relevant European bodies (i.e., EFRAG) in this area.

In 2025, specific analyses were carried out on climate-related risks, including an initial qualitative assessment of physical risks, while previously identified risks were reconfirmed.

Specifically, the analysis was designed to determine the Company's risk profile, identifying the most exposed production sites, and related mitigation actions. Taking into consideration the risks defined in Appendix A of Delegated Regulation 2021/2139, a preliminary screening was conducted in order to identify the material risks, based on the location of production plants and interviews with management. For risks considered to be applicable, an analysis was conducted using a specialized climate analysis tool, which assessed the future evolution of risk (hazard) levels on each of the 15 plants. Extreme events such as droughts, heat waves, heavy rainfall and floods were considered, analyzing potential effects on structures, machinery and production continuity. Relevant climate hazards were grouped into four clusters: i) Temperature (heat waves, heat stress, thermal variability); ii) Wind (cyclones, hurricanes, storms); iii) Water - acute events (heavy rains, floods); iv) Water - chronic phenomena (droughts, water stress, precipitation

changes). Finally, some mitigation measures already in place to reduce the effects of adverse climate events on production sites were mapped. For the purpose of risk assessment, the analysis considered the climatic evolution of the geographical areas where the plants are located, using two time horizons (short-to-medium term to 2030 and long term to 2050) and referring to the most severe climate scenario (RCP 8.5 - Worst-case emission scenario). Applicable physical risks were evaluated according to the ERM materiality scale already adopted by the Group, at the aggregate level for the different plants, based on their materiality. The likelihood was estimated based on the output of the tool used in the initial screening, while the impact was assessed, through interviews with the relevant management, considering potential operational impacts (i.e. impacts on critical or non-critical processes and their efficiency). The assessment carried out showed, both in the short to medium and in the long term, low to medium significance for all risk clusters, except for the Water - critical events cluster, whose long-term significance is medium to high. The results were shared with internal stakeholders to check their robustness and refine values and considerations. The assessment was carried out at the aggregate level (not by individual plant), including the mitigation measures already in place.

For an in-depth description of the methodologies and process for identifying, assessing, and monitoring impacts, see "Risks and Internal Controls" and the previous section.

The following is a summary of the findings of the double materiality assessment conducted in 2024 and confirmed in 2025.





Table 8

TOPIC Sub-(sub) topic ²	IRO		Scope			Time Horizon		
			Upstream value chain	Direct	Downstream value chain	Short	Medium	Long
GOVERNANCE - ESRS G1 – BUSINESS CONDUCT								
Animal Welfare	Potential Negative Impact	Damage to animals' health due to animal testing	X			X		
Management of relationships with suppliers including payment practices	Actual Positive Impact	Promotion of positive environmental and social practices by suppliers		X			X	X
Management of relationships with suppliers including payment practices	Risk	Transitional risk due to the introduction of new legislation on the management of the supply chain	X	X			X	X
Corruption and bribery	Risk	Operational and reputational risk due to unfair business practices conducted by employees		X		X		
SOCIAL - ESRS S1 – OWN WORKFORCE								
Equal treatment and opportunities for all (excl. Training and skills development)	Potential Negative Impact	Discrimination and segregation in the workforce		X		X	X	X
Equal treatment and opportunities for all – Training and skills development	Actual Positive Impact	Increase and development of new skills through training activities		X		X	X	X
Working conditions – Health and safety	Actual Negative Impact	Physical and psychological damage to workers		X		X	X	X
Working conditions (excl. Health and Safety and Work-life balance)	Potential Negative Impact	Violation of human rights due to inappropriate working conditions		X		X	X	X
Working conditions – Work-life balance	Actual Positive impact	Safeguard of worker's wellbeing thanks to the presence of dedicated company initiatives		X		X	X	X

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² For further details on ESRS2 SBM-3, please refer to the relevant ESRS Topic-specific paragraphs. For further details on ESRS 2 – IRO-1, please refer to the relevant ESRS Topic-specific paragraphs.

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TOPIC Sub-(sub) topic ²	IRO		Scope			Time Horizon		
			Upstream value chain	Direct	Downstream value chain	Short	Medium	Long
Equal treatment and opportunities for all (excl. Training and skills development)	Risk	Operational and reputational risk due to cases of discrimination in the workplace		X		X		
Equal treatment and opportunities for all – Training and skills development	Risk	Operational risk related to employees' lack of specific skills		X			X	X
Working conditions – Health and safety	Risk	Operational and reputational risk associated with failure to protect employees' health and safety		X		X		
Working conditions (excl. Health and Safety and Work-life balance)	Risk	Operational and reputational risk associated with failure to protect employees' human rights		X		X		
Working conditions – Work-life balance	Risk	Strategic risk related to difficulties in attracting and retaining talent		X			X	X
SOCIAL - ESRS S2 – WORKERS IN THE VALUE CHAIN								
Equal treatment and opportunities for all (excl. Training and skills development)	Potential Negative Impact	Discrimination and segregation in the labour market	X		X	X	X	X
Working conditions – Health and safety	Actual Negative Impact	Physical and psychological damage to workers of the value chain	X		X	X	X	X
Working conditions (excl. Health and Safety and Work-life balance)	Potential Negative Impact	Violation of human rights due to inappropriate working conditions along the value chain	X		X	X	X	X
Working conditions (excl. Health and Safety and Work-life balance)	Risk	Operational and reputational risk related to suppliers' non-compliance with social laws and regulations related to worker's human rights, including health and safety	X			X		

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TOPIC Sub-(sub) topic ²	IRO		Scope			Time Horizon		
			Upstream value chain	Direct	Downstream value chain	Short	Medium	Long
SOCIAL - ESRS S4 – CONSUMERS AND END USER								
Personal safety of consumers and/or end-users – Product quality	Potential Negative Impact	Damage to consumers' health due to low product quality		X		X	X	X
Personal safety of consumers and/or end-users – Product quality	Risk	Operational and reputational risk due to low product quality	X	X		X		
ENVIRONMENT - ESRS E1 – CLIMATE CHANGE								
Climate change mitigation	Actual Negative Impact	Climate Change due to greenhouse gas emissions	X	X	X	X	X	X
Climate change mitigation	Risk	Operational risk due to physical damage resulting from climate change which can impact the Group's assets	X	X	X		X	X
Climate change adaptation	Risk	Transitional risk related to the presence of public climate-related targets and misalignment with customer requirements	X	X	X		X	X
Climate change adaptation	Risk	Transitional risk due to the introduction of legislative measures to mitigate climate change	X	X	X		X	X
Energy	Risk	Transitional risk due to energy market changes	X	X	X		X	X
Climate change adaptation	Risk	Operational risk due to potential increase in cost of goods and services related to the need for suppliers to adapt to climate change and/or mitigate its physical impacts	X	X	X		X	X
ENVIRONMENT - ESRS E2 - POLLUTION								
Pollution of air	Potential Negative Impact	Damage to human health and the environment due to air pollution above legal thresholds	X	X		X	X	X

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TOPIC Sub-(sub) topic ²	IRO		Scope			Time Horizon		
			Upstream value chain	Direct	Downstream value chain	Short	Medium	Long
Pollution of water	Potential Negative Impact	Water pollution above legal thresholds due to discharges of harmful substances in production processes	X	X		X	X	X
Microplastics	Potential Negative Impact	Damage to human health and environmental pollution due to the release of microplastics from products		X				X
Substances of concern/very high concern	Potential Negative Impact	Damage to human health and environmental pollution due to the release of hazardous substances	X	X			X	X
Pollution of air	Risk	Operational risk due to violation of existing laws and regulations related to the release of air pollutants	X	X		X		
Pollution of water	Risk	Operational risk due to violation of existing laws and regulations related to water pollution and contamination	X	X		X		
Microplastics	Risk	Strategic, operational and reputational risk due to release of microplastics from products into nature	X	X			X	X
Substances of concern/very high concern	Risk	Operational and reputational risk due to violation of existing laws and regulations related to the use of substance of concern/ substances of very high concern	X			X		
ENVIRONMENT - ESRs E3 – WATER AND MARINE RESOURCES								
Water – consumption and withdrawal	Actual Negative Impact	Water scarcity in high water stress areas due to excessive water consumption	X	X	X	X	X	X
Water – consumption and withdrawal	Risk	Operational risk due to water scarcity	X	X	X		X	X

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TOPIC Sub-(sub) topic ²	IRO		Scope			Time Horizon		
			Upstream value chain	Direct	Downstream value chain	Short	Medium	Long
Water – consumption and withdrawal	Risk	Operational and strategic risk related to interruption and/ or limitation of suppliers' activities due to water scarcity issues or the introduction of new regulations in this regard	X				X	X
ENVIRONMENT - ESRS E4 – BIODIVERSITY AND ECOSYSTEMS								
Direct impact drivers of biodiversity loss	Actual Negative Impact	Damage to ecosystems and biodiversity loss due to palm oil farming and deforestation	X				X	X
Direct impact drivers of biodiversity loss	Risk	Operational risk due to violation of regulations protecting biodiversity (e.g. EUDR)	X	X			X	
Direct impact drivers of biodiversity loss	Risk	Operational risk due to potential increase in cost of goods and services related to the need for suppliers to adapt to biodiversity laws	X	X	X		X	
ENVIRONMENT - ESRS E5 – CIRCULAR ECONOMY								
Resource inflows, including resource use	Actual Negative Impact	Depletion of natural resources due to the excessive consumption of virgin raw materials	X	X			X	X
Waste	Actual Negative Impact	Land occupation and pollution due to waste generated	X	X	X		X	X
Waste	Risk	Reputational risk due to failure to meet public targets related to waste disposal		X			X	
Resource inflows, including resource use	Risk	Operational and strategic risk related to reduced availability of strategic virgin raw materials	X				X	X

For more details on the short-term financial impacts of the material risks presented in the table, see Section IRO-1 of the ESRS Topical Standards and the Directors' Report.

DISCLOSURE REQUIREMENTS

IRO-2 - Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

The following section describes all applicable ESRS Disclosure Requirements reported by the Interco Group that were assessed as material against a qualitative threshold in the double materiality assessment process, for both impact and financial materiality.

Table 9 - Disclosure requirements

STANDARD	DESCRIPTION	PAGE(S)
ESRS 2 – Disclosure requirements		
ESRS 2 BP-1	Basis for preparation of a sustainability statement	67
ESRS 2 BP-2	Disclosures in relation to specific circumstances	68
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	71-74
ESRS 2 GOV-2	Information provided to and sustainability matters addressed by management	75-77
ESRS 2 GOV-4	Statement on due diligence	81-82
ESRS 2 GOV-5	Risk management and internal controls over sustainability reporting	83-84
ESRS 2 SBM-1	Strategy, business model and value chain	69-71, 85-92
ESRS 2 SBM-2	Interests and views of stakeholders	92-94
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	94-101
ESRS 2 IRO-1	Description of the processes to identify and assess material sustainability matters	94-101
ESRS 2 IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	102-110
ESRS E1 – Climate change		
ESRS 2 GOV-3	Integration of sustainability- related performance in incentive schemes	78-80
ESRS E1-1	Transition plan for climate change mitigation	120-121
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	120-121
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	118-119
E1-2	Policies related to climate change mitigation and adaptation	121
E1-3	Actions and resources in relation to climate change policies	121-125
E1-4	Targets related to climate change mitigation and adaptation	125-127
E1-5	Energy consumption and mix	28
E1-6	Gross Scope 1, 2, 3 and total GHG emissions	129-132
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	132
ESRS E2 – Pollution		
ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	133-136
E2-1	Policies related to pollution	137
E2-2	Actions and resources related to pollution	137-139
E2-3	Targets related to pollution	139
E2-4	Pollution to air, water and soil	140

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STANDARD	DESCRIPTION	PAGE(S)
E2-5	Substances of concern and substances of very high concern	141
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	141-142
E3-1	Policies related to water and marine resources	143
E3-2	Actions and resources related to water and marine resources	143-145
E3-3	Targets related to water and marine resources	145
E3-4	Water consumption	146-147
ESRS E4 – Biodiversity and ecosystems		
E4-1	Transition plan and focus on biodiversity and ecosystems in strategy and business model	150-151
ESRS 2 SMB-3	Relevant impacts, risks and opportunities and their interaction with strategy and business model	148-150
ESRS 2 IRO-1	Description of processes to identify and assess material biodiversity- and ecosystem-related impacts, risks and opportunities	148-150
E4-2	Policies related to biodiversity and ecosystem	151
E4-3	Actions and resources related to biodiversity and ecosystems	152
E4-4	Targets related to biodiversity and ecosystems	152-153
E4-5	Impact metrics related to changes in biodiversity and ecosystems	153
ESRS E5 – Resource use and circular economy		
ESRS 2 IRO-1	Description of processes to identify and assess relevant impacts, risks and opportunities related to resource use and circular economy	154-157
E5-1	Policies related to resource use and circular economy	158
E5-2	Actions and resources related to resource use and circular economy	159-169
E5-3	Targets related to resource use and circular economy	170-171
E5-4	Resource inflows	172-173
E5-5	Resource outflows	174-175
ESRS S1 – Own workforce		
ESRS 2 SBM-2	Interests and views of stakeholders	179
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	176-178
S1-1	Policies related to own workforce	179-185
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	185-186
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	186-187
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	187-197
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	197-198
S1-6	Characteristics of the undertaking's employees	198-199
S1-9	Diversity metrics	199
S1-10	Adequate wages	200
S1-13	Training and skills development metrics	200-201
S1-14	Health and safety metrics	201
S1-16	Remuneration metrics (pay gap and total remuneration)	201
S1-17	Incidents, complaints and severe human right impacts	202

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STANDARD	DESCRIPTION	PAGE(S)
ESRS S2 – Workers in the value chain		
ESRS 2 SBM-2	Interests and views of stakeholders	206
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	203-205
S2-1	Policies related to value chain workers	206
S2-2	Processes for engaging with value chain workers about impacts	207
S2-3	Processes to remediate negative impacts and channels for own workers to raise concerns	207
S2-4	Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	208
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	209
ESRS S4 – Consumers and end-users		
ESRS 2 SBM-2	Interests and views of stakeholders	212
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	210-211
S4-1	Policies related to consumers and end-users	212
S4-2	Processes for engaging with consumers and end-users about impacts	213
S4-3	Processes to remediate negative impacts and channels for consumers and endusers to raise concerns	213-214
S4-4	Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions and approaches	214-216
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	216
ESRS G1 – Business conduct		
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	71-74
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	217-219
G1-1	Business conduct policies and corporate culture	219-223
G1-2	Management of relationships with suppliers	223-225
G1-3	Prevention and detection of corruption and bribery	225-227
G1-4	Incidents of corruption or bribery	227-228
G1-6	Payment practices	228

The Intercos Group applies the phase-in provisions in accordance with Appendix C of ESRS 1 to the following ESRSs: ESRS 2 - SBM-3 48 e), E1-9, E2-6, E3-5, E4-6, E5-6, S1-7, S1-8, S1-11, S1-12, S1-15.





Table 10

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE(1)	PILLAR 3 REFERENCE(2)	BENCHMARK REGULATION REFERENCE(3)	EU CLIMATE LAW REFERENCE(4)	SECTION(S)
ESRS 2 GOV-1 Board's gender diversity, paragraph 21(d)	Annex I, table 1, indicator no. 13		Delegated Regulation (EU) 2020/1816 of the Commission(5), Annex II		CORPORATE GOVERNANCE
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21(e)			Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		CORPORATE GOVERNANCE
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Annex I, table 3, indicator no. 10				DUE DILIGENCE
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40(d)(i)	Annex I, table 1, indicator no. 4	Article 449a of Regulation (EU) no. 575/2013; implementing regulation (EU) 2022/2453 of the Commission(6) table 1 - Qualitative information on environmental risk and Table 2 - Qualitative information on social risk	Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40(d)(ii)	Annex I, table 2, indicator no. 9		Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40(d)(iii)	Annex I, table 1, indicator no. 14		Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818(7) and Annex II of Delegated Regulation (EU) 2020/1816		Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40(d)(iv)			Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14				Article 2, paragraph 1 of Regulation (EU) 2021/1119	CLIMATE CHANGE

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DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE(1)	PILLAR 3 REFERENCE(2)	BENCHMARK REGULATION REFERENCE(3)	EU CLIMATE LAW REFERENCE(4)	SECTION(S)
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16(g)		Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Climate change transition risk indicators: Credit quality of exposures by sector, emissions and residual maturity	Article 12(1)(d) to (g), and paragraph 2, of Delegated Regulation (EU) 2020/1818		CLIMATE CHANGE
ESRS E1-4 GHG emission reduction targets, paragraph 34	Annex I, table 2, indicator no. 4	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Climate change transition risk: alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818		CLIMATE CHANGE
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	Annex I, table 1, indicator no. 5 and Annex I, table 2, indicator no. 5				CLIMATE CHANGE
ESRS E1-5 Energy consumption and mix, paragraph 37	Annex I, table 1, indicator no. 5				CLIMATE CHANGE
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Annex I, table 1, indicator no. 6				CLIMATE CHANGE
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	Annex I, table 1, indicators no. 1 and 2	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Climate change transition risk indicators: Credit quality of exposures by sector, emissions and residual maturity	Article 5, paragraph 1, Article 6 and Article 8, paragraph 1 of Delegated Regulation (EU) 2020/1818		CLIMATE CHANGE
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	Annex I, table 1, indicator no. 3	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Climate change transition risk: alignment metrics	Article 8, paragraph 1 of Delegated Regulation (EU) 2020/1818		CLIMATE CHANGE
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Article 2, paragraph 1 of Regulation (EU) 2021/1119	CLIMATE CHANGE
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			Annex II of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Not material

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DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE(1)	PILLAR 3 REFERENCE(2)	BENCHMARK REGULATION REFERENCE(3)	EU CLIMATE LAW REFERENCE(4)	SECTION(S)
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66(a) ESRS E1-9 Location of significant assets at material physical risk, paragraph 66(c)		Article 449a of Regulation (EU) No. 575/2013; paragraphs 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; template 5: Banking book - Potential climate change transition risk indicators: exposures subject to physical risk			Not material
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67(c)		Article 449a of Regulation (EU) No. 575/2013; Item 34 of Commission Implementing Regulation (EU) 2022/2453; Template 2: Banking book - Potential climate change transition risk indicators: loans collateralised by immovable property - Energy efficiency of the collateral			Not material
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69			Annex II of Delegated Regulation (EU) 2020/1818		Not material
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Annex I, table 1, indicator no. 8; Annex I, table 2, indicator no. 2; Annex I, table 2, indicator no. 1; Annex I, table 2, indicator no. 3				POLLUTION
ESRS E3-1 Water and marine resources, paragraph 9	Annex I, table 2, indicator no. 7				WATER AND MARINE RESOURCES
ESRS E3-1 Dedicated policy, paragraph 13	Annex I, table 2, indicator no. 8				WATER AND MARINE RESOURCES
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Annex I, table 2, indicator no. 12				WATER AND MARINE RESOURCES
ESRS E3-4 Total water recycled and reused, paragraph 28(c)	Annex I, table 2, indicator no. 6.2				WATER AND MARINE RESOURCES
ESRS E3-4 Total water consumption in m3 per net revenue on own operations, paragraph 29	Annex I, table 2, indicator no. 6.1				WATER AND MARINE RESOURCES
ESRS 2 IRO-1 - E4 paragraph 16 a) i	Annex I, table 1, indicator no. 7				BIODIVERSITY AND ECOSYSTEMS
ESRS 2 IRO-1 - E4 paragraph 16(b)	Annex I, table 2, indicator no. 10				BIODIVERSITY AND ECOSYSTEMS
ESRS 2 IRO-1 - E4 paragraph 16 c)	Annex I, table 2, indicator no. 14				BIODIVERSITY AND ECOSYSTEMS
ESRS E4-2 Sustainable land/agriculture practices or policies, paragraph 24(b)	Annex I, table 2, indicator no. 11				BIODIVERSITY AND ECOSYSTEMS
ESRS E4-2 Sustainable oceans/seas practices or policies, paragraph 24(c)	Annex I, table 2, indicator no. 12				BIODIVERSITY AND ECOSYSTEMS

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DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE(1)	PILLAR 3 REFERENCE(2)	BENCHMARK REGULATION REFERENCE(3)	EU CLIMATE LAW REFERENCE(4)	SECTION(S)
ESRS E4-2 Politiche volte ad affrontare la deforestazione, paragrafo 24, lettera d)	Allegato I, Table 2, indicatore n. 15				BIODIVERSITY AND ECOSYSTEMS
ESRS E4-2 Policies to address deforestation, paragraph 24(d)	Annex I, table 2, indicator no. 15				BIODIVERSITY AND ECOSYSTEMS
ESRS E5-5 Non-recycled waste, paragraph 37(d)	Annex I, table 2, indicator no. 13				RESOURCE USE AND CIRCULAR ECONOMY
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Annex I, table 1, indicator no. 9				RESOURCE USE AND CIRCULAR ECONOMY
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour, paragraph 14(f)	Annex I, table 3, indicator no. 13				OUR PEOPLE
ESRS 2 – SBM3 – S1 Risk of incidents of child labour, paragraph 14(g)	Annex I, table 3, indicator no. 12				OUR PEOPLE
ESRS S1-1 Human rights policy commitments, paragraph 20	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11				OUR PEOPLE
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		OUR PEOPLE
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Annex I, table 3, indicator no. 11				OUR PEOPLE
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	Annex I, table 3, indicator no. 1				OUR PEOPLE
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32(c)	Annex I, table 3, indicator no. 5				OUR PEOPLE
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88(b) and (c)	Annex I, table 3, indicator no. 2		Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		OUR PEOPLE
ESRS S1-14 Number of days lost due to injuries, accidents, fatalities or illness, paragraph 88(e)	Annex I, table 3, indicator no. 3				OUR PEOPLE
ESRS S1-16 Unadjusted gender pay gap, paragraph 97(a)	Annex I, table 1, indicator no. 12		Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		OUR PEOPLE
ESRS S1-16 Excessive CEO pay ratio, paragraph 97(b)	Annex I, table 3, indicator no. 8				OUR PEOPLE
ESRS S1-17 Incidents of discrimination, paragraph 103(a)	Annex I, table 3, indicator no. 7				OUR PEOPLE

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DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE(1)	PILLAR 3 REFERENCE(2)	BENCHMARK REGULATION REFERENCE(3)	EU CLIMATE LAW REFERENCE(4)	SECTION(S)
ESR S1-17 Non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104(a)	Annex I, table 1, indicator no. 10 and Annex I, table 3, indicator no. 14		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818		OUR PEOPLE
ESRS 2 SBM-3 - S2 Significant risk of child labour or forced labour in the value chain, paragraph 11(b)	Annex I, table 3, indicators no. 12 and 13				VALUE CHAIN
ESRS S2-1 Human rights policy commitments, paragraph 17	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11				VALUE CHAIN
ESRS S2-1 Policies related to value chain workers, paragraph 18	Annex I, table 3, indicators no. 11 and 4				VALUE CHAIN
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	Annex I, table 1, indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818		VALUE CHAIN
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816 of the Commission, Annex II		VALUE CHAIN
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Annex I, table 3, indicator no. 14				VALUE CHAIN
ESRS S3-1 Human rights policy commitments, paragraph 16	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11				Not material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines, paragraph 17	Annex I, table 1, indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818		Not material
ESRS S3-4 Human rights issues and incidents, paragraph 36	Annex I, table 3, indicator no. 14				Not material
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11				CONSUMERS AND END-USERS

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DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE(1)	PILLAR 3 REFERENCE(2)	BENCHMARK REGULATION REFERENCE(3)	EU CLIMATE LAW REFERENCE(4)	SECTION(S)
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 17	Annex I, table 1, indicator no. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818		CONSUMERS AND END-USERS
ESRS S4-4 Human rights issues and incidents, paragraph 35	Annex I, table 3, indicator no. 14				CONSUMERS AND END-USERS
ESRS G1-1 United Nations Convention against corruption, paragraph 10(b)	Annex I, table 3, indicator no. 15				CORPORATE ETHICS
ESRS G1-1 Protection of whistleblowers, paragraph 10(d)	Annex I, table 3, indicator no. 6				CORPORATE ETHICS
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24(a)	Annex I, table 3, indicator no. 17		Annex II of Delegated Regulation (EU) 2020/1816		PREVENTING CORRUPTION
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24(b)	Annex I, table 3, indicator no. 16				PREVENTING CORRUPTION

WE BELIEVE IN SUSTAINABLE BEAUTY

ESRS E1; E2; E3; E4; E5

EUROPEAN TAXONOMY

Introduction

Regulation (EU) 2020/852 – the EU Taxonomy Regulation (hereinafter also the “Taxonomy”, “EU Taxonomy”, or “Regulation”) adopted by the European Commission on July 12, 2020, establishes a unified classification system, or “taxonomy”, for defining economic activities that can be considered environmentally sustainable. This Regulation forms part of the European Union’s plan to achieve climate neutrality by 2050, which involves fulfilling the objectives of the European Green Deal and directing investments towards environmentally sustainable economic activities.

Specifically, the Regulation categorizes economic activities as:

- **eligible:** an economic activity is eligible³ if it appears in the Delegated Regulations list under one or more of the Taxonomy’s six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems. If an activity is eligible, it has the potential to contribute substantially to the goal in question.
- **aligned:** an economic activity is aligned, and therefore environmentally sustainable, if, in addition to being eligible, it complies with:
 - the technical screening criteria, which break down into **substantial contribution**

³ Economic activity eligible for the Taxonomy: an economic activity as described in the Delegated Regulations, as per Articles 10 (3), 11 (3), 12 (2), 13 (2), 14 (2) and 15 (2) of Regulation (EU) 2020/852, regardless of whether that economic activity meets one or all of the technical screening criteria set out in those Delegated Regulations.





criteria - identified on a scientific basis and specific to each of the objectives - and the **DNSH** (Do No Significant Harm) **criteria**, which ensure that the activity does not cause significant harm to any of the remaining five objectives;

- the minimum safeguards, i.e., the safeguards adopted to ensure compliance with human rights and international standards in the management of its organization and the supply chain.

Since it came into force in 2020, the Regulation has undergone several additions and expansions through Delegated Regulations that have gradually introduced additional economic activities and amended some criteria.

In 2021, the European Commission published the “Climate Delegated Act”⁴, which seeks to regulate economic activities that can make a substantial contribution to climate change mitigation or adaptation.

Meanwhile, the “Environmental Delegated Act”⁵ was published in 2023. This governs the remaining four environmental goals and introduces some changes to the templates to be used when reporting key performance indicators (KPIs) of non-financial enterprises. The same year also saw the publication of Delegated Regulation 2023/2485, which made amendments to the Climate Delegated Act, both in terms of new economic activities and technical screening criteria.

In 2025, Delegated Regulation (EU) 2026/73 was published, amending Delegated Regulation (EU) 2021/2178 regarding simplification of the content and presentation of informa-

tion to be reported on environmentally sustainable activities and Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 regarding simplification of certain technical screening criteria for determining whether economic activities do not significantly harm environmental objectives. For the 2025 reporting year, non-financial enterprises subject to the Regulation - including Intercos - are required to publish a disclosure⁶ regarding the proportions of quantitative economic performance indicators (KPIs) - turnover, capital expenditures (CapEx) and operating expenditures (OpEx) - attributable to eligible economic activities and aligned (or not) with the Taxonomy, for activities relating to the two climate objectives and the other four environmental objectives. While the European Commission has provided a one-year transitional period that allows the prevailing provisions to apply for FY 2025, the Group has chosen to report EU Taxonomy-related information in accordance with the disclosure simplification measures set out in the annexes to Delegated Regulation (EU) 2026/73.

As it is a recently applied international standard and is constantly being updated, all criteria and assumptions made and included in this section are based on currently available information and requirements, which may be subject to future reassessment.

The Intercos Group and eligibility/alignment analysis

As per the regulatory requirements, to identify eligible activities in terms of the six Taxonomy objectives, an analysis of the Group’s activities was carried out. This showed that there were no revenue lines that could be considered el-

⁴ Delegated Regulation (EU) 2021/2139.

⁵ The Environmental Delegated Act, European Commission, C (2023) 2486, adopted on June 27, 2023 and effective January 1, 2024.

⁶ The Disclosure Delegated Act, European Commission, C (2021) 4987 final, 2021, adopted in July 2021 and effective as of December 30, 2021, defined the reporting procedures to be adopted by entities falling under the scope of the Regulation.

eligible in relation to these objectives. By contrast, on the basis of Annex 1 of Delegated Regulation (EU) 2021/2178, paras. 1.1.2.2 (c) and 1.1.3.2 (c)⁷ regarding investments and expenditures related to the purchase of outputs from eligible economic activities and individual measures that enable activities to maintain low carbon emissions, the Group has identified activities - described below - related to expenditures and investments incurred during the reporting year and eligible in terms of the “Climate change mitigation” and “Transition to a circular economy” objectives:

Climate change mitigation:

- 7.1 - Construction of new buildings (construction of a new production plant by Intercos Korea);

Transition to a circular economy:

- 3.1 - Construction of new buildings (refer to activity 7.1 of the “Climate Change Mitigation” objective);

The assessments conducted to determine the alignment of activities identified as eligible are described below.

Analysis of substantial contribution criteria:

For each eligible economic activity, compliance with the substantial contribution criteria was verified. These criteria define quantitative and/or qualitative technical thresholds that must be met for the activity to be considered aligned with the Taxonomy. Specifically, the analysis was conducted by applying the 10% materiality threshold provided for in Delegated Regulation (EU) 2026/73, which allows the alignment assessment not to be conducted for eligible economic activities which, considered individually, account for less than 10% of consolidated turnover, CapEx or OpEx.

“Climate change mitigation” objective:

- Activity 7.1: The construction of the new production plant in Osan (Intercos Korea) is eligible but not aligned with the substantial contribution criteria, as it does not hold certification that the building’s energy performance is at least 10% below the threshold set for Nearly Zero-Energy Building (NZEB) requirements. In addition, the Global Warming Potential (GWP) of the building’s life cycle has not been calculated.

“Transition to a circular economy” objective:

- Activities 3.1 and 3.2: With respect to the construction of new buildings, in the absence of sufficient evidence to allow a full assessment of compliance with the substantial contribution criteria, the Group does not consider the activities to be aligned.

Do No Significant Harm (DNSH):

The analysis of compliance against the DNSH criteria made explicit in the Delegated Acts seeks to determine that the identified activities do not cause harm to any other environmental objectives. Analysis revealed the following:

“Climate change mitigation” objective:

- Activity 7.1: the Group considers the activity to be unaligned when adopting a conservative and precautionary approach due to the absence of sufficient evidence allowing for a full assessment of compliance with DNSH criteria related to climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy and pollution prevention and control.

“Transition to a circular economy” objective:

- Activity 3.1: in the absence of sufficient evidence to substantiate the precise analyses

⁷ Related to the purchase of products from economic activities aligned with the Taxonomy and to individual measures enabling the target activities to achieve low carbon emissions or greenhouse gas reductions, specifically the activities listed in Annex I, Points 7.3 to 7.6 of the Climate Delegated Act, in addition to other economic activities listed in the delegated acts adopted in application of Article 10, Paragraph 3, Article 11, Paragraph 3, Article 12, Paragraph 2, Article 13, Paragraph 2, Article 14, Paragraph 2, and Article 15, Paragraph 2, of Regulation (EU) 2020/852, provided that these measures are implemented and operational within 18 months.





required by the criterion, the Group considers that this activity does not meet the DNSH criteria.

In addition to the information made explicit in reference to the DNSH criteria, we note that the Group is committed to operating in full compliance with local environmental regulations in all the countries in which it is present. For further information, see the other sections of the “We believe in sustainable beauty” chapter of this document.

Minimum safeguards

Finally, among the alignment criteria is respect for minimum safeguards. These refer to an organization’s practices designed to ensure that an economic activity is carried out with respect for human rights and labor rights, in line with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the International Labour Organization (ILO) Declaration, its eight core conventions, and the International Bill of Human Rights.

The Intercos Group pays particular attention to the aspects made explicit in these documents, especially consumer interests, anti-corruption, competition, taxation, and respect for human rights. With reference to this last aspect, the Group is committed to ensuring it does ethical business that complies with the various regulations applicable in the countries in which it operates, carrying out its activities in line with the principles contained in its Ethics Code and Code of Conduct. Accompanying this document is the Sustainable Procurement Policy, which adheres to international standards governing supplier qualifications. This policy ensures that suppliers respect human and la-

bor rights and actively combat discrimination. Additionally, dedicated audits are conducted at supplier sites to evaluate their ethical and social performance. Please refer to the chapters “We live our values” and “Supplier selection and assessment” for further information. As outlined in Commission Notice 2023/211 No. 2, the assessment of minimum safeguards must also include the DNSH principle in Article 2(17) of the SFDR, which specifically addresses the gender pay gap and gender diversity on the Board of Directors. In this area, and as described in the “Diversity, Equity & Inclusion” section of this document, the Group pays particular attention to issues of gender equality. This is evidenced by the launch of specific DEI programs and initiatives and the establishment of a specific Committee. Featuring a strong female presence at every level of the organization, the Group has also traditionally been committed to monitoring the gender pay gap within its workforce (see the “Corporate Governance” Chapter and metrics tables S1-6, S1-16).

The Group’s Code of Conduct formalizes its dedication to safeguarding consumers by ensuring continuous oversight of production processes, upholding high quality standards, and providing complete and accurate information. The Group operates in full compliance with the laws of each country in which it conducts business. This document also guides Intercos personnel in their relations with stakeholders and in the application of the company values and principles contained in the Ethics Code. In addition to its commitment to meeting the highest quality standards, the Intercos Group’s Code of Conduct communicates its commitment to combating all forms of corruption and fostering free competition. Please refer to the chapter “We live our values” for further information.

In addition, the Group operates on the national and international market in full compliance with tax regulations, acting responsibly in the jurisdictions in which it operates.

Despite the above, the Group does not consider the current practices adopted along the supply chain enough to meet the minimum safeguards criteria when taking a conservative and precautionary approach.

Accounting standards and contextual information

The Group has calculated the three indicators of Turnover, CapEx and OpEx in accordance with the guidance of Annexes 1-5 of Delegated Regulation (EU) 2021/2178; in this regard, the Company identified the activities deemed eligible and assessed their specific weight in terms of their respective consolidated values.

The following sections explain the methodological approaches used to calculate each indicator, covering both denominators and numerators.

Turnover KPI

To calculate the Turnover denominator, the Group's statutory chart of accounts for 2025 was analyzed. Specifically, this considered the consolidated item for Group revenues. In line with the provisions of § 1.1.1 of Annexes 1-5 of Delegated Regulation (EU) 2021/2178, revenues from the Group's core business were identified using the line item "Revenues from sales and services." As described by IAS 1 paragraph 82 and the definition of Net Turnover in Directive 2013/34/EU, these revenues represent income from the sale of goods and services net of sales refunds, VAT and other sales-related taxes. The 2025 Turnover denominator therefore amounts to Euro 1,047,233 thousand, as reported in the consolidated fi-

ancial statements (Revenues from sales and services in the consolidated annual financial report).

For the numerator, on the other hand, as no activities carried out directly by the Group were identified as eligible, as per the requirements of Annexes 1-5 of Delegated Regulation (EU) 2021/2178 and in line with the 2024 fiscal year, for 2025 the Group's numerator was 0.

OpEx KPI

When calculating the OpEx denominator, specific non-capitalized operating costs must be considered. Section 1.1.3.1 of Annexes 1-5 of Delegated Regulation (EU) 2021/2178 defines the scope of costs to be considered. Specifically, these are:

- Research and development;
- Building renovation measures;
- Short-term leases;
- Maintenance and repairs;
- Any other direct expenses associated with the ordinary maintenance of property, plant & machinery.

To identify these items, an in-depth analysis of the Group chart of accounts was conducted. In order to isolate only the items attributable to the above aspects, the Group carried out a comprehensive analysis of the line items in question. Specifically, as regards "Any other direct expenses associated with the ordinary maintenance of property, plant & machinery", expenses for cleaning facilities were taken into account, as suggested by FAQ No. 12 of Commission Notice C (2022) 385/01 dated 06.10.2022.

Based on the above, the denominator value resulting from this analysis is Euro 58,690 thousand.





As regards calculation of the numerator, however, since no eligible activities were identified that exceeded the 10% materiality threshold in accordance with Delegated Regulation (EU) 2026/73, the Group's numerator is 0 for 2025.

CapEx KPI

Section 1.1.2.1 of Annexes 1-5 of the Delegated Regulation (EU) 2021/2178 specifies that the CapEx denominator must include increases in tangible and intangible assets incurred during the year before depreciation, amortization, impairment, and any revaluation, including those resulting from restatements and reductions in value, for the year in question, and excluding variations in fair value. The denominator must also include increases in tangible and intangible assets resulting from business combinations.

In line with the above, the Group took into account increases relating to intangible assets, tangible assets, and leased asset rights-of-use in its calculation of the denominator. The tables of changes in assets were used to obtain these data, isolating the "acquisitions" row only ("Property, plant and equipment" and "Intangible fixed assets", items found in the relevant notes of the consolidated annual financial report).

As suggested by § 1.1.2.1, the following were used for reference:

- IAS 16 Property, plant & equipment;
- IAS 38 Intangible assets;
- IFRS 16 Leases.

The Group's investments considered for the denominator therefore amounted to Euro 74,891 thousand, as shown in the notes to the consolidated financial statements. These investments were broken down by asset type,

distinguishing between additions related to property, plant and equipment, intangible assets, and rights-of-use (according to IFRS 16) occurring during 2025. This led to the following values:

- Intangible assets Euro 23,938 thousand;
- Tangible assets Euro 45,260 thousand;
- Leased assets (IFRS 16) Euro 5,693 thousand.

To calculate the KPI numerator, the Group carried out a detailed analysis of changes in assets to identify the aspects associated with the activities identified as eligible during the technical assessment. Specifically, since the Group operates in a number of areas, the approach involved the administrative-accounting resources of all plant and legal entities within the consolidation scope. Detailed figures were then obtained by extraction from management systems.

All activities identified as eligible refer to point c of section 1.1.2.1; specifically, capital expenditures were identified in relation to work on buildings, i.e., investments in property, plant and equipment that exceeded the 10% materiality threshold in accordance with Delegated Regulation (EU) 2026/73.

Activities identified as a source of investment in 2025 include:

- 7.1 - Construction of new buildings (Climate change mitigation);
- 3.1 - Construction of new buildings (Transition to a circular economy);

COMPARISON WITH THE PREVIOUS YEAR

See the tables below for details on the numerical and percentage changes in the KPIs required by the regulations.

Table 11

KPI	Total	Proportion of Taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of Taxonomy-aligned activities	Breakdown by environmental objective		
					Climate Change Mitigation	Climate Change Adaptation	Water and marine resources
Text	Currency	%	Currency	%	%	%	%
Turnover	1,047,233,000.00 €	0%	-€	0%	0%	0%	0%
CapEx	74,891,000 €	17.35%	-€	0%	0%	0%	0%
OpEx	58,206,418.50 €	0%	-€	0%	0%	0%	0%

Table 12

Economic Activities	Code	Taxonomy-eligible KPI (Proportion of Taxonomy-eligible CapEx)	Taxonomy-aligned KPI (monetary value of CapEx)	Taxonomy-aligned KPI (Proportion of Taxonomy-aligned CapEx)	Environmental objectives		
					Climate Change Mitigation	Climate Change Adaptation	Water
Text		%	Currency	%	%	%	%
Construction of new buildings	7.1 CCM / 3.1 CE	17.35%	- €	0%	0%	0%	0%
Sum of alignment per objective					0%	0%	0%
Total KPI		17.35%	- €	0%	0%	0%	0%





Environmental objectives of Taxonomy-aligned activities			Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy-aligned activities in previous financial year (N-1)	Proportion of Taxonomy-aligned activities in previous financial year (N-1)
Circular economy	Pollution	Biodiversity and ecosystems					
%	%	%	%	%	%	Currency	%
0%	0%	0%	0%	0%	0%	- €	0%
0%	0%	0%	0%	0%	6.2%	- €	0%
0%	0%	0%	0%	0%	0,1%	- €	0%

Environmental objectives of Taxonomy-aligned activities			Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
Circular Economy	Pollution	Biodiversity			
%	%	%	(E where applicable)	(T where applicable)	%
0%	0%	0%	0%	0%	0%
0%	0%	0%			
0%	0%	0%	%	%	%

CLIMATE CHANGE

ESRS E1

ESRS 2 – IRO-1

Below is a description of the main sustainability impacts related to ESRS E1:

Climate change due to greenhouse gas emissions

The cosmetics sector contributes to climate change through the generation of greenhouse gas emissions. In the Group's case, direct emissions are generated by the combustion of fossil fuels in production processes at its sites, while indirect emissions derive chiefly from the purchase of electricity from the grid and from the extraction, processing and transport of materials used. Logistics and the transport of finished products are a source of additional greenhouse gas emissions. In the downstream value chain, for example, end-of-life disposal of products also contributes to greenhouse gas emissions.

Climate Change

The following is a description of the main risks in the ERM Framework that are affected by ESG Drivers directly or indirectly related to ESRS Topic E1. For more details on ESG drivers, see the section "Material Impacts, Risks and Opportunities".

The Group is exposed to the risk that extreme physical weather events could directly damage its assets, causing financial losses due to the disruption of operations. In order to ensure business continuity, all Group-owned assets have been considered and are covered by policies relating to extreme events. The Group is also exposed to climate change transition risks, such as changes in the energy market and the introduction of new legislative measures to mitigate climate change, which could lead to sanctions and increased operating costs.

Considerations for physical and transitional climate risks were qualitative and did not consider specific climate scenarios.

Within the considerations regarding physical climate risks, short-, medium-, and long-term time horizons were considered, taking into account the probability, severity, risk duration, and the assets' geographic areas. These considerations were made when analyzing the aforementioned extreme events policy coverage.

The lack of an adequate GHG emissions management program could expose the Group to reputational and regulatory risks when reporting on its environmental performance, also considering the growing international, European, and domestic focus on this issue. This risk also includes the potential failure to meet public targets for greenhouse gas emission reductions and the failure to comply with customer demands and requirements regarding climate targets.

The Group has for a number of years engaged actively with and systematically consulted its stakeholders in order to improve its ESG performance. The focus has been on reducing greenhouse gas (GHG) emissions and climate change mitigation and adaptation.

The Group is strongly committed to the fight against climate change and its Sustainability Plan defines targets on reducing greenhouse gas (GHG) emissions from its plant.

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We also note that the Group publishes the results of climate change-related risks and opportunities analyses on a yearly basis, drawing inspiration from the Task Force on Climate-related Financial Disclosures (TCFD) model through participation in the Carbon Disclosure Project (CDP) assessment.

Although the IAS/IFRS standards do not make explicit reference to climate-related issues, these impacts are taken into account by the Group in the application of the international accounting standards where significant, by assessing their effects, both in the application of the individual accounting standards and on the going concern.

Within this context of analysis, and the management of the risks and procedures above, no doubts or uncertainties have arisen regarding events or conditions that might call into question the company's ability to operate as a going concern.

In terms of climate change, the Group has adopted an Environmental Policy that demonstrates a commitment to reducing environmental impacts, in line with the Group's Sustainability Policy. In particular, the latter seeks to improve industrial processes to reduce energy consumption and the carbon footprint, actively contributing to the fight against climate change and promoting climate transition. In addition, specific procedures have been adopted at local level to manage energy consumption and the release of GHGs.

In relation to climate change, through workshop sessions and interviews with relevant managers, a number of ESG Risk Drivers were identified, assessed and mapped as part of the Risk Register updated in 2024 (i.e., Operational risk due to physical damage resulting from climate change which can impact the Group's assets; Transitional risk related to the presence of public climate-related targets and misalignment with customer requirements; Transitional risk due to the introduction of legislative measures to mitigate climate change; Transitional risk due to energy market changes).

For the assessment of this risk, see the section "Material Impacts, Risks, and Opportunities".

In addition, the "Scarcity of natural resources" risk considers ESG Risk Drivers falling under ESRS E1. For more information, see the graphic "ESRS 2 - IRO-1" in the "Water and Marine Resources" chapter.

With reference to the incentive system see "**Remuneration policy**".

E1-1 - Transition plan for climate change mitigation SBM-3

In 2025, the Group began development of a climate transition plan which has not yet been finalized. This seeks to support the progressive alignment of its strategy with the climate change mitigation goals defined internationally by the Paris Agreement and transposed into European sustainability reporting legislation, particularly Directive (EU) 2022/2464 (CSRD) and in the transposing national legislation. This process is part of a commitment that began in 2019, when, as part of the 2019-2025 Sustainability Plan, the Group set a target to reduce Scope 1 and 2 emission intensity.

At the conclusion of this initial planning cycle, in 2025, the Group began updating its sustainability strategy beyond 2025. It undertook a more in-depth analysis of its own operations' climate impacts, with reference to Scope 1 and 2, and the upstream and downstream value chain (Scope 3), seeking to lay the groundwork for the definition of a Group-wide climate transition plan. This will be completed and introduced in 2026.

Specifically, the Group began defining the transition plan by distinguishing between assessments for Scope 1 and 2 emissions, for which in-depth analyses have already been conducted, and Scope 3 assessments, which are still in progress.

Definition of the Scope 1 and 2-related sections of the climate transition plan was based on analysis of the main energy consumption, with particular reference to natural gas and electricity, which are the main emission sources for operational sites. This analysis considered the correlation between energy consumption and key operational variables such as production volumes, hours worked, and the specifics of the various geographical and industrial settings.

Based on the available historical data and taking into account the forward-looking scenarios regarding the development of operating activities and the expected growth of each legal entity, the Group has outlined the expected evolution of Scope 1 and 2 greenhouse gas emissions in the medium term, with a five-year time horizon. The plan also considers the investments planned by individual legal entities, consistently with the investment budgets to be progressively allocated in future fiscal years.

The main lines of action considered include increasing the supply of electricity from renewable sources for those sites that are not yet fully covered - particularly in China and Korea - and the gradual electrification of air conditioning systems currently powered by natural gas boilers.

The scenarios were developed also considering some legal entities' expansion and growth projects, which include structural expansions and the construction of new production buildings. These initiatives are geared toward integrating solutions designed to improve the buildings' energy performance. This includes, where possible, the installation of photovoltaic systems, the use of heat pumps, and the adoption of geothermal solutions, seeking to increase the level of energy autonomy of production sites.

By way of example, recent site expansions in China and Korea have been carried out consistently with the Group's adopted sustainability principles. In particular, Intercos Technology's new office building has been awarded LEED Platinum certification, issued by Bureau Veritas, reflecting the high standards of energy efficiency and sustainable approach adopted in the design and construction of the building.

In 2025, specific qualitative analyses of physical risks were also conducted to determine the Company's risk profile, identifying the most ex-





posed production sites and related mitigation actions. The analysis, which involved a number of business functions - including Industrial Operations, HSE, Purchasing, Raw Materials & Innovation, and Finance - supported the development of the medium- to long-term climate strategy, which will be introduced in 2026.

Starting in 2025, the Group has also adopted an annual Scope 1 and 2 emission reduction target, expressed in absolute terms and then broken down for each production company. The new target complements and moves beyond the previous approach, which was based solely on intensity indicators.

E1-2 - Policies related to climate change mitigation and adaptation

The Intercos Group has long adopted an Environmental Policy focused mainly on reducing climate-changing emissions and industrial **waste**, in addition to improving **water consumption** efficiency. The Policy, which applies to all Group companies, was approved by the Group's Chief Executive Officer, and its implementation is ensured by Global Industrial Operations and the HSE managers of the various Group companies. The Policy refers to the IROs described in ESRS sections E1 (energy and emissions), E3 (water consumption), and E5 (waste management).

The Group is committed to improving its industrial processes, reducing energy use, its carbon footprint and water consumption, efficiently managing waste, reducing water and air pollution, and minimizing any potentially hazardous substances within operations where technically feasible. It is further committed to actively contributing to combating climate change.

Consistently with these commitments, the Group's main production sites have adopted and certified environmental management

systems in accordance with the international standard **ISO 14001**. As part of the new Sustainability Plan, the Group also envisages the gradual extension of ISO 14001 certification to additional production sites, depending on operational priorities and the relevant regulatory and organizational environment.

The Principles set out in the Environmental Policy are also set out in the Sustainability Policy adopted by the Group. For details of the Group Sustainability Policy, see the section "Sustainability Strategy".

E1-3 - Actions and resources in relation to climate change policies

With reference to the material impacts identified and described in the relevant sections, consistently with adopted policies, over the years, the Group has adopted an established strategy for climate change mitigation as part of its operations. Guidelines are based on five steps, as described below in detail. In addition, where available, the value of emissions avoided is reported under the actions described.

1. Energy audit

The first step in the guidelines is the energy audit, a qualitative and quantitative survey carried out by licensed companies to monitor improvements made and identify **further opportunities for energy efficiency improvements** at facilities. The goal is to map, measure and concurrently monitor **energy consumption**, to identify possible areas for improvement, and reduce energy waste to limit pollutant emissions where possible.

In the three-year period 2023-2025, 60% of Group production companies [MDR-A 68 b]) conducted an energy diagnosis, the results of which supplied the Group with a foundation for adopting a series of measures to improve energy performance. The remain-

ing Production Companies have planned an energy audit for the two-year period 2026-2027.

2. Energy Efficiency

Following the energy audit, the second step is to **upgrade, improve or replace equipment, plant and machinery** that are found to have low energy performance, or cause significant energy waste. To support these actions, Intercos has formalized a **Procedure** that outlines the process of identifying and choosing the technical characteristics that new machinery or equipment must meet to ensure the protection of worker safety, optimize energy efficiency and reduce environmental impact. **User Requirements (URs)** are then defined in a sharing process between the operational functions, leading to optimal selection and purchase.

Another area where all Companies take action is the **renovation of lighting systems**, which provides for the gradual replacement of incandescent lamps with corresponding **LED** models, resulting in a reduction in annual electricity consumption. In the two-year-period 2024-2025, all Group Companies adopted a strategy of this kind, favoring LED lighting in all cases where replacement was needed and providing LED lighting by default for any new expansion or new construction project. In addition, with every new construction or major renovation, the standard for indoor and outdoor lighting is to install energy-efficient LED lamps.

The most material emissions-related action and initiatives⁸ in 2025 that generated benefits in terms of Scope 1 and 2 emission reductions are summarized below.

⁸ Initiatives that resulted in emission reductions of at least 65 tCO₂e are considered material.





Company	Description	Completion month	Impacted scope	Estimated tCO ₂ e avoided
Intercos Europe	Installation of new high-efficiency boilers in Dovera, complemented by optimization of seasonal heating startup through scheduled postponement and enhanced periodic thermostat checks, to ensure greater energy savings, comfort for those on-site, and system reliability.	September	Scope 1	152
Intercos America	Reduction of refrigerant gas leakage through extraordinary maintenance and upgrades to refrigeration systems; replacement of R404A refrigerant with R449A, which provides lower GWP (Global Warming Potential), to improve energy efficiency, reduce environmental impacts, and ensure greater compliance with current regulations.	January	Scope 1	68
Intercos do Brasil	HVAC system maintenance entrusted to a new, specialized company, complemented by the introduction of a structured preventive maintenance plan that enables rapid detection and resolution of gas leaks, improving operational efficiency, service continuity, and environmental sustainability of the plant.	January	Scope 1	83

Construction of a new office and showroom building at Intercos Technology's plant was also completed in 2025. This was built as part of an investment plan initiated in previous financial years and entailed no new investments in 2025. The building was awarded LEED platinum certification, in confirmation of the sustainable practices adopted in the building's construction, attention to building design, and a strong focus on the use of high-efficiency, highly adjustable materials and systems.

The following additional initiatives are also designed to reduce GHG emissions.

Company	Description	Completion month	Impacted scope	Estimated tCO ₂ e avoided
Intercos Technology	Boiler upgrading and replacement. The new boilers provide a natural gas consumption saving of 8% per cubic meter.	October	Scope 1	7
Interfila Cosmetics	The company has replaced one of its two official fuel-powered vehicles with an electric one. Gasoline consumption decreased on the previous year, as did CO ₂ emissions.	January	Scope 1	4,4

3. Self-generation of energy from-renewable sources

The third step toward reducing emissions is **self-generation of energy** from renewable sources. As a matter of company policy, where possible, photovoltaic panels should be installed on new buildings and factories undergoing significant renovations, whether operated under an ESCo formula or purchased directly by Intercos, or by the facility owner of the building, when not owned by Intercos. To guide local Industrial Operations division managers in purchasing pan-

els or opting for an ESCo formula, dedicated corporate guidelines have been issued, so all Group Companies follow a common approach in assessing minimum requirements, whilst paying attention to certain parameters. In 2025, around 67% of production facilities possessed a photovoltaic system. Specifically, Cosmint, Intercos Europe (Dovera), Tatra, Intercos America (West Nyack), CRB, and Interfila. In 2025, Intercos Technology and Intercos Cosmetics also invested in expanding their photovoltaic plants. See the table below for further information.

Company	Description	Completion month	Impacted scope	Estimated tCO ₂ e avoided
Intercos Cosmetics	Photovoltaic panels on the roof of the warehouse and laboratories	January	Scope 2	802
Intercos Technology	Photovoltaic panels on the roof of the production plant	January	Scope 2	331

In 2025, 4,977 MWh of electricity was produced and used through PV systems, 93% of which came from ESCO formula systems. This avoided 2,381 tCO₂e of Scope 2 emissions (according to the market-based approach).

4. Supply of energy from-renewable sources

Where possible, Intercos supports the use of electricity from renewable sources with annual issuance of a certification, e.g., cancellation of Guarantees of Origin (GO) in Italy, Global En-





ergy Certification (GEC) in China, and Renewable Energy Certificate (REC) in the US. However, in countries where this is not possible, the Companies favor suppliers who guarantee an energy mix that includes a greater share of energy from renewable sources.

With reference to the supply of energy from renewable sources, for all the Group's production companies - Intercos Europe, CRB, Cosmint, Intercos Technology, Intercos Cosmetics, Intercos America, Intercos do Brasil, Tatra, Interfila Cosmetics, Intercos Korea, and Intercos India - in addition to the Ager and Vitalab laboratories, there is a policy of purchasing en-

ergy from renewable sources applicable to all their respective operating sites. This approach covers electricity and, in the case of CRB, also includes biomass-fueled district heating.

Through this procurement policy, in 2025, the amount of grid electricity from renewable sources amounted to 37,616 MWh, 85% of the total, a 4% increase on 2024.

This increase was also linked to the investment by the Chinese company Intercos Technology and by Intercos Korea in increasing the share of electricity purchased from renewable sources. See the table below for further information.

Company	Description	Completion month	Impacted scope	Estimated tCO ₂ e avoided
Intercos Technology	Increased share of electricity from renewable sources	January	Scope 2	260
Intercos Korea		January	Scope 2	663

5. Carbon offsetting

To go further toward energy efficiency and reduction of greenhouse gas emissions, Group companies can ultimately purchase carbon credits to offset remaining emissions, by choosing projects in line with corporate principles and values. This is the case for CRB, the first Group company to achieve carbon neutrality in 2022. After reducing its emissions by 90% since 2018 through the purchase of energy from renewable sources, since 2023, the company's remaining Scope 1 and Scope 2 (market-based) emissions have been offset annually through sup-

port for a project in Uganda headed by social enterprise Simoshi. The Gold Standard-certified project targets improvements in the livelihoods of low-income people through the installation of stoves featuring improved technology at schools and institutions. This improvement significantly reduces not only greenhouse gas emissions, but also air pollution and health problems for children and cooks; it also reduces deforestation through diminished firewood use, and improves the quality of life for women and children. The implementation and use of new stoves allows both participating schools and Si-

moshi to reinvest a percentage of the proceeds from the sale of carbon credits and fund new investments in those same schools, by providing repayment plans throughout the school year, free annual maintenance of all installed stoves, staff training, and child educational campaigns on the environment and climate change. In 2025, CRB also supported a similar project in the Mamize Nature Reserve in China through credits issued by the company South Pole. In 2025, therefore, CRB offset its remaining Scope 1 and Scope 2 (market-based) emissions for the year 2024 through these two projects, which amounted to 155 tCO₂eq.

A similar approach was taken in 2025 for the Tatra operating site in Poland, which offset 571 tons of residual CO₂eq, and for the Romanengo site (Intercos Europe) in Italy, which offset 1.8 tons of residual CO₂eq. The offsets were achieved through a wind power generation project in Argentina, designed to support the generation of energy from renewable sources.

See the section ESRS E1-7 for the 2025 and 2026 data.

The strategy described and actions detailed in this section are promoted at corporate level by the Global Industrial Operations department and enacted by the HSE and Industrial Operation managers of the various Group companies. In addition, the actions described in this section are part of the operational management of the Group's industrial plants and environmental management systems in place. Over the next few years, the Group will acquire funding that can be used for general Group

needs, including a possible investment plan to support the transition plan currently still being finalized. The targets set must be consistent with the Beyond 2025 sustainability plan and continuously monitored as to the degree of progress and attainment. No significant capital expenditures were incurred in 2025 from the aforementioned actions.

E1-4 - Targets related to climate change mitigation and adaptation

As part of its sustainability strategy, the Group has set the objective of minimizing negative impacts on climate change by means of a key target:

A 20% reduction in facilities' greenhouse gas emissions (Scope 1 and Scope 2 market-based) **per unit produced** by 2025 (compared to baseline year 2019).

The metric calculation methodology used to monitor this target is aligned with the Scope 1 and 2 market-based GHG emissions inventory calculation methodology. In addition, the Group does not consider the purchase of carbon credits in the achievement of the target set. This target does not consider specific targets for each Scope and is not aligned with the Paris targets to limit global warming to 1.5°C. Internal methodology was used to set the target, which assessed development scenarios for industrial manufacturing and planned emission reduction initiatives during the reporting period. In addition, the Group's key stakeholders were not directly involved in defining the target, but their interests were considered, in line with the methods adopted, as described in the section "Group Stakeholders".





The target is an integral part of the Sustainability Plan, developed in 2019 and with targets to 2025, confirming the Group's ongoing commitment to responsible and sustainable growth. In line with the current Sustainability Plan timeline, the target does not consider target values for 2030 and 2050. As the emissions reduction target is currently based on an intensive metric, the possible future developments considered (such as changes in sales volumes, production mix) do not affect the achievement of the 2025 target.

Starting in 2026, in line with the process undertaken, the Group will further strengthen its ongoing commitment with the **"Beyond 2025"** Sustainability Plan, expanding its level of ambition and the time horizon.

In terms of climate change, in 2025, the Group began more in-depth analysis of the climate impacts of its operations, with reference to Scope 1 and 2 emissions, and to the upstream

and downstream value chain (Scope 3). This resulted in setting an SBTi-validated Scope 1, 2 and 3 emissions reduction target.

Meanwhile, since 2025, the Group has set a Scope 1 and Scope 2 (market-based) emissions reduction target, expressed in absolute terms for each Group Production Company, with an overall Group-wide reduction target of 3% in 2026 compared to the previous year (base year of 16,357 tCO₂e). The target is set annually by the Group HSE & Sustainability function. Responsibility for applying and monitoring the target is assigned to the local HSE functions at each production site, with coordination and supervision conducted at the corporate level. Monitoring is carried out annually using the internal environmental data collection system.

See the section "Sustainability Strategy" for further information on the Sustainability Plans and monitoring process.

METRICS ESRS E1 ESRS E1-5

Table 13

ESRS E1-5 – Energy consumption and mix (37., 38., AR 34.) - high impact manufacture of toilet products: perfumes, cosmetics, soaps and the like (C.20.42)	2024	2025	Uom
38. (a) Fuel consumption from coal and coal products	-	-	MWh
38. (b) Fuel consumption from crude oil and petroleum products	2,858	2,832	MWh
38. (c) Fuel consumption from natural gas	25,069	24,226	MWh
38. (d) Fuel consumption from other fossil sources	60	65	MWh
38. (e) Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	29,331	26,479	MWh
37. (a) Total energy consumption from fossil sources	57,318	53,601	MWh
RA 34. Share of fossil sources in total energy consumption	59%	55%	-
37. (b) Consumption from nuclear sources	1,064	1,027	MWh
RA 34. Share of consumption from nuclear sources in total energy consumption	1%	1%	-
37. (c) i. Fuel consumption for renewable sources including biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renewable sources, etc.	-	-	MWh
37. (c) ii. Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	33,910	37,461	MWh
37. (c) iii. Consumption of self-generated non-fuel renewable energy	4,389	4,966	MWh
37. (c) Total energy consumption from renewable sources	38,299	42,427	MWh
RA 34. Share of renewable sources in total energy consumption	40%	44%	-
37. Total energy consumption	96,681	97,055	MWh

Table 14

E1-5 – Energy consumption and mix (39., 40., 41.)	2024	2025	Uom
39. Non-renewable energy production	0	0	MWh
39. Renewable energy production	4,389	4,966	MWh
Non-renewable energy production and renewable energy production	4,389	4,966	MWh
40. Total energy consumption per net revenue associated with activities in high climate impact sectors	90.79	92.68	MWh/€
41. Total energy consumption associated with activities in high climate impact sectors	96,681	97,055	MWh





ESRS E1-6

Table 15

ESRS E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions (48., 49., 51., 52.)	Retrospective			Milestones and target years			
	2024	2025	% N / N-1	2025	2030	2050	Annual % target / Base year
Scope 1 GHG Emissions							
48. (a) Gross Scope 1 GHG emissions	7,255	6,197	-15%	N/A	N/A	N/A	0.00%
48. (b) Percentage of Scope 1 GHG emissions from regulated emission trading schemes	0,00%	0,00%	0.00%	N/A	N/A	N/A	0.00%
Scope 2 GHG emissions							
49. (a) Gross location-based Scope 2 GHG emissions	25,383	25,831	2%	N/A	N/A	N/A	0.00%
49. (b) Gross market-based Scope 2 GHG emissions	11,655	11,105	-5%	N/A	N/A	N/A	0.00%
Significant scope 3 GHG emissions							
51. Total Gross indirect (Scope 3) GHG emissions (Scope 3)	233,297	234,569	1%	N/A	N/A	N/A	0.00%
Purchased goods and services	142,079	129,797	-9%	N/A	N/A	N/A	0.00%
Capital goods	7,993	11,451	43%	N/A	N/A	N/A	0.00%
Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	3,413	5,095	49%	N/A	N/A	N/A	0.00%
Upstream transportation and distribution	39,320	36,532	-7%	N/A	N/A	N/A	0.00%
Waste generated in operations	4,055	7,970	97%	N/A	N/A	N/A	0.00%
Business traveling	902	1,234	37%	N/A	N/A	N/A	0.00%
Employee commuting	4,110	3,644	-11%	N/A	N/A	N/A	0.00%
Upstream leased assets	254	160	-37%	N/A	N/A	N/A	0.00%
Downstream transportation	23,895	32,815	37%	N/A	N/A	N/A	0.00%
Processing of sold products	-	-		N/A	N/A	N/A	0.00%
Use of sold products	-	-		N/A	N/A	N/A	0.00%
End-of-life treatment of sold products	7,278	5,871	-19%	N/A	N/A	N/A	0.00%
Downstream leased assets	-	-		N/A	N/A	N/A	0.00%
Franchises	-	-		N/A	N/A	N/A	0.00%
Investments	-	-		N/A	N/A	N/A	0.00%
Total GHG emissions							
52. (a) Total GHG emissions (location-based)	265,936	266,597	0.2%	N/A	N/A	N/A	0.00%
52. (b) Total GHG emissions (market-based)	252,207	251,872	-0.1%	N/A	N/A	N/A	0.00%

METHODOLOGICAL NOTE ON GHG EMISSIONS

Direct Scope 1 emissions: emission factors from the DEFRA 2025 database were used for office and factory heating with natural gas, fuel used by company cars (owned or leased), and refrigerant gas leaks from air conditioners.

Indirect Scope 2 emissions: For electricity purchased from the national grid, for the location-based approach, the emission factor taken from Terna International Comparisons on Enerdata data - 2023 publication on 2022 data was used. For the market-based approach, the Residual Mix factors published in 2024 by the Association of Issuing Bodies (AIB) were used for European countries, while the factors published by the Center for Resource Solutions ("2024 Green-e Energy Residual Mix Emissions Rates" 2024 publication on 2022 data) were used for the USA. For countries for which residual mix factors were not at the time of writing publicly available from accredited sources, the same emission factors applied for the location-based approach were used.

85% of electricity purchased from the grid during the year is covered by Guarantees of Origin or renewable energy certificates.

Indirect Scope 3 emissions

The Scope 3 emissions inventory was calculated in line with the GHG Protocol Corporate Accounting and Reporting Standard - Revised Edition.

The following categories are included in the inventory:

Category 3.1 purchased goods and services

Category 3.2 capital goods

Category 3.3 fuel and energy-related activities

Category 3.4 transportation and distribution of upstream products and services

Category 3.5 waste generated in operations

Category 3.6 business travel

Category 3.7 employee commuting

Category 3.8 assets leased to the company

Category 3.9 transportation and distribution of downstream products and services

Category 3.12 end-of-life treatment of sold products

The following categories are excluded:

- Category 3.10 processing of sold products; although the category is applicable, it was not calculated because the share of sold products that require further processing (e.g., bulk) is less than 5% of the Group's annual sales;
- Category 3.11 use of sold products; although the category is applicable but optional, the Group is looking into an appropriate methodology for calculating indirect emissions related to the category;
- Category 3.13 downstream leased assets, Category 3.14 franchising, Category 3.15 investments: non-applicable categories

The data consolidation approach is the same as the one adopted for the Consolidated Sustainability Report at December 31, 2025, meaning Intercos S.p.A. and the companies that are part of the Group's Consolidated organizational scope.

Climate-changing emissions and GWP applied

GHG emissions considered are CO₂, CH₄, N₂O, and refrigerant gases. GHG Scope 3 emissions reported by the Intercos Group are expressed in CO₂e, unless otherwise specified.



**Emission sources and categories:**

The methodologies used to calculate each category vary depending on the available activity data used as calculation input. Some categories were calculated based on the collection of activity data (e.g., kg, km) multiplied by the relevant emission factor. Other categories, however, were calculated based on the amount spent on goods and services multiplied by an appropriate emission factor. Specifically:

Category 3.1. Purchased goods and services: emissions from the production of raw materials, packaging and other types of goods purchased by the Group were considered, in addition to those related to services purchased during the year and those attributable to the processing of semi-finished goods carried out by subcontractors used by the Group. The quantities of packaging purchased by Intercos do Brasil and Intercos India were estimated based on the number of products sold. To estimate emissions related to raw materials and packaging, emission factors derived from Ecoinvent (an internationally recognized LCI database) from purchased kg were used. A spend-based methodology using OpenCEDA factors was used to calculate emissions related to other types of purchased goods and services. Emissions attributable to processing performed by subcontractors, on the other hand, consist of the Scope 1 and 2 emissions of each subcontractor, re-proportioned based on the share of turnover attributable to activities performed for the Intercos Group. The factors used are those provided by Ecoinvent v.3.12. and DEFRA 2025.

Category 3.2 Capital goods: the value of expenditure on capital goods was considered for each Group company and clustered based on the type of spend. Spend-based emission factors provided by the OpenCEDA2023 database were applied to calculate emissions.

Category 3.3 Fuel and energy-related activities: the primary data for the calculation of this category are the same as those used to calculate Scope 1 and 2 emissions. The emission factors considered are those provided by DEFRA 2025 and refer to diesel fuel, gasoline, LPG, propane, and electricity.

Category 3.4 Upstream transportation and distribution: the category considers emissions from inbound and outbound logistics for which Intercos Group is responsible, in addition to intercompany transport. For each route traveled (both inbound from Tier 1 suppliers and outbound to customers), the primary data considered were distance (km from origin to destination) and total weight transported along that route during the year (kg). Emission factors published by DEFRA 2025 were applied.

Category 3.5 Waste generated in operations: the primary figure considered relates to waste produced in operations (kg) owned by Group companies or under their control. Depending on the type of waste and its disposal method, emission factors published by Ecoinvent v.3.12. and DEFRA 2025 were applied.

Category 3.6 Business travel: emissions (related to business trips made by train, airplane and car, in addition to hotel stays) were calculated for calendar year 2022 based on primary data (km, no. of nights spent in hotels) retrieved from dedicated business travel booking/tracking management systems, to which emission factors published by DEFRA 2025 were applied. Emissions for calendar year 2025 were calculated by re-proportioning the previous year's emissions to the total number of employees as of December 31, 2025.

Category 3.7 employee commuting: the primary data considered relates to home-to-work distances (km) and the means of transport (car,

public transportation, etc.) used by employees. This information was collected through a special survey shared with all Group employees in 2025. Responses received were reproporioned to the total number of employees on the workforce at December 31, 2025. The emission factors published by DEFRA 22025 were applied to calculate emissions for calendar year 2025.

Category 3.8 Upstream leased assets: for this emission category, the calculation considers electricity consumption and the area occupied by the Intercos Group in non-owned assets, whose emissions have not already been counted in Scope 1 and 2. The same factors used to calculate Group Scope 1 and 2 emissions were applied.

Category 3.9 Downstream transportation and distribution: the category considers emissions generated by transportation and

distribution activities relating to sold products that are not controlled or paid for by the Group. For each route traveled (outbound to customers), the primary data considered were the distance (km from origin to destination) and the total weight transported along that route during the year (kg). Emission factors published by DEFRA 2025 were applied.

Category 3.12 End-of-life treatment of sold products: for the calculation of emissions pertaining to this category, the amount of products sold during the year by the whole Group, the composition of their packaging and their respective weight (kg), and the sales regions were considered as primary data. Assuming the product spent once it reaches the end of its life, emissions associated with the treatment of packaging alone were considered, applying emission factors published by Ecoinvent v.3.12. and DEFRA 2025.

Table 16

GHG intensity per net revenue	2024	2025	% N / N-1
53. Total GHG emissions (location-based) per net revenue	250	255	1.8%
53. Total GHG emissions (market-based) per net revenue	237	241	1.5%
Connectivity with financial reporting information			
55. The undertaking shall disclose the reconciliation to the relevant line item of the net revenue amounts (the denominator in the calculation of the GHG emissions intensity)	For the reconciliation of financial data, please refer to the Directors' Report.		
55. The undertaking shall disclose the notes in the financial statements of the net revenue amounts			
AR 55. Total net revenue	2024	2025	% N / N-1
AR 55. Net revenue used to calculate GHG intensity	1,064	1,047	-1.6%
AR 55. Ricavi netti diversi da quelli utilizzati per calcolare l'intensità di GHG	-	-	-

ESRS E1-7

Table 17

Assorbimenti	2024	2025
59. a) Total amount of carbon credits outside the undertaking's value chain in metric tonnes of CO ₂ eq that are verified against recognised quality standards and cancelled in the reporting period	25	728
59. b) Total amount of carbon credits outside the undertaking's value chain in metric tonnes of CO ₂ eq planned to be cancelled in the future	24	627





POLLUTION

ESRS E2

ESRS 2 – IRO-1

Below is a description of the main sustainability impacts related to ESRS E2:

Damage to human health and the environment caused by air pollution above legal limits

Activities related to raw material processing and cosmetics production generate air pollutant emissions, including SO_x, NO_x, and VOCs, which can have a negative impact on the environment and human health.

Water pollution above legal limits due to discharge of harmful substances in production processes

Water discharges associated with processing of raw materials and production processes contain polluting substances, which, in quantities exceeding the limits set by law, may impact water quality and ecosystems. In addition, chemicals in cosmetic products (e.g., shampoos, masks) can pollute water bodies when used by the end consumer.

Damage to human health and environmental pollution caused by the release of microplastics in products

The cosmetics industry uses microplastics in the production of some products (e.g., scrubs, exfoliants, toothpastes, make-up). During the processing and formulation of products, microplastics may be used. These microplastics could then end up as waste from manufacturing processes in waterways or within products and subsequently in nature upon use and/or disposal, thus polluting various ecosystems. In addition, as it deteriorates, the plastic material used as product packaging can lead to the production of secondary microplastics and pollute waterways.

Damage to human health and environmental pollution caused by the release of microplastics contained in products

The production of cosmetic products may make use of substances known as substances of concern/very high concern that may be harmful to the environment (due to their toxicity and persistence) and to human health of workers and/or consumers (carcinogenic, mutagenic and reprotoxic effects). These substances are found in various cosmetic products and can end up in the environment, such as waterways, contaminating them.

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The following is a description of the main risks in the ERM Framework that are affected by ESG Drivers directly or indirectly related to ESRS Topic E2. The descriptions include all pollution-related IROs that are considered material based on the Group's double materiality assessment.

Pollution management

The Group is exposed to the possible inadequate management of industrial waste and air pollutants (e.g., VOCs, NOx, PM, etc.), which could result in penalties and major remediation measures. Specifically, activities involving the handling, collection, and disposal of industrial waste and hazardous substances [ESRS E2-IRO-1 AR 9 b)] could, if not properly managed, cause contamination of soil, surface water, or groundwater through spills on land. The risk is also linked to non-compliance with public targets related to waste disposal (e.g., "zero waste directed to landfill").

With regard to pollution management, the Group has adopted an Environmental Policy that demonstrates a commitment to reducing environmental impacts. The policy is consistent with the Group's Sustainability Policy, which specifically targets the effective management of industrial waste, reducing water and air pollution, and minimizing, where technically possible, the use of substances of concern or very high concern (SVHC). In addition, specific procedures for proper waste management and pollution monitoring are adopted at a local level. With reference to pollution management, through workshop sessions and interviews with relevant management, some ESG Risk Drivers were identified, assessed and mapped in the Risk Register updated in 2024 (i.e., Operational risk due to violation of existing laws and regulations related to soil pollution and contamination due to waste mismanagement; Operational risk due to violation of existing laws and regulations related to the release of air pollutants; Operational risk due to violation of existing laws and regulations related to water pollution and contamination; Reputational risk due to failure to meet public targets related to waste disposal).

In view of the management methods adopted by the Group, this is considered a low-materiality risk.

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Product ESG requirements

The Group is exposed to the possible formulation and manufacture of products that do not qualify under environmental and social criteria, with regard to the selection and design of raw materials and packaging [ESRS E2-IRO-1 AR 9 b)]. This includes possible non-compliance with laws and regulations related to hazardous substances (e.g., SC/SVHC) and microplastic content in products, in addition to potential violations of regulations (e.g., EUDR), and/or responsible sources (e.g., RSPO) seeking to protect biodiversity.

The Group has adopted a Sustainability Policy designed to innovate formulas, ingredients and packaging. It seeks to reduce non-renewable resource use and promote the use of recycled and recyclable materials and ingredients that ensure respect for human rights and the environment along the value chain. It further promotes a strong focus on preserving natural ecosystems and biodiversity, non-deforestation, and the principles of the circular economy.

In addition, activities relating to the composition, labelling, and packaging of cosmetic products are governed by specific internal procedures, in compliance with the European Cosmetics Regulation (Regulation (EC) No. 1223/2009) and other applicable regulations.

With reference to product ESG requirements, through workshop sessions and interviews with relevant management, some ESG Risk Drivers were identified, assessed and mapped in the Risk Register updated in 2024 (i.e., Operational and reputational risk due to violation of existing laws and regulations related to the use of substance of concern/substances of very high concern; Strategic, operational and reputational risk due to release of microplastics from products into nature; Operational risk due to violation of regulations protecting biodiversity; Operational and reputational risk due to low product quality; Operational and reputational risk connected to non-compliance with labeling regulations).

Considering the strategic relevance of the topic to the sustainability of the business in the medium to long term, this risk is considered to be of medium significance.

Supply chain ESG regulatory requirements

The Group is exposed to possible non-compliance with current environmental and social laws and regulations that affect the entire supply chain, as well as possible difficulties for suppliers in adapting to new legislative scenarios that impact the relevant business (e.g., EUDR).

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Intercos encourages suppliers to adopt the shared commitment to respect the environment and society and to ensure due diligence along the entire value chain. In this regard, the Group has adopted a Sustainable Procurement Policy, which constitutes its commitment to pursuing the development of a sustainable supply chain, based on the principles of international standards such as SA 8000, ISO 14001 and ISO 45001 for supplier qualification.

In this area, supplier violation of applicable environmental laws and regulations may create operational risks for the Intercos Group, which may have to replace the supplier or suffer damages resulting from its association with such non-compliant suppliers. In terms of supply chain ESG regulatory requirements, workshop sessions and interviews with relevant Management identified a number of ESG Risk Drivers. These were assessed and mapped as part the Risk Register, which was updated in 2024 (i.e., Operational risk due to violation by suppliers of existing environmental laws and regulations).

In view of regulatory developments on the issue, particularly in the European Union, and the inherent complexity of the supply chain in the sector in which the Group operates, the risk is considered to be medium to high.

With regard to identifying actual and potential significant IROs related to the issue of upstream and downstream operations and value chain generated pollution, the Group has not conducted specific analyses on individual assets, nor has it consulted with communities directly. However, the analysis considered the production activities of the entire Group and all the geographical areas where it operates. As for the corporate scope, pollution was material for the industrial plants of: Agrate and Dovera (Intercos Europe), Olgiate Comasco (Cosmint), Congers (Intercos America), Garwolin (Tatra Spring), Dehradun (Intercos India), Suzhou (Intercos Cosmetics, Intercos Technology), Shanghai (Interfila), and Osan (Intercos Korea).





E2-1 - Policies related to pollution

The Group does not currently have a comprehensive policy specifically dedicated to the mitigation of adverse impacts related to air, water, and soil pollution, nor to the management and replacement of SVCs and SVHCs.

The issue of pollution is addressed in the Sustainability Policy adopted by the Group. For details of the Group Sustainability Policy, see the section "Sustainability Strategy".

The Group's Global Health and Safety Policy reiterates its commitment to ensuring safe and healthy operations worldwide to protect the health of its employees and the community surrounding its operations, to protect its assets, and to ensure business continuity. For details of the Group's Global Health and Safety Policy, see the section "Our people".

Management of these issues is delegated to individual companies, which operate through local procedures defined in accordance with the environmental and safety regulations in force in their respective geographical areas, and consistently with internationally recognized environmental management system and health and safety certification standards. Local entities also ensure that regulatory compliance is monitored and corrective action is taken where necessary, ensuring ongoing oversight of the environmental and health and safety risks associated with the use of potentially hazardous substances.

In addition, approximately 53% of the Group's production sites have certified their environmental management systems to the international standard **ISO 14001**.

Among other activities, certified sites conduct periodic training, in accordance with the ISO standard.

E2-2 - Actions and resources related to pollution

The Group takes specific actions and allocates targeted resources to prevent, reduce and manage pollution-related environmental impacts in line with current regulations and corporate sustainability goals.

Regarding **water pollution**, the Intercos Group adopts actions to prevent and mitigate negative environmental impacts, committing to comply with the regulatory limits set by local authorities at each production site or, where applicable, the limits defined by existing environmental management systems where these are more stringent. These limits are monitored through the installation and use of internal wastewater treatment and purification systems at the various production sites. These actions particularly affect a number of Group Companies, including: Intercos Europe, Cosmint, Intercos India, Intercos Cosmetics, Intercos Technology and Intercos Korea. They are managed locally by HSE teams with dedicated resources and clearly defined operational responsibilities.

These systems are subject to ongoing monitoring of environmental performance, with periodic reviews of discharge quality parameters and evaluations of the effectiveness of measures taken to maintain regulatory compliance and progressively improve environmental performance.

These measures are adopted as an integral part of the ongoing operational management of the sites and are not associated with a specific completion deadline, taking the form of permanent impact prevention and mitigation measures.

With respect to **air pollution**, since production-related activities generate air pollutant

emissions, including sulfur oxides (SOx), nitrogen oxides (NOx), and volatile organic compounds (VOCs), which have a negative impact on human health and the environment, the Intercos Group is committed to preventing such effects by complying with mandatory air quality protection regulations and carries out periodic monitoring to maintain compliance with set thresholds. The relevant technical departments of each facility identify **emission sources** to target and monitor the pollutants emitted during the production process through specific analyses conducted by qualified third-party laboratories and enacting appropriate corrective actions where anomalies are identified. This monitoring is carried out periodically, at least once a year, in line with the requirements defined by local authorities (which may vary depending on the region) and in line with the environmental management systems in place. Intercos Europe plants, for example, carry out monitoring activities several times a year. This activity is managed locally by the HSE teams and designated technical personnel. The results of monitoring activities are analyzed to assess emission trends over time and verify the effectiveness of the prevention measures adopted, supporting any changes to technical and management works.

With special reference to **substances of concern** (SVCs and SVHCs), the Group remains committed to replacing and minimizing the use of such substances, with the ultimate goal of phasing them out. To date, no centralized model for hazardous chemicals has been defined, with management delegated to individual local HSE units, primarily at the manufacturing site level.

The majority of Group companies have specific procedures for handling chemicals that

are potentially hazardous to the environment, in line with applicable laws and/or regulations in the various countries where Intercos operates. The objective of the procedures adopted is to ensure the progressive reduction of environmental and health risks associated with the use of hazardous substances and continued, full regulatory compliance in the various operating settings.

For companies based in Europe, the regulatory references are European **Regulations 1907/2006 (REACH), 1272/2008 (CLP) and 2015/830 (SDS)**. To comply with legal requirements, the introduction of chemical agents at plants follows a robust, computerized process that provides for approval from the representatives of various company departments. This process ensures that all safety aspects and their impacts are considered and managed appropriately, including verification of compliance of safety data sheets received from suppliers.

In 2023, Intercos S.p.A. and Intercos Europe S.p.A published a declaration concerning **Intercos' approach to CMRs**, i.e., carcinogenic (C), mutagenic (M), and reprotoxic (R) substances and mixtures. Intercos is specifically committed to maintaining safe and healthy operational activities to protect the health of its workers, the natural environment, and the communities where its production plants are located.

By publishing this statement, Intercos hopes to discourage the use of CMRs in cosmetic formulas, to the benefit of the entire value chain: from workers to the end consumer, playing an active part in finding innovative and clean solutions, starting with raw materials. This approach has been taken up by other Group companies with the ultimate goal of monitoring and minimizing adverse impacts.





This course of action saw three fragrances containing reprotoxic substances not accepted for use in 2025. A countertype free of those substances was therefore requested, and within a few weeks it was made by suppliers and thus used in products delivered to customers.

The actions described in this section are promoted at company level by Global Industrial Operations and implemented by the R&I, HSE, and Industrial Operations managers of the various Group companies. These actions are also part of the operational management of the Group's industrial plants and the existing environmental management systems. The recurring actions described in this section are part of ordinary operations, and did not incur significant operational or capital expenditures in 2025. The expected results are to prevent and reduce environmental impacts associated with industrial emissions and discharges, and to maintain regulatory compliance and continuously improve the environmental performance of the Group's production sites.

E2-3 – Targets related to pollution

The Group did not define specific pollution-related targets in its 2019-2025 Sustainability Plan.

Currently, the Group's defined ambition level regarding pollution focuses on maintaining a responsible approach, based on periodic monitoring and management of the environmental impacts in question.

While the Group does not have specific quantitative reduction targets, it is committed to ensuring full compliance with all legal requirements. This specifically involves keeping pollution levels consistently below the maximum thresholds stipulated by regulations, or in any case below the limits set by existing Environmental Management Systems - where these indicate more stringent limits than local regulations. At the same time, the Group promotes continuous improvement in identifying and mitigating potential environmental risks. In this regard, the process of monitoring implementation of the policies and actions in place is managed by the local HSE functions and supervised by the Industrial Operations managers.

Starting in 2026, the Group will further strengthen its commitment on this front with the “**Beyond 2025**” Sustainability Plan, within which two targets have been set to prevent and mitigate potential negative impacts related to pollution. Specifically, the targets are as follows:

- Promote alternatives to CMR substances used in formulations in all Group legal entities;
- Work toward ensuring zero SVC/SVHC emissions to air and water from our production sites over time, in full compliance with the most up-to-date applicable regulations, and strive to do our utmost to maintain zero emissions in the long run.

See the section “Sustainability Strategy” for further information on the Sustainability Plans, the process to set targets, and on the process for monitoring and identifying areas for improvement.

METRICS ESRS E2 ESRS E2-4

Table 18

ESRS E2-4 – Pollution of air, water and soil	2024	2025	u.m.
28. a) Emissions of pollutants into the air	12.69	18.65	t
28. a) Emissions of pollutants into the water	28.22	69.64	t
28. a) Emissions of pollutants into the soil	0	0	t
28. b) Microplastics generated and used	105.7	80.36	t
28. b) Microplastics generated	0	0	t
28. b) Microplastics used	105.7	80.36	t
30. The undertaking shall put its disclosure into context and describe:			
30. a) The changes over time		The increase in pollutants found is mainly attributable to the increase in water emissions (COD and TSS) related to the greater volume of water discharges from the Suzhou plants.	Text
30. b) The measurement methodologies;		The data reported derive from direct measurements carried out by accredited bodies at emission points, in the case of emissions of pollutants into air, and at discharge points, in the case of emissions of pollutants into water.	Text
30. c) The process(es) to collect data for pollution-related accounting and reporting		The data collection process involved the HSE teams of each company, who communicated the quantities of emissions for each pollutant released into the air or water, based on the analysis reports issued by the accredited bodies that carried them out.	Text

Table 19

28. a) Emissions of pollutants into the air	2024	2025	u.m.
Total emissions	12.69	18.65	t
Particulate matter (PM)	1.78	2.46	t
Mica, Talc, and similar substances	0	0	t
Ammonia (NH3)	0.21	0.13	t
Chlorides as hydrochloric acid (HCl)	0.49	0.38	t
Volatile organic compounds (COV)	9.8	2.15	t
NOx	0.38	8.39	t
SO ₂	0.02	0.10	t
CO	0.0002	5.03	t
28. a) Emissions of pollutants into the water	2024	2025	u.m.
Total emissions	28.22	69.64	t
TSS	3.24	9.10	t
BOD5	11.2	14.86	t
COD	12.8	42.11	t
Aluminium	0.02	0.07	t
Boron	0.09	0.03	t
Iron	0.02	0.20	t
Zinc	0.04	0.05	t
Phosphorus	0.03	0.25	t
Ammonia nitrogens	0.15	2.09	t
Nitric nitrogen	0.16	0.31	t
Total nitrogen	0.36	0.14	t
Total surfactants	0.12	0.44	t





ESRS E2-5

E+B2:O52-5 - Substances of concern and substances of very high concern	Amounts generated or used during the production or that are procured		Amounts that leave the facilities as emissions, as products, or as part of products or services		Amounts that leave the facilities as emissions		Amounts that leave the facilities as products		Amounts that leave the facilities part of products		Amounts that leave the facilities as part of services		Uom
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	
34. Substances of concern	0	0.29	0	0.23	0	0.08	0	0	0	0.15	0	0	t
35. Substances of very high concern	0	13.15	0	13.15	0	0.00	0	13.15	0	0	0	0	t

The Company is updating the monitoring methods and data collection processes relating to this indicator. This methodological adjustment may have contributed to the differences found compared to the previous year, with the aim of ensuring greater consistency and ever better accuracy of the values reported over time.

WATER AND MARINE RESOURCES

ESRS E3

ESRS 2 – IRO-1

Below is a description of the main sustainability impacts related to ESRS E3:

Water scarcity in high water stress areas due to excessive water consumption

The skin, hair & personal care (SHPC) segment of the cosmetics industry uses a large amount of water as the main ingredient in terms of product volume. Against this backdrop the Group has examined its operations based on the specific production mix, noting the companies with the greatest exposure as they operate in the skin, hair & personal care segment.

Some Intercos Group plants also operate in high water stress areas. The Group has therefore examined its operations using a water stress analysis tool based on the geographic region (Aqueduct Water Risk Atlas). Plants located in a medium-high or high water stress area are considered the most exposed. The level was analyzed at the baseline year, which was 2024.

Finally, some types of Group cosmetic products involve water during their use by consumers and may therefore contribute to water stress in areas with limited water resources. The Group has not carried out any specific analysis in this regard.

The following is a description of the main risks in the ERM Framework that are affected by ESG Drivers directly or indirectly related to ESRS Topic E3.

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Scarcity of resources

The Group is exposed to potential operational issues arising from the potential lack of availability of water resources. In this regard, it is noted that given the fragmentation of raw materials purchased, and the continuous renewal of the range of products sold, and thus the continuous turnover of raw materials used, it is complex and would be unrepresentative to conduct a sensitivity analysis with specific reference to strategic and operational risks related to possible interruptions in suppliers' activities caused by water scarcity. However, and as has been the case in the past, for many products sold, Intercos develops the formula internally, and therefore the resulting bargaining power allows any situations of price and supply chain volatility to be reflected back to the end customer.

The Group has always responded positively to the historical trend of increasing raw material prices, leading to both market recognition in terms of product penetration and the maintenance of business relationships with customers as a result of price adjustments. The Group also constantly works to make its procurement policies more efficient, both in terms of consolidating business relationships with its suppliers and in terms of the search for any new solutions required for the Company's innovation and production needs, in addition to alignment with the developing regulatory framework. The stimulus created by the need to respond proactively to the challenges posed by the commodities market may represent an opportunity for the Company, in terms of continuous innovation and consequent consolidation of its competitive advantage.

With reference to natural resource scarcity, through workshop sessions and interviews with relevant management, some ESG Risk Drivers were identified, assessed and mapped in the Risk Register updated in 2024 (i.e., Operational risk due to water scarcity; Operational risk due to potential increase in cost of goods and services related to the need for suppliers to adapt to climate change and/or mitigate its physical impacts; Operational and strategic risk related to interruption and/or limitation of suppliers' activities due to water scarcity issues or the introduction of new regulations in this regard; Operational and strategic risk related to reduced availability of strategic virgin raw materials).

This risk is considered to be of medium significance.

Consultations were not conducted with affected communities for the analyses carried out by the Group.





E3-1 - Policies related to water and marine resources

The topic of water and marine resources is addressed in the Group's Environmental Policy. With particular reference to water and marine resources, in accordance with its quality standards, the Group is committed to monitoring and limiting water consumption in the production process and raising awareness among its employees, promoting a culture of eliminating water waste. The policy does not specify the following areas: water treatment as a step toward more sustainable sourcing of water; prevention and abatement of water pollution from Group activities; and commitment to reducing water consumption in areas at water risk in its own operations and along its upstream and downstream value chain.

For details of the Policy, see the section "Climate Change".

The topic is also addressed in the Group Sustainability Policy, which, among other things, expresses the Group's commitment not only to reducing water consumption in production processes, but also to reducing water pollution. For details of the Group Sustainability Policy, see the section "Sustainability Strategy".

As with other environmental aspects, there is currently no centralized model for the management of water supplies and discharges; **operating decisions** regarding the treatment of these aspects is left to individual companies or plants through specific procedures based on **local regulations**.

As regards establishments located in areas subject to medium to high water stress, the Group has not adopted specific policies and/or procedures to reduce water consumption

in these areas through 2025. However, 53% of the production plants in question have certified their environmental management systems to the international **ISO 14001** standard, introducing periodic training activities in accordance with the standard, among other things. In addition, all plants have been equipped with meters to measure and monitor the contributions of the different areas to identify potential areas for improvement and any losses that may be controlled, minimized, or eliminated. Over the coming years, the Group will consider updating and/or supplementing existing policies and/or procedures to govern how water is managed in these specific cases. It will also explicitly state its commitment to reducing water consumption along its upstream and downstream value chain.

E3-2 - Actions and resources related to water and marine resources

In 2022, the Group introduced specific indicators related to the management of water resources as part of operational performance-monitoring KPIs, launching a water resource **monitoring and optimization plan** to achieve continuous improvements in these areas. As of 2025, the Sustainability Plan, which was formalized in 2019, did not include a specific water-management indicator. Awareness of this issue has crystalized over time and been consolidated, albeit outside Sustainability Plan monitoring, with the same management and control methods.

At Cosmint, for example, an in-depth pipeline analysis began in 2024 and continued until 2025. The study sought to identify and repair any leaks in the water network within the scope of industrial operations.

In 2025, following an initial phase in which meters were installed at all Group production sites, further meters were subsequently added to render the mapping and segmentation of different contributions even more accurate and to apply specific improvement measures. In the short term, this will allow water consumption reduction targets to be set within individual production plants, which will contribute to the Group-wide reduction target outlined in the new sustainability plan.

No significant operational and/or capital expenditures were incurred in 2025 from the aforementioned actions. Future allocable financial resources are considered confidential as they are part of the Group business plan, which is not publicly available.

In terms of potential negative impacts, the hair & body segment of the cosmetics sector uses a large amount of water, particularly as a product ingredient, and several Intercos Group plants operate in high water stress areas. Some types of Group cosmetic products involve water during their life cycle and may therefore generate water stress in areas with limited water resources.

Intercos undertakes to mitigate this impact through research and development activities to reduce both the quantity of water used in rinsing activities (particularly for rinse-off products), and through initiatives to reduce process water consumption, such as the installation of an ultrafiltration water recovery plant at the Agrate site. The numerous initiatives adopted in 2025 by Cosmint provide a further example of the Group's commitment to reducing its impact on water resources. The following initiatives saw the company make a significant contribution to reducing water consumption:

- Optimization of vacuum pump tanks: improvements were made to increase the effi-

ciency of the vacuum pumps' water supply systems by replacing existing components and introducing pneumatic valves and mechanical temperature control devices. These solutions enable controlled water replenishment commensurate with actual operational needs, contributing to the waste reduction.

- Efficient use of water in the plants' turbines: the installation of pneumatic valves were installed that are activated only when the turbines start-up. This has made it possible to limit the water use to the phases when the plants are actually operating, avoiding unnecessary consumption during downtime.
- Replacement of hot water boilers in the shafts: the previous leaky and inefficient boilers were replaced with new, higher-performance systems. The work eliminated water leakage, improving the hot water distribution network's efficiency and reducing overall consumption.
- Installation of a CIP (cleaning-in-place) system with a spray-balls for washing equipment in one of the production departments: the CIP system with spray-balls is an automated cleaning technology (Cleaning-In-Place) that uses balls equipped with (static or rotating) nozzles to spray detergents and water at high pressure inside tanks and pipes, cleaning them without disassembling them, to ensure hygiene and efficiency while reducing risks. Rotating spray-balls are more efficient and cover surfaces better than static spray-balls, making them cost-effective for continuous production.
- Verification of the internal water network and production facilities to facilitate early detection of hidden leaks or consumption anomalies. Work included consumption monitoring, scheduled technical inspections, and corrective action to repair or replace inefficient components.





In 2025, the Group facilities operating in areas identified as **medium to high water stress**¹⁰ are the following: Intercos India, Intercos Korea, Intercos Cosmetics, Intercos Technology and Interfila Cosmetics.

Since 2022, all legal entities in the Group have monitored the performance of two water-related indicators: water withdrawn for all uses, for each site, and industrial water discharged; based on analysis of the metering and monitoring data, improvement actions have been initiated, such as leak detection and the gradual replacement of taps and discharge devices with timed or reduced consumption devices.

The actions detailed in this section are promoted at corporate level by Global Industrial Operations and carried out by the HSE and Industrial Operation managers of the various Group companies. In addition, the actions described in this section are part of the operational management of the Group's industrial plants and environmental management systems in place. The operating and capital expenditures incurred during 2025 are not significant.

E3-3 - Targets related to water and marine resources

The Group's water management approach is geared toward reducing water consumption, with a focus on process optimization and efficiency. The indicators used to measure progress include the volume of water withdrawn for industrial purposes and the volume of industrial water discharged. Although no quantitative consumption reduction targets have been set (and, therefore, no specific ambition level has been defined), the Group remains committed to maintaining constant monitoring and promoting continuous improvement.

The Group has introduced specific water-management indicators in its operations and launched a monitoring plan to improve performance.

Starting in 2026, in line with the process undertaken, the Group will further strengthen its ongoing commitment with the "**Beyond 2025**" Sustainability Plan, expanding its level of ambition and the time horizon. In this regard, the Plan includes a target for reductions in water consumption intensity in relation to the pieces produced in the year.

See the section "Sustainability Strategy" for further information on the Sustainability Plan, the process to set targets, and on the monitoring process.

¹⁰ The Aqueduct Water Risk Atlas tool, developed by the World Resources Institute, was used to carry out these assessments and to identify water stress areas. Specifically, water stress areas are considered to be those classified as "medium-high", "high", and "extremely high".

METRICS ESRS E3 ESRS E3-4

Table 20

ESRS E3-4 – Water consumption	2024	2025	Uom
28. a) total water consumption	130,741	72,821	m ³
28. b) total water consumption in areas at water risk, including areas of high-water stress	73,767	37,008	m ³
28. c) total water recycled and reused	3,033	10,034	m ³
28. d) total volume of water stored in Q1	8,841	2,668	m ³
28. d) change in total volume of stored water between Q1 and Q2	962	663	m ³
28. d) total volume of water stored in Q2	9,803	3,331	m ³
28. d) change in total volume of stored water between Q2 and Q3	664	-60	m ³
28. d) total volume of water stored in Q3 3	10,467	3,271	m ³
28. d) change in total volume of stored water between Q3 and Q4	513	-543	m ³
28. d) total volume of water stored in Q4	10,980	2,728	m ³
28. d) total volume of water stored throughout the year	2,139	60	m ³
28. e) % share of the measurement obtained from direct measurements, sampling and extrapolation, or best estimate	100	100	%
29. Total water consumption in its own operations in m3 per million EUR net revenue	122.77	36.08	m ³ /mln€
AR 30. Optional - Provide information on other breakdowns	-	-	-
RA 31. water consumption per worker (m3/Number)	32.09	17.37	m ³ /HC
AR 32. Optional - Water withdrawals	434,100	422,846	m ³
AR 32. Optional - Water discharges	303,359	350,025	m ³

E3-4a – Water withdrawal by source (in m³)

Table 21

	All areas		High water stress areas		Uom
	2024	2025	2024	2025	
Surface water (total)	0	0	0	0	m³
Fresh water (<=1.000 mg/L total dissolved solids)	0	0	0	0	m ³
Other water (> 1.000 mg/L total dissolved solids)	0	0	0	0	m ³
Groundwater (total)	4,071.00	4,324	1,890.00	1,997.3	m³
Fresh water (<=1.000 mg/L total dissolved solids)	4,071.00	4,324	1,890.00	1,997.3	m ³
Other water (> 1.000 mg/L total dissolved solids)	0	0	0	0	m ³
Seawater (total)	0	0	0	0	m³
Fresh water (<=1.000 mg/L total dissolved solids)	0	0	0	0	m ³
Other water (> 1.000 mg/L total dissolved solids)	0	0	0	0	m ³
Produced water (total)	0	0	0	0	m³
Fresh water (<=1.000 mg/L total dissolved solids)	0	0	0	0	m ³
Other water (> 1.000 mg/L total dissolved solids)	0	0	0	0	m ³
Third-party water (total)	430,029	418,521	103,788	131,750	m³
Fresh water (<=1.000 mg/L total dissolved solids)	430,029	418,521	103,788	131,750	m ³
Other water (> 1.000 mg/L total dissolved solids)	0	0	0	0	m ³
Total water withdrawal	434,100	422,846	105,678	133,747	m³
Fresh water (<=1.000 mg/L total dissolved solids)	434,100	422,846	105,678	133,747	m ³
Other water (> 1.000 mg/L total dissolved solids)	0	0	0	0	m ³





E3-4b – Water discharges by destination

Table 22

	All areas		High water stress areas		Uom
	2024	2025	2024	2025	
Surface water (total)	0	0	0	0	m³
Fresh water (≤ 1000 mg/L total dissolved solids)	0	0	0	0	m ³
Other water (> 1000 mg/L total dissolved solids)	0	0	0	0	m ³
Groundwater (total)	0	2,327	0	0	m³
Fresh water (≤ 1000 mg/L total dissolved solids)	0	2,327	0	0	m ³
Other water (> 1000 mg/L total dissolved solids)	0	0	0	0	m ³
Seawater (total)	0	0	0	0	m³
Fresh water (≤ 1000 mg/L total dissolved solids)	0	0	0	0	m ³
Other water (> 1000 mg/L total dissolved solids)	0	0	0	0	m ³
Produced water (total)	0	0	0	0	m³
Fresh water (≤ 1000 mg/L total dissolved solids)	0	0	0	0	m ³
Other water (> 1000 mg/L total dissolved solids)	0	0	0	0	m ³
Third-party water (total)	303,359	347,698	31,991	91,168	m³
Fresh water (≤ 1000 mg/L total dissolved solids)	259,619	322,500	0	0	m ³
Other water (> 1000 mg/L total dissolved solids)	43,739	25,198	31,911	91,168	m ³
Total water discharge	303,359	350,025	31,911	91,168	m³
Fresh water (≤ 1000 mg/L total dissolved solids)	259,619	324,827	0	0	m ³
Other water (> 1000 mg/L total dissolved solids)	43,739	25,198	31,911	91,168	m ³

ESRS E3-4d – Water intensity, cubic metres on net revenue	Value		Uom
	2024	2025	
Total water consumption	130,741	72,821	m ³
Net revenue	1,064,904	1,047.233	mIn€
Water intensity (m³/million EUR)	122.77	69.54	m ³ /mIn€

ESRS E3-4e – Intensity – cubic meters per employee	Value		Uom
	2024	2025	
Total water consumption	130,741	72,821	m ³
Employees	4,074	4,193	Number
Water consumption per employee (m /number)	32.09	17.37	m ³ /mIn€

Water consumption data were calculated based on the difference between water withdrawals and water discharges from all Group industrial plants.

Volumes of recycled, reused, and stored water were promptly reported from specific meter readings at the relevant points.

Water withdrawals are promptly reported by source, based on bills received from water utilities or, in the absence of such information (e.g., for offices leased in rented buildings), based on the number of people present.

Water discharges are promptly reported by source, based on meter readings at production plant outlets or, where unavailable, based on water consumption within the production sites. For offices with fewer than 100 FTEs, in the absence of significant industrial consumption, withdrawals were estimated to be equal to discharges.

BIODIVERSITY AND ECOSYSTEMS

ESRS E4

ESRS 2 – SBM-3; IRO-1

Below is a description of the main sustainability impacts related to ESRS E4:

Damage to ecosystems and loss of biodiversity due to palm oil cultivation and deforestation
The cultivation of palm oil for the production of cosmetic products has led to progressive deforestation. This impacts biodiversity, meaning the variety of living organisms that are essential for clean air, clean water, good soil quality, and to help combat climate change. In addition, some of the Group's production facilities, particularly those located in Brazil and India, are located in or near biodiversity-sensitive areas and, therefore, may have a negative impact on the surrounding ecosystem.

The following is a description of the main risks in the ERM Framework that are affected by ESG Drivers directly or indirectly related to ESRS Topic E4.

Product ESG requirements

The Group is potentially at risk of formulating and producing products that do not qualify under environmental and social criteria, in terms of the selection and design of raw materials and packaging. Protecting biodiversity is receiving increasing attention from legislators. The introduction of deforestation regulations (e.g., the EUDR Regulation) in particular will lead to new obligations with which companies will have to comply. If the company fails to respond to regulatory demands regarding biodiversity, it could face payment of penalties and reputational risks.

The Group has adopted a Sustainability Policy designed to innovate formulas, ingredients and packaging. It seeks to reduce non-renewable resource use and promote the use of recycled and recyclable materials and ingredients that ensure respect for human rights and the environment along the value chain. It further promotes a strong focus on preserving natural ecosystems and biodiversity, non-deforestation, and the principles of the circular economy.

In addition, activities relating to the composition, labelling, and packaging of cosmetic products are governed by specific internal procedures, in compliance with the European Cosmetics Regulation (Regulation (EC) No. 1223/2009) and other applicable regulations.

In terms of product ESG requirements, through workshop sessions and interviews with relevant managers, a number of ESG Risk Drivers were identified, assessed and mapped as part of the Risk Register updated in 2024 (i.e., Operational risk due to violation of regulations protecting biodiversity [e.g. EUDR]).

Considering the strategic relevance of the topic to the sustainability of the business in the medium to long term, this risk is considered to be of medium significance.

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Supply chain ESG regulatory requirements

The Group is exposed to possible non-compliance with current environmental and social laws and regulations that affect the entire supply chain, as well as possible difficulties for suppliers in adapting to new legislative scenarios that impact the relevant business (e.g., EUDR).

The Group has adopted a Sustainability Policy that seeks to innovate formulas, ingredients and packaging to reduce non-renewable resource use and promote the use of recycled and recyclable materials and ingredients that ensure respect for human rights and the environment along the value chain. In addition, it places a strong focus on the preservation of natural ecosystems and biodiversity, non-deforestation and the principles of circular economy. The Group also encourages suppliers to adhere to the shared commitment to respect the environment and society and to ensure due diligence along the entire value chain. In this regard, the Group has adopted a Sustainable Procurement Policy, which constitutes its commitment to pursuing the development of a sustainable supply chain, based on the principles of international standards such as SA 8000, ISO 14001 and ISO 45001 for supplier qualification.

In this regard, the Group's constant search for supply collaborations with players that comply with current ESG regulations, as well as those that are able to adapt to any new regulations, may result in a general increase in supply costs due, on the one hand, to the need to select suppliers with specific characteristics, including in terms of size, resulting in greater bargaining power, and, on the other hand, to the effective higher charges that suppliers incur, reflected in the cost of raw materials purchased, in order to comply with ESG requirements.

Finally, the Group considers the impacts that such cost increases could have in terms of price revisions, with consequent impact on its relationships with its customers. This is considered within long-term plans, both in terms of foreseeable increases in raw material costs and inevitable price increases to end customers.

With reference to supply chain ESG regulatory requirements, through workshop sessions and interviews with relevant management, some ESG Risk Drivers were identified, assessed and mapped in the Risk Register updated in 2024 (i.e., Transitional risk due to the introduction of new legislation on the management of the supply chain; Operational risk due to violation by suppliers of existing environmental laws and regulations, i.e. pollution and waste management; Operational risk due to potential increase in cost of goods and services related to the need for suppliers to adapt to biodiversity laws; Operational and reputational risk related to suppliers' noncompliance with social laws and regulations related to worker's human rights, including health and safety).

In view of regulatory developments on the issue, particularly in the European Union, and the inherent complexity of the supply chain in the sector in which the Group operates, the risk is considered to be medium to high.

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The Group does not have significant direct impacts on biodiversity because, in almost all cases, the production sites are located in areas that are unprotected or of low biodiversity value.

The only exceptions are the production sites of Intercos do Brasil (Atibaia, with an area of 6,232 m² located in a protected area) and Intercos India (Dehradun, 21,688 m² located in a high biodiversity value area). Specifically, the Atibaia production site is located within the Apa Sistema Cantareira environmental protection area in Brazil, while the Dehradun production site is located in a key biodiversity area in northern India. The methodology used considered the geographic location of production sites with respect to the WWF Biodiversity Risk Filter and the World Database on Protected Areas (WDPA).

No activities have a negative impact on the biodiversity-rich areas where the above sites are located, nor were any material negative impacts identified with regard to threatened species.

Finally, the Group has not identified any material adverse impacts with regard to land degradation, desertification or soil sealing.

E4-1 - Transition plan and consideration of biodiversity and ecosystems in strategy and business model

In view of the direct scope, the Group's production sites are mainly located in unprotected areas or areas of low biodiversity value. The Group has not conducted an assessment of current strategy and business model resilience to physical, transitional, and systemic risks related to biodiversity and ecosystems, but intends to formalize a study of that nature in the coming years. Although the Group does not have a specific biodiversity policy, this issue is noted within the relevant section.

In view of the indirect impacts on the value chain, the Group pays special attention to safeguarding biodiversity by gathering the necessary traceability information when purchasing raw materials considered high-risk for biodiversity. The most relevant material from this point of view is **palm oil** and its derivatives of natural origin. Palm oil is a substance

of vegetable origin that, in and of itself or as a derivative obtained by reaction or extraction of certain components, is used in the cosmetics industry for the production of **foaming surfactants**. It is particularly found in **cleansing products**, from soaps to bath foams, in almost all types of **emulsions** (such as creams and milks), in shaving products and in makeup, from lipsticks to pencils.

In the last thirty years the cultivation of oil palm has developed in **South-East Asia**, especially, where, together with the wood industry, it is considered the main driver of **extensive deforestation**. The conversion of tropical forests to vast oil palm monocultures leads to the disappearance of valuable **rainforests**, the **deterioration of peatlands**, the suppression of unique **natural ecosystems** and, consequently, a loss of **biodiversity**. While the significant changes in land use cause **erosion** and **hydrogeological disruption** in the territories concerned, continuous deforestation and conversion of forests into plantations also produce a sharp increase





in **greenhouse gases** in the atmosphere, thus contributing to global **climate change**.

It is reported that the cosmetics industry plays a relatively minor role compared to other global industries (e.g., the food sector) in terms of volume. The Group is aware of the need to protect biodiversity and forests in areas prone to such risks and has chosen to become a member of the **Roundtable on Sustainable Palm Oil (RSPO)**. This nonprofit association has defined specific environmental and social criteria seeking to develop an **international standard** for sustainable palm oil, and to adopt a strategy to achieve and maintain **100% RSPO-certified palm oil by 2030**. See the section "Sustainability Strategy" for further information on the Group's targets.

E4-2 - Policies related to biodiversity and ecosystems

Intercos takes a proactive approach to responsible resource management, seeking to minimize environmental impacts and contribute to the conservation of natural ecosystems and biodiversity. This commitment applies to all legal entities within the Group, regardless of location, and is outlined in the Sustainability Policy and Code of Conduct.

For details of the Group Sustainability Policy, see the section "Sustainability Strategy". For details of the Code of Conduct, see the section "Business Ethics" .

No material adverse effects were identified through an assessment of the company's direct impact on biodiversity and natural ecosystems. This assessment included the two sites located in high biodiversity value areas, namely the Atibaia production site in Brazil, whose 5,961m² building is located within a protected area, and the Dehradun production site in India, whose 21,688m² building is located in a high biodiversity value area. The area of the Brazilian site has been restated from 2024 due to a re-assessment of the occupied area.

Nevertheless, the Group remains committed to continuously monitoring its activities to ensure that any potential future impacts on biodiversity are promptly identified and mitigated, consistently with its broader environmental strategy.

With particular reference to palm oil, although significant measures have been taken to mitigate the risks associated with the supply of palm oil and derivatives, there is still no specific policy in the area of deforestation for all materials of plant-based origin. However, in line with updates made in the area of sustainable materials procurement and R&D, the Group will consider possible ad hoc supplementation of existing procedures, including in response to changing regulations and increasing expectations in this area.

E4-3 - Actions and resources related to biodiversity and ecosystems

As part of the biodiversity impact assessment, the Group evaluated the potential effects of its activities on deforestation. The main impacts identified are related to the **palm oil** value chain, where there is a potential risk of indirect involvement in deforestation activities.

In addition to the commitment to supporting environmental protection, a specific strategy has been developed to mitigate these risks. Specifically, in 2019, a concrete target was defined within the Sustainability Plan, enacted at Business Unit level. The target is to source 100% RSPO-certified palm oil derivatives for new products formulated and manufactured by 2025.

From 2019, the Group's subscription as an **Ordinary Member of the RSPO association** constitutes a renewed commitment to traceability of purchased palm oil through a specific **Annual Communication on Progress (ACOP)**, to report on its progress towards sustainability objectives.

96% of the Intercos Group's raw materials - by volume purchased and relative to palm oil content - **were RSPO-certified** in 2025.

Finally, the Group has not employed measures to offset impacts on biodiversity and deforestation in its action plans. In addition, for the definition and development of actions related to biodiversity and ecosystems, neither nature-based solutions nor direct engagement activities with local and indigenous communities to take cues from their knowledge were considered.

The actions detailed in this section are promoted at corporate level by the R&D function and enacted by the Group's various business units. The recurring actions described in this section are part of ordinary operations and did not incur significant operational or capital expenditures in 2025.

E4-4 - Targets related to biodiversity and ecosystems

As part of its Sustainability Plan, developed in 2019 and with targets to 2025, with respect to biodiversity protection, the Group has set a key target:

Sourcing 100% RSPO-certified palm oil derivatives for new products formulated and manufactured by 2025 (target #9).

Starting in 2026, in line with the process undertaken, the Group will further strengthen its ongoing commitment with the **"Beyond 2025"** Sustainability Plan, expanding its level of ambition and the time horizon. In this regard, the Plan identifies specific targets designed to prevent and mitigate potential negative impacts on biodiversity:

- Achieve and maintain 100% RSPO-certified raw materials of total purchased palm oil derivatives, supported by RSPO certification of Group sites;
- Ensure a fully traceable, zero-deforestation supply of forest-derived critical packaging materials purchased by the Group by 2035 through a phased plan involving the various Group Companies over time or, where this is not possible, take all necessary mitigation actions to prevent deforestation.





See the section “Sustainability Strategy” for further information on the Sustainability Plan and monitoring. In any case, the targets are not directly aligned with the Kunming-Montreal Global Biodiversity Framework. To set these targets no ecological thresholds were applied, and no biodiversity offsets were used. The targets relate to the identified negative impact on biodiversity and can be allocated to the minimization layer of the mitigation hierarchy.

METRICS ESRS E4 ESRS E4-5

Table 23

ESRS E4-5 – Impact metrics related to biodiversity and ecosystems change			
35. If the undertaking identified sites located in or near biodiversity-sensitive areas that it is negatively affecting, the undertaking shall disclose			Uom
	2024	2025	
35. the number of sites owned, leased or managed in or near these protected areas or key biodiversity areas	2	2	Number
35. the area (in hectares) of sites owned, leased or managed in or near these protected areas or key biodiversity areas	2.79	2.76	ha

RESOURCE USE AND CIRCULAR ECONOMY

ESRS E5

ESRS 2 – IRO-1

Below is a description of the main sustainability impacts related to ESRS E5:

Depletion of natural resources due to excessive consumption of virgin raw materials

Among the resources the cosmetics industry uses to manufacture products are those of natural origin, reducing their availability and causing potential damage to source ecosystems. Added to this is the use of packaging materials.

Land occupation and pollution due to waste generated

Directing waste to landfill causes land occupation and soil pollution, resulting in impacts on the environment and human health. This can also occur for products that, having reached their end-of-life, are not sent for recycling, reuse, and/or recovery.

The following is a description of the main risks in the ERM Framework that are affected by ESG Drivers directly or indirectly related to ESRS Topic E5.

Scarcity of resources

The Group is exposed to possible operational issues arising from the potential lack of availability of water resources and raw materials or the increase in their price (ref. “Fluctuation in the price of raw materials”) due to their potential scarcity in the short, medium and long term. The risk also relates to a potential increase in the cost of purchased goods as a result of adaptation measures that suppliers might take in response to climate change.

The Group has adopted a Sustainability Policy that seeks to innovate formulas, ingredients, and packaging in order to reduce non-renewable resource use and promote the use of recycled and recyclable materials and ingredients that ensure respect for human rights and the environment along the value chain. In addition, it places a strong focus on the preservation of natural ecosystems and biodiversity, non-deforestation, and the principles of the circular economy. The Group also encourages suppliers to uphold the shared commitment to respect the environment and society and to ensure due diligence along the entire value chain. With reference to natural resource scarcity, through workshop sessions and interviews with relevant management, some ESG Risk Drivers were identified, assessed and mapped in the Risk Register updated in 2024 (i.e., Operational risk due to water scarcity; Operational risk due to potential increase in cost of goods and services related to the need for suppliers to adapt to climate change and/or mitigate its physical impacts; Operational and strategic risk related to interruption and/or limitation of suppliers’ activities due to water scarcity issues or the introduction of new regulations in this regard; Operational and strategic risk related to reduced availability of strategic virgin raw materials).

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This risk is considered to be of medium significance.

Pollution management

The Group is exposed to the potentially inadequate management of waste, which could result in the failure to meet public targets regarding waste disposal (e.g., “zero waste to landfill”).

The Group has adopted an Environmental Policy that demonstrates a commitment to reducing environmental impacts. The policy is consistent with the Group’s Sustainability Policy, which specifically targets the effective management of industrial waste and the reduction of water and air pollution. In addition, specific procedures for proper waste management and disposal are adopted at a local level.

In relation to waste management change, through workshop sessions and interviews with relevant managers, a number of ESG Risk Drivers were identified, assessed and mapped as part of the Risk Register updated in 2024 (i.e., *Reputational risk due to failure to meet public targets related to waste disposal*).

In view of the management methods adopted by the Group, this is considered a low-materiality risk.

Fluctuation in the price of raw materials

The price of components and raw materials used by the Group for production activities may be subject to (even significant) fluctuations, and depends above all on external factors that are beyond the Group’s control, such as the introduction of new laws and regulations that affect supplier operations or supply methods, changes in exchange rates and price levels, developments in the raw materials used by suppliers for the production of components and semi-finished products purchased by the Group, developments in market demand, the allocation of suppliers to competitors, interruptions in suppliers’ production cycles or in delivery orders, in addition to delays in the supply of components and semi-finished products by suppliers. These price fluctuations can also be affected by sustainability factors (ref. “Natural resource scarcity”; “Supply chain ESG regulatory requirements”; “Climate change”).

The Group does not undertake hedges on raw material prices and as such may not be able to offset the increase in raw material costs with an increase in final product sales prices or otherwise, thereby impacting the Group’s business, operating results and margins.

In addition, any increase in the cost of raw materials over the long term, resulting in an increase in the final price of the Group’s products on the market, could have an impact on sales volumes, in addition to the Group’s competitiveness, market share and the mainte-

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nance of commercial relationships with its customers, affecting profitability and its prospects and financial statements.

The Group has always responded positively to the historical trend of increasing raw material prices, leading to both market recognition in terms of product penetration and the maintenance of business relationships with customers as a result of price adjustments. The Group also constantly works to make its procurement policies more efficient, both in terms of consolidating business relationships with its suppliers and in terms of the search for any new solutions required for the Company's innovation and production needs, in addition to alignment with the developing regulatory framework. The stimulus created by the need to respond proactively to the challenges posed by the commodities market may represent an opportunity for the Company, in terms of continuous innovation and consequent consolidation of its competitive advantage.

Given the complexities outlined above and the mitigation actions in place, the risk is considered medium-low.

Supply chain ESG regulatory requirements

The Group is exposed to possible non-compliance with current environmental and social laws and regulations that affect the entire supply chain, as well as possible difficulties for suppliers in adapting to new legislative scenarios that impact the relevant business (e.g., EUDR).

The Group has adopted a Sustainability Policy that seeks to innovate formulas, ingredients and packaging to reduce non-renewable resource use and promote the use of recycled and recyclable materials and ingredients that ensure respect for human rights and the environment along the value chain. In addition, it places a strong focus on the preservation of natural ecosystems and biodiversity, non-deforestation and the principles of circular economy. The Group also encourages suppliers to adhere to the shared commitment to respect the environment and society and to ensure due diligence along the entire value chain. In this regard, the Group has adopted a Sustainable Procurement Policy, which constitutes its commitment to pursuing the development of a sustainable supply chain, based on the principles of international standards such as SA 8000, ISO 14001 and ISO 45001 for supplier qualification.

With reference to supply chain ESG regulatory requirements, through workshop sessions and interviews with relevant management, some ESG Risk Drivers were identified, assessed and mapped in the Risk Register updated in 2024 (i.e., Transitional risk due to the introduction of new legislation on the management of the supply chain; Operational risk due

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to violation by suppliers of existing environmental laws and regulations, i.e. pollution and waste management; Operational risk due to potential increase in cost of goods and services related to the need for suppliers to adapt to biodiversity laws; Operational and reputational risk related to suppliers' noncompliance with social laws and regulations related to worker's human rights, including health and safety).

In view of regulatory developments on the issue, particularly in the European Union, and the inherent complexity of the supply chain in the sector in which the Group operates, the risk is considered to be medium to high.

In relation to the process to identify material impacts, risks and opportunities related to resource use and the circular economy, the Group took into account:

- information on resource inflows, in order to conduct relevance analysis consistent with incoming volumes. In this regard, the macro categories of input materials already mapped by existing Sustainability Statement were considered;
- information on the product categories sold to customers and their sales channels and turnovers, which is designed to consider any interdependencies with the volumes of materials purchased and identify the most relevant product categories in terms of turnover;
- information on industrial waste produced at Group production sites, in order to detect any interconnections with the production mix and identify reduction initiatives and initiatives that promote the circular economy.

Consultation with affected communities was not conducted for the analyses carried out by the Group.

E5-1 - Policies related to resource use and circular economy

The Intercos Group's Environmental Policy sets out a framework for efforts to minimize its environmental impact and ensure compliance with applicable regulations.

However, the Group does not have a specific, formal policy dedicated exclusively to circular economy. It remains committed to offering cutting-edge products, considering their social and environmental impact throughout the entire value chain. Therefore, the Group is committed to playing an active role in addressing global challenges at all stages of the development process. This is based on exploratory research, formulation, and packaging development, for which circular economy principles are followed and enacted by promoting them to its customers. Some examples of this are:

- the use and design of recyclable, recycled (e.g., PCR), or biodegradable packaging materials, where technically feasible, to limit the use of virgin raw materials and the environmental impact of end-of-life products;
- research and development into upcycling raw materials, to reduce natural resource exploitation and revolutionize the related value chains with a view to circularity, including through beneficial partnerships;
- the selection of certified materials of sustainable origin (e.g., RSPO-certified palm oil and derivatives; FSC- or PEFC-certified wood and paper; ECOCERT)

More broadly, the Sustainability Policy adopted by the Intercos Group includes a commitment to reduce the use of non-renewable re-

sources, and to promote the use of recycled and recyclable materials that ensure respect for human rights and the environment, such as preservation of natural ecosystems and biodiversity, non-deforestation, and circular economy principles. For details of the Group Sustainability Policy, see the section "Sustainability Strategy".

While offering innovative design solutions to its customers, as a B2B player in the cosmetics industry, the Group makes its decisions primarily based on customer choices, which are defined and detailed during the product briefing phase, prior to product development. Therefore, the following sections describe the Group strategy proposed to all customers through the collections launched at the trade fairs in which the Group participates as a leader in the relevant sector.

With particular reference to industrial waste management, the topic is covered in the Group Environmental Policy. For details of the Policy, see the section "Climate Change".

As with other environmental aspects, there is currently no centralized model for the management of industrial waste; **operating decisions** regarding the treatment of these aspects is left to individual companies or plants through specific procedures based on **local regulations**. Group companies have adopted **specific procedures** for waste management based on the provisions of the **regulations in force** in the individual countries in order to minimize the quantity of waste produced and to carry out correct treatment and disposal where it is not possible to promote recycling or recovery.





E5-2 - Actions and resources related to resource use and circular economy

In terms of product innovation, an essential step in the Group's sustainability journey was the launch in 2019 of **Clean Revolution**, a line of sustainable makeup and skincare products.

The Clean Revolution is essentially based on three **fundamental pillars** that characterize what the products offer:

GOOD FOR YOU

The products of the Clean line are developed on the basis of a specific Clean List, which prevents the use of controversial ingredients

GOOD FOR LIFE

The products of the Clean line guarantee respect for the human rights of the communities where the materials are sourced, through the purchase of palm oil and mica from **Roundtable on Sustainable Palm Oil (RSPO)** and **Responsible Mica Initiative (RMI)** certified suppliers, but also by monitoring their ethical performance in terms of safety, human rights, and compliance with local regulations. In addition, these products are animal-friendly, as they are made from **100% vegan and cruelty-free ingredients**

GOOD FOR PLANET

Clean Revolution means innovating and **reducing the carbon footprint** of products while safeguarding the environment. For this reason, the Clean line promotes the use of **recycled ingredients** (e.g. food chain waste), the **reduction of water consumption** and the selection of packaging materials that are locally sourced, alternative, **biodegradable, recycled, and/or recyclable**.

The **guideline** applied by the Group's Business Units regarding sustainable formulation is represented by the **Clean List**.

The Clean List therefore contains both **ingredients that are prohibited** by national and international legislation and also **ingredients that are considered controversial** at a regulatory, industry or public opinion level, with respect to which the Company has proactively defined its own position, limiting or completely prohibiting their use. In addition to responding to the growing demand for sustainable products, this approach enables the Group to mitigate and manage risks primarily related to the introduction of new supply chain ESG regulatory requirements by proactively and preemptively adapting its commodity portfolio.



CLEAN Magnifique
SUPER Clean



Pure CLEAN
Intercos Clean list



CLEAN Retail
Retailers' Guidelines



CLEAN Tech
Freedom for R&D within Intercos BL

Based on the Clean List, Intercos has developed four different clean formulation levels:



CLEAN Magnifique
SUPER Clean

The idea behind the **Clean Magnifique** level is to have products tailored to the most demanding markets. In fact, Intercos needs to **anticipate market trends**, monitoring the panorama of ingredients in order to propose formulations that adapt to a **constantly changing scenario** and at the same time respond to customer needs. Indeed, **consumer perception** has become an **important lever** influencing the

reputation of ingredients and their use in cosmetic products. For example, growing consumer **interest** in **environmental issues** has led lawmakers to act quickly on issues such as **microplastics**. To keep up with this evolving scenario, additional potentially hazardous or controversial ingredients are expected to be introduced into the Clean Magnifique tier in the coming years.

SAFETY

- No "nanoparticles" in inhalable products
- BHT Traces in raw materials
- Phenoxyethanol
- Some Mineral Oils
- Fragrance Allergens

CLEAN CONCEPTS Cruelty Free - Vegan

- Animal Origin Ingredients

ENVIROMENTAL

- Microplastic
- Chemical UV Filters
- Cyclosiloxanes (D5, D6)

CONSUMER PERCEPTION

- No "nanoparticles" in inhalable products
- EDTA chelating agent
- Parabens
- Talc
- Some Mineral Oils





Pure CLEAN
Intercos Clean list

To be defined as **Pure Clean**, in addition to being free of all ingredients listed on the Group's Clean List, a product must be: vegan, RSPO certified, sourced from RMI member suppli-

ers, GMO-free, paraben-free, fragrance-free (including allergens), free of nanomaterials, D5 and cannabinoids, and coral reef-friendly (i.e. no chemical UV filters).

GOOD FOR YOU

- Intercos Clean List: no controversial ingredients

Good for life

- Respect for local communities
- RSPO & RMI
- Vegan & Cruelty Free

Good for planet

- Reduce carbon footprint
- Promotion of recycled, recyclable or biodegradable
- Water consumption reduction
- Local sourcing



CLEAN Retail
Retailers' Guidelines

Retailers often define their own set of requirements that exceed regulatory requirements. Intercos, which works for some of the world's largest retailers, has to meet a number of compliance requirements to sell products to them. In most cases, retailers

require products that are free from sulfites, parabens, mineral oils, retinyl palmitate, aluminum salts, MIT, and nanomaterials. Including this level in its clean formulation strategy allows the Group to **adapt formulations to the retail world**.



CLEAN Tech
Freedom for R&D within Intercos BL

Formulations that fall under the Clean Tech level are designed to achieve the **highest level of innovation and performance** by strictly adhering to the black list of ingredients and without neglecting the principles of clean formulations. To qualify as Clean Tech, the formula must meet at least one of the following: be vegan, RSPO, RMI, GMO-free, free of talc, fragrances, microplastics, silicones, D5 (Cy-

clopentasiloxane), PEG (polyethylene glycols), TEA (Triethanolamine), or chemical UV filters. Following the **principles of the Clean Revolution**, Intercos is committed to cosmetic ingredients that are safe, effective and sustainable, and reduce products' environmental footprint.

As regards procurement of raw materials from external suppliers, the Group-wide selection

and coding process applies both to raw materials chosen by Intercos and, where possible, to those specifically requested by the customer. After receiving a request to purchase a specific raw material, the **Raw Materials Office** reviews the **possible suppliers** and requests a sample that must be accompanied by a **set of documentation** of various types including, in addition to technical and toxicological documentation, the REACH declaration of conformity, the MSDS (Material Safety Data Sheet) and the RSPO and RMI certifications, where applicable.

Once documentation is verified, the Raw Materials Office sends the material to the laboratory for any tests required, and, after approval, carries out the coding process, to add the specific raw material information to the company database.

In addition, Intercos invests in in-house raw materials production at its IRM Lab. The main objective of this line of research is the use of **reagents of plant origin** - from both dedicated products and by-products of the agri-food industry - to replace traditional fossil-based reagents. Again in 2025, the Group's commitment was to progressively cover all families of raw materials with biobased solutions, with a high **NOI (Natural Origin Index)** and developed according to the principles of **green chemistry**. Thus, the Group plans to increasingly move toward conscious and sustainable choices, with a particular focus on the replacement of microplastics and the development of biodegradable materials.

The main applications and concrete results obtained through this line of research are discussed below. With regard to the family of fluids, two raw materials have been developed, called **Biowax and Biofluid**, obtained from are lactide (a material derived from the fermentation of biomass and therefore biodegradable) and alcohols of natural origin.

These materials provide a sustainable alternative to traditional synthetic fluids and form the basis of the IRM concept of biobased raw materials. 2025 saw the creation of Aura C36, a new silicone-free emollient and shiny fluid based on polyester chemistry and developed from a plant-based derivative like linoleic acid. **Glossom**, on the other hand, is the name of the first member of the naturally occurring **fillogen** family. This raw material, with a high NOI, is in fact made using reagents such as **succinic acid**, derived from the fermentation of biomass, and **azelaic acid**, derived from sunflower seeds, and solvents of natural origin.

When it comes to the **family of gels and gelling agents**, Intercos is working on two fronts. The first involves the use of **sustainably sourced rheology modifiers** (organargels - Cosmogel family) combined with natural cosmetic oils.

The introduction of **new process machinery** also enables more efficient production, improving yield, timing and control of the final structure.

The second research front is devoted to the development of a new generation of **silicone-like but totally silicone-free gels** with a **high NOI** and performance comparable to classic silicone elastomers. The first material on this new platform is **Springfeel**, which has already been validated in several cosmetic applications.

Finally, Intercos is currently engaged in **optimizing** the process of producing **coated powders**. Through the recent installation of dedicated machinery, it is now possible to produce coatings **without the use of solvents** and **without oven drying steps**, significantly reducing process times, operating temperatures, and solvent emissions into the atmosphere. This approach makes the entire process more sustainable and energy efficient.





Upcycling - The exploitation of agro-food waste

Coffee Butter - CIRCO: the circularity of coffee

In 2018, Intercos launched the **CirCo** project, a circular economy initiative dedicated to the study and exploitation of industrial byproducts.

Funded by Fondazione Cariplo and Innovhub and promoted by ARC in collaboration with the University of Milan and other partners, the project focuses on the use of **silverskin**, coffee roasting waste that is rich in chlorogenic acid (an antioxidant with anti-aging properties).

This biomass is the source of **Coffee Butter**, an innovative raw material now used in various cosmetic formulations.

Its industrialization was made possible through a collaboration between Intercos and **Amarey**, the Illy family startup dedicated to sustainable innovation.

In 2025, following the completion of the industrialization phase, coffee butter was integrated into new formulation development programs, finding cross-applications in traditional powdered and cooked products, emulsions, and even in stick formats, and serums. In these products, coffee butter contributes to improving both functional performance and sensory texture properties.

TomatoResin - From tomato cutin to bio-polymers

Within the context of upcycling, IRM research has also studied **tomato (*Solanum lycopersicum L.*) peel**, a major agricultural waste product rich in **cutin**, a natural biodegradable polymer.

Through an open innovation collaboration with **TomaPaint**, an Italian startup that has developed a proprietary cutin extraction process, Intercos has created **TomatoResin**: a **biobased polyester** obtained by means of copolymerization of cutin-derived monomers. TomatoResin offers high cosmetic compatibility, excellent film-forming power and a pleasant sensory perception, opening up new application possibilities in lipsticks, eye shadows, and lip fluids.

The project fully exemplifies the principles of regeneration, recycling, and utilization of agricultural waste.

A patent is currently being filed, and the material was first featured in several products at the 2024 Beauty Event. In addition, the scientific value behind this new raw material was recognized by the IFSCC, which selected the work for a podium lecture at the 2025 Congress in Cannes.

JOINT LAB PROJECT

In March 2021, Intercos Group signed a five-year partnership with the **University of Milan-Bicocca** to conduct scientific research into raw materials and innovative and sustainable technologies, to develop unique cosmetic products.

A state-of-the-art **joint laboratory** was built on the university campus (building U28) in Vedano al Lambro. The **Joint Lab** started operating in September 2021, benefiting from an investment of more than Euro 1 million.

This **university and industry research** partnership enables both parties to share and develop their expertise and achieve technological progress across several lines of sustainability research, including:

- Replacing microplastics in cosmetic products;
- Studying recyclable packaging and bioderivation.



Concurrently, the Company is working on improving its active ingredients. In this regard, the contribution of **Vitalab**, a Group company specializing in the research and development of some of the most advanced and effective active ingredients of the entire global cosmetic market, deserves an in-depth analysis.

Taking inspiration from **biological mechanisms**, Vitalab offers a wide range of cosmetic ingredients, covering all skin needs and enhancing the effectiveness of beauty products by offering uniqueness and innovation with a focus on sustainability and responsibility.

Vitalab active ingredients:

- Are **science-based**, thanks to the development of a platform for the in vitro evaluation

of the efficacy of active molecules for cosmetic application (skincare and makeup);

- Are **free from preservatives**, thanks to advanced extraction technology that enables the use of multifunctional ingredients which naturally contribute to formula protection;
- **Do not affect the formula**, as the active ingredients are designed to ensure high compatibility with most cosmetic formulations;
- Are of **100% natural origin**, in harmony with Intercos' commitments to product eco-design

These skills allow use green biotechnology to be used each year.

With regards to the ingredients in **leave-on products** (skincare), the areas of innovation on





which the Group is working (through the companies Cosmint and CRB) are:

- **Biodegradable active ingredients**, in partnership with Vitalab;
- Ingredients of **natural origin**;
- Stick-conditioned products, due to their small size, reduce water consumption and optimize transportation, whilst limiting related greenhouse gas emissions. In addition, this format affords optimal application, thus extending the life of the product.

For **rinse-off products** (hair care, personal care & fragrances), given their nature, sustainable innovation seeks to:

- Reduce water consumption in the use of products through the use of **fast collapsing technologies** which, thanks to a special **mix of surfactants**, require less water to be rinsed off;
- Reduce the water content of products, such as **solid detergents**;
- Protect **biodiversity** by using **biodegradable actives** that do not pollute once dissolved in water;
- Reduce production-phase **energy consumption**, through formulations that allow for cold processing;
- Reduce cooling **water** use in hot manufacturing **processes**, through formulations supporting reduced processing time;
- Reduce **water** consumption associated with **product use**, and greenhouse gas emissions generated by transportation, by developing stick-format products that also offer greater durability.

For Vitalab and the Group companies that produce leave-on and rinse-off products, these innovation pipelines are recurring operational

actions integrated into the Group's product development processes. They are applied to new formulation development wherever possible and are subject to continuous updating in accordance with technological evolution and corporate or customer sustainability goals. Packaging is another key product component for Intercos.

The Group designs its packaging to enable reuse. Among the various initiatives undertaken to mitigate its impact, the Group prioritizes, where possible, sustainable packaging made from recycled or recyclable materials, or those that facilitate reuse (e.g., refillable packaging). Developing **sustainable packaging** is one of the foremost trends in the cosmetics industry. The Group is working on this front, both internally as part of its own **Research and Innovation**, and externally by **collaborating with its suppliers**.

Scouting for new materials is undertaken by various technical departments, often drawing on outside companies' initiatives, bringing together different manufacturing partners, to network and benefit from know-how exchanges.

As part of this structured approach, most of the development projects related to new sustainable packaging formats fall within the following recurring innovation strands, which continuously guide the Group's design choices and also relate to 2025 development:

- **Replacement** of styrene-containing materials (Polystyrene - PS, Acrylonitrile Butadiene Styrene - ABS) with **bio-based** or **recycled materials**.

The request for the replacement of styrene-containing resins came from several customers and served as the impetus to extensively test **alternative materials** that provide a reduction

in **environmental impact**. Projects within this scope also pursue the goal that many customers have set for the coming years, which is to **replace plastics from fossil (non-renewable) sources** with naturally derived alternative materials - for example, PLA (polylactic acid) obtained from a **certified renewable source** - and with **recycled materials** - from mechanical recycling, post-consumer recovery (PCR) derived materials, and from polymers obtained through the newer chemical recycling process.

The biggest challenge is validating alternative materials on existing pilot and industrial molds, as well as the fact that many recycled materials lose their food-safe certification, a key requirement for packaging parts in direct contact with the cosmetic product. The **main formats** that require validation of the new materials are: the slim and jumbo sharpening pencil, the automatic pencil, the grids for Prisma, and the back injection pads.

RECUPERO DEI POPS

“Pops” are plastic molds for **Prisma Shine powders**, made from SAN/ABS (Styrene AcryloNitrile / Acrylonitrile-Butadiene-Styrene), and stored at the Cometa plant in Agrate. Since 2018, a recovery project has been in place involving the grinding and transformation of pops into granules, which are then reused in a blend containing 50% virgin material to maintain the original technical properties. Over time, this initiative has helped reduce waste and the use of virgin raw materials, supporting the circular economy. Following the completion of a feasibility study, in 2025, the process was further optimized and now allows for the direct recycling of unwashed pops, eliminating the washing phase and thereby reducing the consumption of resources.





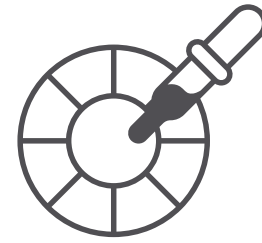
- **Eco-design** for new packaging formats. New packaging formats under development are designed with product end-of-life in mind, including product disposal through established separate waste collection channels. Where possible, efforts are made to design the components so that the interior of the packaging is made of a **single material**. In cases where different materials are needed for functional or aesthetic reasons, the format is designed so that it can be easily separated by consumers or so that the packaging is **refillable**, i.e. it can be reused several times by changing only the refill, thus generating

less waste. As far as pencils are concerned, Interfila Cosmetics, a Group company specialized in the production of pencils, uses its know-how to design automatic pencils or pencils of other formats, replacing plastic with **FSC certified wooden parts**.

With regard to packaging purchased from external suppliers, Intercos favors the purchase of **sustainable packaging** which, in line with internal development projects and **customer requirements**, is made of recycled or recyclable materials, biodegradable raw materials or which allows waste production to be reduced through reuse (using refillable packaging).

DIGITAL BEAUTY ATELIER

Launched in 2021, the product **digitalization** process gave rise to the *Digital Beauty Atelier* in 2022, consisting of the following interrelated initiatives:



- The **Digital Color Room**, a library of countertypes and bulk products developed over the past three years. It is widely used both by colorists, who thus do not need to produce additional bulk, and by the sales department, which can present products to customers while avoiding the counter-typing process. This library reduces the use of raw materials, packaging, and the need to ship physical products. In 2024, a new Digital Color Room was developed. This tool was integrated with the existing Digital Beauty Store and Digital Beauty Vault, with the goal of creating additional cohesion and connections between the systems. The new centralized management of all benchmarks, and the subsequent creation of a digital archive, will allow all transactions to be monitored, double purchases to be avoided, and expired benchmarks to be eliminated while maintaining an up-to-date and comprehensive database. In 2025, this evolution led to the development of the **Digital Color Store**, a digital platform comparable to an online color library shop. Starting in 2026, users will be able to view and order colors directly through the application.
- The **Digital Beauty Store**, a repository of products presented during beauty events, consists of a user-friendly portal that allows customers to select and display products. Also in this case, the technology eliminates the need to physically manufacture products for customer presentations, thereby reducing the use of new raw materials and packaging materials.
- The **Digital Color Studio**, currently under development, will allow for **complete digitalization of colors and spectra**, for foundation, matte and pearlescent products. This technology will allow the colors developed to be captured and reproduced with **realistic colorimetric rendering** so that customers can be presented with all the color proofs they need, without actually having to produce the cosmetic. In addition, with a database of phototypes, colors can be digitally applied to the ideal phototype. This technology will render part of the product conception and development process more sustainable, as it reduces the use of raw materials and, by avoiding physical shipment of products, the emissions and materials associated with shipping.





ECOBEAUTYSCORE CONSORTIUM

In 2022, the Intercos Group joined **EcoBeautyScore Consortium**, an initiative of cosmetics industry companies and associations, with the primary goal of defining a **shared scientific methodology for assessing products' environmental impacts**, in addition to developing a **scoring system**; the ultimate goal is guiding consumers toward sustainable purchasing choices



The actions detailed in this section are promoted at corporate level by the R&D function and enacted by the Group's various business units. The recurring actions described here fall under the management of the innovation area. Overall, innovation costs amounted to approximately Euro 40.99 million in 2025.

Industrial waste management

In order to reduce environmental impacts and in line with the policies and procedures in place, all Group companies in recent years have begun to choose **alternative waste disposal methods** to landfill, by reviewing their contracts with suppliers of such services or, where necessary, replacing the supplier. Suppliers are also required to ensure waste traceability and provide the necessary evidence.

As a non-exhaustive example, for the Agrate and Dovera plants, Intercos Europe periodically conducts a **tender for the procurement** of activities related to waste management in order to select the **best available suppliers**. The specific qualification process applies criteria not only of a legislative, authorization and economic nature, but also linked to **quality** and to **responsible management** of its activities, including the possession of ISO 9001 and ISO 14001 certifications, enrollment on the **White List of service providers** and executors of works not subject to attempted mafia infiltration, and the ability to provide quarterly end-of-life waste reports that detail all processing steps applied up to the final recovery stage. More broadly speaking, this qualification process and the company's due

diligence approach are aligned with the Group's supplier qualification procedures. In addition, selected waste management providers are required to periodically report the tonCO₂eq associated with waste disposal transportation, from plant pickup to final disposal.

To make waste management more efficient and legally compliant, the Italian sites of Intercos S.p.A., Intercos Europe S.p.A., and Cosmint S.p.A. have long adopted a dedicated software solution for maintaining waste loading and unloading registers. Custom features developed in collaboration with the software house have already enabled compliance with the legal requirements recently introduced by RENTRI (National Electronic The actions detailed in this section are promoted at corporate level by Global Industrial Operations and carried out by the HSE and Industrial Operation managers of the various Group companies. In addition, the actions described in this section are part of the operational management of the Group's industrial plants and environmental management systems in place. The recurring actions described in this section are part of current operations, and did not incur significant operational or capital expenditures in 2025.

E5-3 - Targets related to resource use and circular economy

As part of the Group's sustainability strategy, two targets are directly linked to the responsible use of resources and circularity:

- Development of products with strong environmental and ethical considerations, strengthening compliance of new formulations with the **Clean List** – products showcased during Intercos' key events throughout the year (target #6);
- **Zero waste to landfill**, a target achieved in the last quarter of 2023, well ahead of the original 2025 deadline. To achieve this target, all Group companies began prioritizing waste disposal methods other than landfill, by reviewing or, where necessary, replacing their service providers (target #7). In terms of waste hierarchy, the target applies to the disposal phase of industrial waste generated by the Group's production sites. It is not based on scientific data, no specific stakeholders were involved in the target-setting process, and no changes have been made to the target and corresponding metric compared to previous years. The targets are an integral part of the Sustainability Plan, developed in 2019 and with targets to 2025, and are not based on regulatory requirements, confirming the Group's ongoing commitment to responsible and sustainable growth. Starting in 2026, in line with the process undertaken, the Group will further strengthen its ongoing commitment with the **Beyond 2025** Sustainability Plan, expanding its level of ambition and the time horizon.

With regard to the use of resources, the Group has defined specific targets designed to:

- Maintain zero industrial waste directed to landfill;

- Continue to use clean formulas in all formulations presented at industry events and establish a structured process for monitoring and verifying compliance;
- Promote full traceability (to the production site) of naturally sourced ingredients purchased: 100% of volumes of relevant materials tracked;
- Ensure a fully traceable, zero-deforestation supply of forest-derived critical packaging materials purchased by the Group by 2035 through a phased plan involving the various Group Companies over time or, where this is not possible, take all necessary mitigation actions to prevent deforestation.
- Ensure a fully traceable, zero-deforestation supply of forest-derived critical packaging materials purchased by the Group by 2035 through a phased plan involving the various Group Companies over time or, where this is not possible, take all necessary mitigation actions to prevent deforestation.

See the section "Sustainability Strategy" for further information on the Sustainability Plans and monitoring process.

As previously highlighted, it is important to emphasize that the Group has **limited decision-making power** due to the nature of its business model. As a contract manufacturer, final decisions rest with customers, and products must first and foremost respect their requirements and choices.

For this reason, the Group has been able to define its strategy and targets primarily based on its own operations and direct decisions, pursuing these commitments **on a voluntary basis**. The expected achievement of the "**zero waste sent for disposal**" target was made possible





by the adoption of waste recovery processes at plants that had not succeeded in reducing the percentages of waste directed to disposal prior to 2022, namely Intercos America, Intercos Brasile, and Intercos India. This target was gradually achieved through a more precise classification process, the accurate separation of waste generated on-site, and the identification of specialized suppliers capable of guaranteeing processing with recovery, including outside the local region or county in which the industrial plant was located, in agreement with local authorities. These providers are also

required to ensure **waste traceability** and to supply the necessary documentation.

As for the target related to resource use (creation of products in compliance with new formulations under the **Clean List**), the Company has **proactively** defined its position by limiting or prohibiting the use of ingredients that are either banned under national and international regulations or considered **controversial** from a regulatory, industry, or public opinion standpoint. Each Business Unit's Clean List is therefore periodically updated to reflect these trends.

METRICS ESRS E5 ESRS E5-4

Table 24

2024									
ESRS E5-4 – Resource inflows	Total weight (t)	31. a) Of which technical materials	Of which biological materials			31. c) Of which secondary reused or recycled components		31. c) Of which secondary materials	
PACKAGING		Total weight (t)	31. a) Total weight (t)	Of which certified sustainably sourced (t)	31. b) Percentage (%)	Total weight (t)	Percentage (%)	Total weight (t)	Percentage (%)
TOTAL	38,040.0	18,374.07	19,665.92	25.7	0.13%	2,804.8	7.4%	-	-
PAPER	15,918.7	-	15,918.7	-	-	2,759.2	23.7%	-	-
PLASTIC	11,618.3	11,618.3	-	-	-	45.6	0.8%	-	-
GLASS	6,043.4	6,043.4	-	-	-	-	-	-	-
WOOD	3,747.3	-	3,747.3	25.7	0.7%	-	-	-	-
ALUMINIUM	656.3	656.3	-	-	-	-	-	-	-
OTHER	53.0	53.0	-	-	-	-	-	-	-

Table 25

2025									
ESRS E5-4 – Resource inflows	Total weight (t)	31. a) Of which technical materials	Of which biological materials			31. c) Of which secondary reused or recycled components		31. c) Of which secondary materials	
PACKAGING		Total weight (t)	31. a) Total weight (t)	Of which certified sustainably sourced (t)	31. b) Percentage (%)	Peso totale (t)	Percentuale (%)	Total weight (t)	Percentuale (%)
TOTAL	33,654.52	16,496.88	17,157.65	-	-	2,653.56	7.88%	-	-
PAPER	13,177.05	-	13,177.05	-	-	2,623.10	19.91%	-	-
PLASTIC	11,920.48	11,920.48	-	-	-	30.41	0.26%	-	-
GLASS	4,047.29	4,047.29	-	-	-	-	-	-	-
WOOD	3,980.60	-	3,980.6	-	-	-	-	-	-
ALUMINIUM	472.16	472.16	-	-	-	0.06	0.01%	-	-
OTHER	56.94	56.94	-	-	-	-	-	-	-

Methodological note:

The data reported exclude intercompany purchases, finished products purchased from customers for kits, free-issue materials, and purchases from customer-nominated suppliers.

Please note that the data for Intercos do Brasil and Intercos India have been estimated based on the products sold.

The category "other" includes a residual quantity of textiles and metal components other than aluminum.

With regard to recycled plastic quantities, these have been calculated exclusively on the basis of the "innovation" developments of the Group's companies. In line with a conservative approach, reordered materials and collections prior to 2024 have therefore been excluded.

With regard to recycled paper, the weights for this category have been estimated based on the secondary packaging composition indicated by suppliers of these materials, applying a conservative estimation approach.

More generally, it was not possible to determine the quantities of certified and/or recycled materials used by Cosmint and Tatra Spring.





Table 26

2024									
ESRS E5-4 – Resource inflows	Total weight (t)	31. a) Of which technical materials	Of which biological materials			31. c) Of which secondary reused or recycled components		31. c) Of which secondary materials	
RAW MATERIALS	Total weight (t)	31. a) Total weight (t)	Of which certified sustainably sourced (t)	31. b) Percentage (%)	Total weight (t)	Percentage (%)	Total weight (t)	Percentage (%)	
TOTAL	15,169.5	6,936.4	8,233.02	787.4	9.6%	-	-	-	-
Of which palm oil and derivatives	505.33	-	505.33	485.49	96.1%	-	-	-	-
Of which mineral mica	312.81	-	312.81	301.91	96.51%	-	-	-	-

Table 27

2025									
ESRS E5-4 – Resource inflows	Total weight (t)	31. a) Of which technical materials	Of which biological materials			31. c) Of which secondary reused or recycled components		31. c) Of which secondary materials	
RAW MATERIALS	Total weight (t)	31. a) Total weight (t)	Of which certified sustainably sourced (t)	31. b) Percentage (%)	Peso totale (t)	Percentuale (%)	Total weight (t)	Percentuale (%)	
TOTAL	14,951.83	7,752.74	7,199.09	972.44	13.51%	-	-	-	-
Of which palm oil and derivatives	718.91	-	718.91	692.21	96.29%	-	-	-	-
Of which mineral mica	286.46	-	286.46	280.23	97.82%	-	-	-	-

Methodological note:

The data shown excludes intercompany purchases, subcontracted materials, and purchases from suppliers imposed by the customer. It should be noted that the data of the companies Intercos do Brasil and Intercos India were estimated on the basis of the products sold. As regards the sub-category “palm oil and derivatives”, all companies also present in the ACOP reporting perimeter for RSPO were considered. As regards the “mineral mica” sub-category, all the companies also present in the reporting perimeter of the annual reporting to the RMI organization were considered

ESRS E5-5

Provide a description of the main products and materials originating from the Group's production process and designed according to circular principles, including durability, reusability, reparability, disassembly, remanufacturing, refurbishment, recycling, reintegration into the biological cycle, or optimization of product or material through other business models: see the relevant section.

With regard to Datapoint ESRS E5-5, 36. a), the Group has not identified specific product groups.

Table 28

E5-5 – Resource outflows (37.)	Value (t)	
Diverted from disposal	2024	2025
37. (b) Total	8,577	9,426
37. (b) Hazardous waste	837	1,273
37. (b) i. Preparation for reuse	113	151
37. (b) ii. Recycling	474	613
37. (b) iii. Other recovery operations	250	509
37. (b) Non-hazardous waste	7,740	8,153
37. (b) i. Preparation for reuse	1,163	1,252
37. (b) ii. Recycling	3,268	3,289
37. (b) iii. Other recovery operations	3,308	3,612
Directed to disposal	2024	2025
37. (c) Total	5,231	4,801
37. (c) Hazardous waste	1,085	891
37. (c) i. Incineration	686	723
37. (c) ii. Landfill	-	-
37. (c) iii. Other recovery operations	399	168
37. (c) Non-hazardous waste	4,145	3,909
37. (c) i. Incineration	3,687	3,620
37. (c) ii. Landfill	0	-
37. (c) iii. Other recovery operations	458	290
37. (d) Non-recycled waste	5,231	4,801
37. (d) Percentage of non-recycled waste	38%	34%
37. (a) Total waste	13,808	14,227





Table 29

E5-5 – Resource outflowa (37.)	Diverted from disposal		Directed to disposal		Total waste	
	2024	2025	2024	2025	2024	2025
Waste by composition (t)						
COSMETICS	1,130	636	1,570	1,305	2,700	1,941
Of which bulk	150	237	871	917	1,021	1,154
Of which semi-finished products	892	281	355	333	1,247	615
Of which finished products	87	118	344	54	431	172
PACKAGING	6,217	7,436	1,597	1,585	7,814	9,021
Of which paper-cardboard	2,311	2,156	-	-	2,311	2,156
Of which glass	54	30	-	-	54	30
Of which plastic	567	671	-	15	567	686
Of which wood	787	883	140	124	927	1,007
Of which undefined	2,497	3,696	1,457	1,445	3,954	5,141
LIQUID WASTES AND SLUDGES (e.g. wash water, residual sludge, activated carbon spent)	898	1,104	479	298	1,377	1,402
UNSORTED MUNICIPAL WASTE (e.g. offices)	28	29	241	356	269	385
CONSUMABLES (e.g. rags, protective clothing, absorbents, filtering materials)	18	10	1,000	1,121	1,018	1,131
OTHER (specify)	286	211	345	136	631	347
TOTAL	8,577	9,426	5,231	4,801	13,808	14,227

ESRS E5-5 – Resource outflows (38., 39., RA 28., 40.)	Description	Uom	
38. Disclose the composition of the waste, and specify:			
38. a) the waste streams relevant to its sector or activities;;	For the sector in which the Group operates, i.e. the cosmetics sector, the relevant waste streams identified are: cosmetics; packaging; liquid waste and sludge; unsorted municipal waste; consumables.	Text	
38. b) the materials that are present in the waste	The materials present in the Group's waste are: paper and cardboard; glass; plastic; wood; mixed packaging; consumables (e.g. rags, protective clothing, absorbents, filter materials).	Text	
	2024	2025	
39. Total amount of radioactive waste	0.00	0.00	t
39. Total amount of hazardous waste	1,922.55	2,163.84	t
40. It should be noted that all the volumes of industrial waste declared in the previous datapoints are measured at destination by the service providers (disposers). The disposal methods are declared and certified by the suppliers and declared to the local and national authorities responsible for the surveillance and traceability of the industrial waste produced and delivered. In addition, the unsorted municipal waste generated by the offices was estimated on the basis of the number of people present or, where available, on the basis of the m3 of the containers disposed of.			

WE CARE FOR PEOPLE

ESRS S1, S2, S4

OUR PEOPLE

ESRS S1

ESRS 2 – SBM-3;

Below is a description of the main sustainability impacts related to ESRS S1:

Discrimination and segregation in the labor market

In internal processes, without adequate and ongoing monitoring, equal opportunities for all workers and the absence of any form of discrimination based on gender, ethnicity, religion, disability, citizenship, or sexual orientation may not always be fully guaranteed.

Skills development and upskilling through training activities

Training courses focused on technical skills and soft skills can improve people's capabilities and knowledge.

Physical and psychological damage to workers

Production activities involving manual handling of loads or exposure to potentially hazardous chemicals may negatively impact workers' health, due to unsafe behavior or unsuitable working conditions.

Violation of human rights due to inappropriate working conditions

The Group's offices and manufacturing facilities are located in various geographical areas worldwide, which may make oversight of human rights compliance difficult. The absence of proper monitoring, policies, and procedures to ensure compliance may result in negative impacts on people.

Protection of workers' well-being through dedicated company initiatives

Investing in people's well-being within the company and promoting a healthy work-life balance can have a positive impact on overall employee well-being.

The following is a description of the main risks in the ERM Framework that are affected by ESG Drivers directly related to ESRS Topic S1.

Workers' human rights

The Group is exposed to the risk of the inadequate management of workers' human rights, including workplace discrimination, as well as health and safety aspects, as some specific manufacturing activities (e.g., the manual handling of heavy loads, exposure to potentially hazardous chemicals) could impact people's fitness for work.

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The Group has adopted a Sustainability Policy that seeks to promote the safety and well-being of people by ensuring a healthy, diverse and inclusive work environment, promoting work-life balance, social protection, equal opportunities and fair wages, while at the same time protecting the universal rights of people and communities, preventing forced labor, child labor, harassment and discrimination, and promoting the inclusion and empowerment of local communities. This commitment is reiterated within the Group's Code of Conduct.

With particular reference to occupational health and safety management, the Group has also adopted a Health and Safety Policy, and specific procedures in this area have been adopted locally. Finally, the Global Safety Network is operational, which is a working group comprising HSE managers from all Group companies.

With reference to workers' human rights, through workshop sessions and interviews with relevant Management, a number of ESG Risk Drivers were identified, assessed and mapped within the Risk Register updated during 2024 (i.e., Operational and reputational risk associated with failure to protect employees' human rights; Operational and reputational risk associated with failure to protect employees' health and safety; Operational and reputational risk due to cases of discrimination in the workplace).

In view of the management methods adopted by the Group and the significance of the issues involved, the risk is considered to be of medium significance.

Recruitment and retention strategies

The Group is exposed to the possible loss of key figures for business development and the achievement of business plan goals. The sector in which the Group operates requires the use of highly specialized personnel, which is a fundamental element in maintaining a high level of competitiveness.

To effectively mitigate this risk, the Group is actively involved in employer branding activities aimed at strengthening its visibility in the market, including through initiatives and collaborations with leading schools and universities nationally and internationally. Market scouting activities for relevant positions are carried out not only reactively, but also proactively, in order to anticipate possible future needs. Succession plans and programs aimed at developing talent internally are also in place, and the internal learning program has been steadily strengthened over the years.

In addition, the Group promotes people's safety and well-being by ensuring a healthy, diverse and inclusive work environment. Internal policies and procedures support work-life balance, social protection, equal opportunity, wages that are fair internally and competitive in the reference market, and the protection of universal rights of individuals and communities. Forced labor, child labor, harassment and discrimination are prevented, with a strong commitment to the inclusion and empowerment of local communities. These principles are reiterated in the Group's Code of Conduct.

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In relation to recruitment and retention strategies, through workshop sessions and interviews with relevant managers, a number of ESG Risk Drivers were identified, assessed and mapped as part of the Risk Register updated in 2024 (i.e., Strategic risk related to difficulties in attracting and retaining talent; Operational risk related to employees' lack of specific skills).

The risk is considered to be of medium to low significance.

The Group's workforce includes both direct employees and temporary workers, on permanent or fixed-term contracts, working either full-time or part-time.

The material negative impacts identified, such as the risk of human rights violations due to inadequate working conditions, are considered systemic, as they are linked to the Group's presence in various geographic areas worldwide.

On the other hand, the material positive impacts identified relate to training and skills development, in addition to employee well-being, and apply to the entire Group workforce, regardless of contract type or country.

In addition, no operations at serious risk of forced or child labor were identified, nor have any material impacts on the workforce arising from transition plans to reduce environmental impact, as the Group has not currently defined either a climate transition plan or a biodiversity plan.

More information is provided in the section "Significant Impacts, Risks and Opportunities" of the double materiality assessment.

Based on the materiality assessment outlined in ESRS 2 IRO-1, the company has not identified any specific categories of its own workers as being more exposed to risks, as the working conditions, protection policies, and mitigation measures in place ensure a uniform level of protection for all employees, regardless of their characteristics, work environment, or job activities.

Based on the identified IROs, the Group has defined its People Strategy, which seeks:

- To create a global HR organization supporting business excellence and acting as a business partner;
- To apply shared HR processes and tools to promote digitalization;
- To make managers responsible for managing and developing teams and individuals in the best possible way;
- To create an organization that ensures the holistic well-being of people (professional, physical, mental, and emotional).





ESRS2 – SBM-2

The Group recognizes the fundamental value of its employees and integrates their interests and rights into its strategy and business model, promoting an inclusive work environment that respects human rights and complies with the highest ethical standards.

Employees are therefore considered one of the Intercos Group's main stakeholders and are engaged through a variety of initiatives, as detailed in "Stakeholder Engagement".

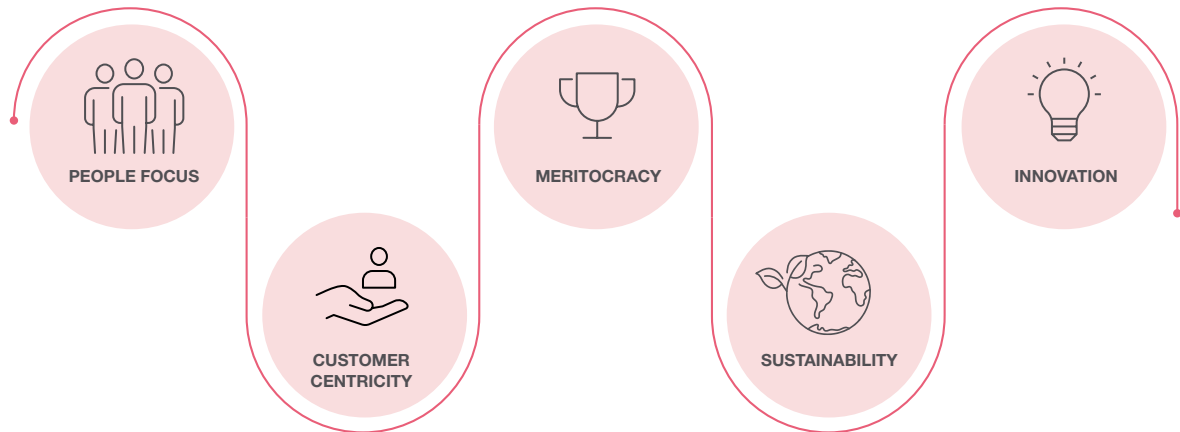
These activities are designed to foster a work environment that reflects the company's val-

ues, supporting continuous improvement in working conditions, corporate policies, and professional development initiatives.

S1-1 – Policies

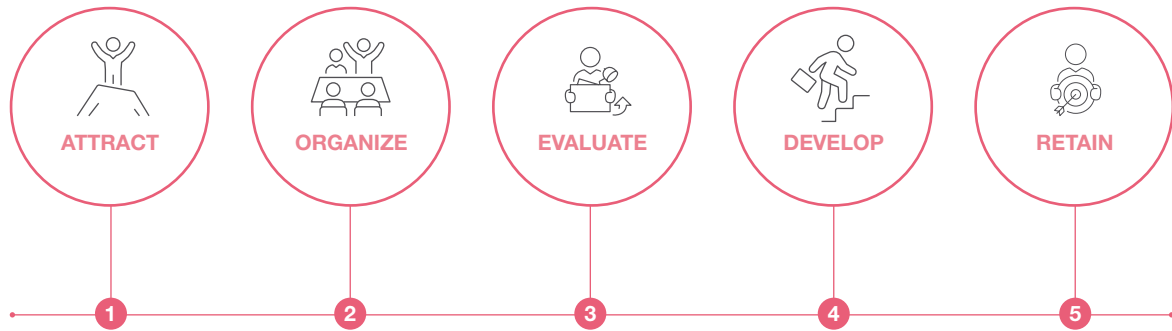
The Intercos Group's **People Strategy** outlines the guiding principles of its approach to people management and development, ensuring alignment with its business strategy. With the purpose: "We connect people with their beauty", the People Strategy seeks to attract, develop, retain, and engage top talent in all the countries where the Group operates. The strategy leverages the following guiding principles and connected processes and initiatives:

Figure 5



These processes and initiatives respond to the people strategy's priorities and for the organization and its people throughout the various phases of the employee life cycle:

Figure 6



With this vision, Intercos' new Leadership Model identifies conduct critical in supporting the business strategy and the creation of a well-defined, shared corporate culture. The leadership model, designed in collaboration with management and employees, constitutes an important lever for the various HR processes.





Figure 7



The Intercos Group’s **People Strategy**, as described above, is an integral part of the Group’s **Code of Conduct** and complements the local policies adopted for the management and development of employees. It offers a structured, people-centered approach that promotes an inclusive and engaging work environment aligned with the company’s core values. For details of the Code of Conduct, see “Business Ethics”.

This strategy is also formalized within the “**We Care for People**” pillar of the Intercos Group’s Sustainability Policy. For details of the Group Sustainability Policy, see the section “Sustainability Strategy”.

For each of the individual workforce topics, where present, the specific policies adopted and how the Code of Conduct and the Sus-

tainability Policy responds to each area are described below.

Respect for human rights and labor rights

Intercos is committed to respecting, protecting, and promoting human rights for all people and is actively engaged in strengthening and engaging its value chain.

The **Code of Conduct** defines the Group's commitment to respecting human and workers' rights, aligning with principles outlined by international standards and conventions, including the Universal Declaration of Human Rights, the Rights of the Child and Business Principles, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the UN Global Compact principles, and the International Labour Organization (ILO).

Through the Code, Intercos also reaffirms its strong opposition to contributing to, participating in, or facilitating child labor, forced labor, exploitative labor conditions, or human trafficking. It defines clear guidelines to ensure these principles are upheld by all subsidiaries and stakeholders to whom the Code applies.

The Code establishes an ongoing stakeholder engagement process, offering dedicated channels for reporting violations and managing related concerns. It outlines the procedure for adopting corrective measures, emphasizing the Group's commitment to collaborating and providing appropriate solutions, when necessary, to address violations.

For details on the Code of Conduct, see the section "Business Ethics".

Occupational health and safety

The Intercos Group considers the health and safety of its workers a priority and an essential part of its corporate culture.

To ensure a healthy, safe working environment, the Group had adopted a dedicated Corporate **Health and Safety** Policy. Through this policy, the Group commits to preventing accidents and work-related ill health, managing and reducing risks while ensuring full compliance with applicable regulations, adopting advanced emergency management solutions, and actively engaging partners and suppliers in safety efforts while maintaining open dialogue with stakeholders, local authorities, and employees. The Health and Safety Policy was adopted in 2021 by the Group's Chief Executive Officer, and its implementation is ensured by Global Industrial Operations and the HSE managers of the various Group companies.

This strategy is also formalized within the "**We Care for People**" pillar of the Intercos Group's Sustainability Policy. For details of the Group Sustainability Policy, see the section "Sustainability Strategy".

In addition, Intercos fosters a culture of safety through training and education, and by engaging and empowering all employees. The Code of Conduct outlines expected behaviors to prevent risks and ensure a safe and healthy work environment. For details on the Code of Conduct, see the section "Business Ethics".

The Group also continuously monitors its health and safety performance, adopting improvement actions to achieve its stated goals.

As evidence of this commitment, 47% of the Group's sites have adopted Occupational





Health and Safety Management Systems certified to ISO 45001, ensuring a robust approach aligned with the highest international standards. For further details, see the section “Due Diligence”.

The Group has adopted an integrated governance system for managing these issues, ensuring effective oversight and alignment across all

Group companies. In Q4 2025, the Group established a new function integrating Sustainability and HSE activities, providing a functional reporting line from the HSE Leaders of the various legal entities to the head of the function itself. This organizational structure seeks to strengthen coordination with head office, support the wider dissemination of best practices, and ensure even more effective and structured governance.

GOVERNANCE HSE

To promote good practices, with a focus on health, safety and environment among Group Companies, in 2018, the Industrial Operations department, responsible for these aspects, established a Global Safety Network, a working group featuring the Companies' Health, Safety, Environment (HSE) managers, with the aim of:

- **developing and constantly** improving a **Health and Safety Policy** applicable Group-wide;
- **defining common** indicators related to health and safety, such as Total Incident Rate (TIR), and environmental issues, such as greenhouse gas emission intensity or the percentage of industrial waste sent to landfill, to compare different companies' performance, and target improvements based on the results;
- **developing procedures** and guidelines for the management of environmental, health, and safety aspects at the corporate level, while deferring more operational aspects to local management, in accordance with specific regulations and local mandatory requirements.

In 2021, a corporate figurehead was engaged to coordinate the local HSE teams, and establish a common framework for the management of environmental and worker health and safety aspects within the Group.

With the network consolidated, and monitoring procedures and KPIs established, periodic reviews were organized, starting in 2022, and coordinated by the corporate HSE executive.

Specifically, two opportunities for regular meetings and information sharing have been planned:

- **Global HSE review**, where HSE managers from various Group companies present KPI progress with respect to the defined targets and activities carried out to improve performance, highlighting both best practices and areas for improvement. Partic-

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Participants also have the opportunity to bring relevant matters and the most important projects to the attention of the corporate function;

- **SuSHE (Sustainability, Safety, Health & Environment)** meeting convened once a quarter by the Global HSE Director, local HSE and Industrial Operations, in addition to the VP of Global Operations. This meeting includes two stages:
 - **General overview** in which the progress of KPIs is presented compared to the HSE objectives outlined in the Group's Sustainability Plan, in addition to the progress status of major HSE/Sustainability Operations project, and HSE related highlights and lowlights for the quarter.
 - **focus on the Group** companies to illustrate data and salient initiatives, making reference to each organization

This meeting seeks to inform, share, and also define HSE and Sustainability Operation Strategies.

At the local level, periodic meetings are organized involving top management on the most relevant HSE issues.

At the local level, regular meetings are organized with top management on the most pertinent HSE topics.

Diversity, Equity & Inclusion

Intercos' HR management system is built on processes and tools that provide equal opportunities and guarantee non-discriminatory behavior at all levels (selection processes, internal mobility, performance management, and training & development).

Employees are managed by the HR department in collaboration with individual Group managers, who ensure compliance with Company policies and guidelines and adopt the best possible approach to the real needs of employees and the business.

Intercos has always actively valued all types of diversity, including gender, age, nationality, political beliefs, sexual orientation, and disa-

bility, promoting an inclusive working environment and guaranteeing equal opportunities for all its employees. At the same time, Intercos condemns all forms of discrimination and is committed to adopting key initiatives that seek to eliminate biases that could have a negative impact on the working lives and well-being of its employees.

The Code of Conduct is the document that governs this prohibition and promotes respect for each individual's integrity, strictly forbidding discriminatory or harmful behavior, sexual harassment, inappropriate conduct or conversations, in addition to any form of verbal or physical violence.

In its Code of Conduct, Intercos also emphasizes the centrality of people and promotes a fair and inclusive work environment. In line with this commitment, Intercos launched a diversity, equity and inclusion (DEI) program in 2023,





led by a dedicated international and cross-departmental committee.

Employee training and well-being

Training, development, and employee well-being are integral parts of the Sustainability Policy, particularly within the “We Care for People” pillar. This pillar highlights the importance of creating an inclusive and stimulating work environment that promotes professional growth and the well-being of all employees.

The Code of Conduct also reaffirms the company’s commitment to continuous training, ensuring professional development opportunities for all employees, without any form of discrimination. Intercos provides all employees with informational and training tools to enhance specific skills and promote professional value.

For detailed information on the Group’s Sustainability Policy and Code of Conduct, see the sections “Sustainability Strategy” and “Business Ethics” respectively.

Employee well-being is a key priority for the company.

In 2025, following an employee needs-mapping survey, the Intercos Wellbeing program was launched. This is designed to support and develop projects and initiatives focused on the health and well-being of employees.

S1-2 – Processes for engaging with own workers and workers’ representatives about impacts

Employees represent the Group’s key stakeholders and are therefore engaged both directly, through multiple initiatives, and indirectly, via periodic meetings with their representatives. The objective of these engagement initiatives (outlined in the section “The Group’s Stakeholders”) is to generate a positive impact on the company population throughout the en-

tire employee lifecycle, from recruitment and onboarding to later career stages.

The frequency of engagements varies according to the different stages of the working relationship and the specific purposes of the initiatives. Specifically, employees are engaged at the time of hiring, through an initial induction process, and annually as part of performance appraisal processes. Additional engagement events take place with varying frequency in connection with training activities, depending on the frequency planned for mandatory training and initiatives defined in individual and corporate training plans, according to the corporate calendar. Also encouraged are continuous opportunities for discussion and feedback between employees and managers, provided on a discretionary basis according to operational and professional needs. Operational responsibility for ensuring workforce engagement, and making sure its results shape the company’s approach, lies with the Group Chief HRO, Legal, Regulatory and CSR Officer (the top executive overseeing Human Resources), in coordination with Top Management. At the global level, the Corporate HR function defines the strategic guidelines and monitors the implementation of initiatives to foster dialogue, engagement, and the protection of workers’ rights. Local HR teams ensure that these policies are applied in compliance with the legal and cultural specificities of the various countries in which the Group operates. They directly engage with employees, or their representatives, where applicable and necessary, in countries where these figures exist. For further information, see the section “Corporate Governance”.

Through periodic meetings with worker representatives (where applicable) or directly with employees via internal communication tools, information is shared on topics that may impact the work environment and professional conditions, such as health and safety, equity, inclusion, well-being, human rights, and training.

This structured approach to human resource management complements trade union relations and existing agreements, which provide an additional means of dynamically ensuring respect for workers' rights and fostering constructive dialogue between the company and its workforce.

The Group does not currently have a global framework agreement in place with workers' representatives specifically focused on the human rights of its workforce. However, at the local level, agreements and understandings are entered into with trade union representatives and other worker protection bodies, in accordance with the regulations in force in the various countries where the Group operates, including in the area of health and safety. These tools not only govern contractual aspects and working conditions, but also help maintain an open dialogue between the company and its employees, allowing their needs and perspectives to be integrated into business strategies, and reinforcing the Group's commitment to protecting human rights.

As an example, in Italy, Intercos signed a labor union agreement designed to ensure the sustainability of labor costs, while also promoting improvements in economic conditions and fostering long-term employee retention at its production facilities. The agreement provides for an onboarding contract with increasing economic support, which, during the first five years of employment with the Group (both as direct employees and as contract workers) guarantees a salary level up to 30% higher than the minimum wage required by the Pharmaceutical Chemical Industry national collective bargaining agreements.

S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

The Group adopts a flexible, case-by-case approach to address and remedy any negative material impacts on its workers, evaluating the severity and nature of the impact experienced.

In general, a thorough investigation process is launched to identify the cause of the negative impact and determine the most appropriate corrective actions, involving worker representatives where necessary. If the issue concerns a violation of the Group's Code of Conduct, a procedure is triggered with five levels of sanctions, depending on the severity of the violation or the frequency with which it is committed:

1. Verbal warning;
2. Written warning;
3. Fine;
4. Suspension;
5. Dismissal.

For disciplinary actions that are more serious than verbal warnings, the Human Resources and Organization Department will issue a written communication to the employee, specifying the facts constituting the violation. The disciplinary measure will only be applied eight days after the complaint, during which time the employee may present their defense. If no disciplinary action is taken within eight days of receiving the employee's defense, the matter is considered resolved. In the case of serious violations that may lead to dismissal, the employee may be suspended until the measure is imposed.





The effectiveness of these actions is therefore assessed on a case-by-case basis, in compliance with local regulations.

The reporting of suspected violations of laws, agreements, or the Group's ethical standards is facilitated through the Group's grievance channels, including direct contact with line managers or HR or via the dedicated whistleblowing channel, specifically designed to ensure confidential and secure reporting for all Group employees.

For details concerning the whistleblowing channel, circulation of it to workers and the protection of whistleblowers, see "Violations and whistleblower protection".

S1-4 - Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches

With reference to the material impacts on the Group's workforce identified and described in the relevant sections, and in line with the adopted policies, we note that priorities and actions are generally defined at Group level and subsequently planned and implemented locally by operational teams, in order to adapt them to the regulatory and cultural specificities of the various countries where the Group operates. With regard to the risks identified, the company ensures that its activities do not cause or contribute to material negative impacts on its own workforce through the policies and management practices adopted and the actions described in this section.

The effectiveness of these actions is monitored and evaluated by the functions responsible for their implementation, as described in the following sections. They form part of ordinary

operations, and did not incur significant operational or capital expenditures in 2025.

Below are the main recurring or adopted actions in 2025 that involve both direct and indirect workers (i.e., agency staff) operating within the company's scope:

Health and safety

To prevent and mitigate risks, Intercos complies with occupational health and safety laws and regulations wherever it operates. In Italy, the company complies with European regulations and national law on health and safety management, namely Legislative Decree No. 81/08 and subsequent amendments and supplements. As required by the Decree, the company conducts periodic analysis of the risks associated with its production activities and constantly monitors the effectiveness of the prevention and/or protection measures adopted, in addition to improvement actions. It also prepares a Risk Assessment Document and specific risk assessment documents. This document is periodically reviewed, at least annually, to integrate potential contributions of various stakeholders. These stakeholders naturally include the employer, in addition to safety and environment executives, appointed individuals, the prevention and protection service, the company doctor, workers' representatives, and members of first aid and fire-fighting teams. A similar approach is adopted in other countries where the Group operates, in line with local regulations and voluntary standards such as ISO 45001 and SMETA. As a result, 80% of the Group's production sites conduct a health and safety risk assessment.

To monitor the effectiveness of H&S management practices, all Group legal entities track and manage not only work-related injuries that result in absence from work, but also injuries requiring first aid, near misses, and reports of opportunities for improvement in both safe-

ty and environmental areas. To facilitate this process, various tools have been adopted for the collection and sharing of reports, which are available to all employees (e.g., reporting boxes in production departments, QR codes at strategic points throughout the site). In 2024, specific KPIs were collected, comprising economic (e.g., H&S investments as a share of annual revenue) and social indicators (e.g., number of employees with technical skills). Periodic “flash audits” are also conducted in collaboration with internal functions to ensure continuous monitoring of HSE issues.

The recurring management and monitoring of KPIs is the responsibility of the HSE functions of each legal entity.

To increase awareness of the occupational health and safety of direct and indirect employees working at Group production sites and prevent workplace accidents, in line with Group H&S Policy, the following communication and engagement actions were promoted in 2025:

- As in 2024, posting of Safety Crosses in common areas to display trends on “safe days”, injuries, or incidents month by month, along with monitors displaying information about health and safety topics;
- development of “HS Basics” for Intercos Europe S.p.A., a company manifesto on workplace health and safety topics. The document outlines company safety pillars, values, key programs, and improvement measurement tools;
- organization of “Safety Day”, a full day dedicated to occupational safety, comprising training sessions, role-playing games, and group exercises to encourage discussion and the exchange of ideas, involving all employees from all departments, including offices and production areas. Safety Day was promoted at Intercos S.p.A., Intercos Eu-

rope, Interfila CRB, Intercos do Brasil, and Intercos India offices;

- execution of the “Safety Therapy” campaign at Italian sites. HSE teams, with support from Learning & Development, designed and delivered specific occupational health and safety training courses, producing videos filmed on the company premises. The videos realistically re-enact injuries caused by unsafe behavior, with the actual affected employees playing the roles. Short and engaging, the videos depict familiar environments and real-life situations, include simple questions to identify root causes, and clearly explain the correct behaviors to adopt. They also mention the duration of the injury, with the goal of raising awareness and strengthening a culture of safety;
- launch of a survey to assess employees’ perception of workplace safety. The goal of the survey was to gather valuable feedback and identify improvement opportunities, enabling concrete actions with an approach geared to continuous improvement.

As proof of their serious commitment, some Group companies received recognition awards. In 2024, Intercos Europe S.p.A. received the 2023 Business Award for Safety promoted by Confindustria and INAIL, with support from APQI and Accredia. The company is preparing to participate again in 2026 (the initiative did not run in 2025).

To prevent and monitor the potential negative impacts of new chemical substances introduced into the workplace on employee health and safety, raw materials are assessed prior to their entry into the company, in compliance with applicable regulations and the adopted standards (i.e., Regulation (EC) 1907/2006 (REACH); Regulation (EC) 1272/2008 (CLP) in Europe; UNI EN ISO 14001; UNI EN ISO 45001). The assessment process is initiated





by the Research and Development department during the scouting phase and concludes with the approval of the raw material by the HSE department, which assesses how hazardous a substance is for workers and the environment in relation to the risks associated with its use. This approach prioritizes preventive, organizational, and procedural measures, adopting collective and personal protective equipment only as a last resort.

As part of the recurring activities managed by each Group company's HSE functions, the actions described in this section did not involve significant operating or capital expenditures during 2025.

Diversity, Equity & Inclusion

The Group promotes the Living Wage project, which seeks to ensure a subsistence-level wage that enables each employee to maintain a decent standard of living for themselves and their family, beyond the concept of the minimum wage. In 2022, the Group entered into a partnership with the Fair Wage Network (FWN), which enabled an initial mapping of employee compensation across all Group companies compared to FWN benchmarks. This map-

ping covered the entire company population and was updated in 2025 by the HR function, which is responsible for the ongoing monitoring of this initiative.

The Group also promotes the DEI Program on Diversity, Equity and Inclusion topics, led by a dedicated international and cross-functional committee. Through this program, the Group provides training, resources, and support to ensure equal opportunities and fair treatment for all employees. The program comprises a series of initiatives, such as:

- Employee engagement through workshops, awareness events, and focus groups;
- Training and communication activities;
- Definition and monitoring of specific KPIs.

In addition, Intercos is committed to promoting specific inclusion programs by providing employment opportunities to those who may face greater challenges in accessing the job market, such as asylum seekers, veterans, and minorities. Examples include solidarity recruiting through which support is offered to NGOs and local organizations active on this front.

SOLIDARITY RECRUITING

Asylum seekers

In Italy, the program Bridge Builder strives to provide asylum-seeking refugees with training and employment opportunities. As part of the program, implemented at the Agrate, Dovera, Romanengo and Olgiate Comasco sites, Intercos delivers training in technical skills and abilities related to operator roles in production, warehousing, industrialization and technical services. Participants are supported by Company mentors and are given the opportunity to visit production sites during their training courses to watch tasks being performed in person. Information on safety and the Italian language is also provided during training sessions. In 2025, when the apprenticeship training course ended, 13 people were hired on an official contract. These new hires are in addition to those who joined the Company through the previous iterations of the project.

Veterans

A total of four veteran employees work for Intercos Technology in China.

People from disadvantaged areas

Intercos do Brasil has collaborated with a local recruitment agency to develop the Contratar Legal project, which selects and recruits people living in economically vulnerable areas of the city of Atibaia, where the company has a site. In 2025, 10 people, mostly women, were hired thanks to the project.

Minorities

Interfila Cosmetics, Intercos Technology, and Intercos Cosmetics in China employ several workers belonging to minority groups, such as Zhuang, Miao, Yi, Dong, and Bai, for a total of 19 people in 2025.

Senior Workers

In Korea, there was a particular focus on senior workers, referring to workers who joined Intercos Korea following their 50th birthdays, a group for whom entering or re-entering the labor market is generally more complex. Owing to this special focus, in 2025 Intercos Korea had 55 senior workers.

With a particular focus on respecting and safeguarding the human rights of its workforce, the Group is committed to respecting the relevant local and international laws and internationally recognized standards and conventions, including the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.

To assess their actual application and the effectiveness of the actions taken, the Group also conducts periodic SMETA audits. For further details, see “Due Diligence”.

The actions described in this section did not incur significant operational or capital expenditures in 2025.





Training and development

The Group recognizes that continuous training and professional development are essential for mitigating workforce-related risks and impacts, by enhancing skills and maximizing human capital. In this context, it promotes a working environment that supports employee growth from the very beginning of their journey with the company.

Once new hires are selected, special attention is paid to the onboarding process. New hires are engaged in a formal induction process focused on providing all the necessary information for effective onboarding.

In 2023, the onboarding process was redesigned to improve its integration at Group level and digitalize systems, with the goal of giving new employees a comprehensive overview of the Group's business, its priorities, organizational structure, and culture. This process foresees the use of an interactive digital platform comprising various sections (learning magazine). These sections provide information and opportunities to exchange knowledge through

the use of gamification, such as short quizzes at the end of mini-training sessions.

The platform is also instrumental for internal communications, with the objective of engaging employees by circulating information at all levels. In 2025, internal communication addressed to direct employees of all Group companies was further strengthened with the launch of a series of dedicated and strategically placed email channels, each with a consistent and recognizable visual identity, to facilitate recognition and navigation of HR content. The new channels ensure visual consistency between emails, documents and digital spaces, improving the clarity and accessibility of information about business processes and events, making employee interaction with HR content easier and more effective.

The digital onboarding process is also supported by regular virtual meetings, during which the Group's CEO and management welcome new hires to the Group, introducing them to business content and the company culture.

TUTORING THE FUTURE

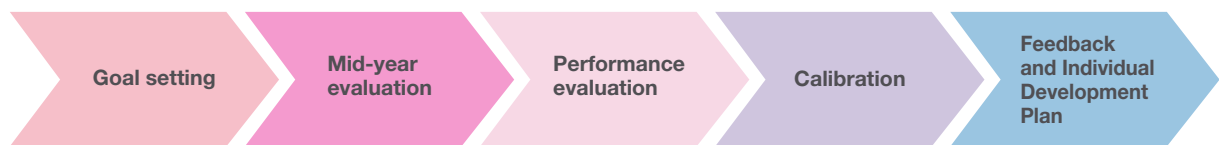
In 2023, the "Tutoring the Future" initiative was launched to facilitate the integration and development of recent graduates. 2025 saw the third edition of the initiative. The objective is to provide holistic support while they acclimate to the new company environment. The initiative comprises multiple stages over time, using tools conducive to the acquisition of self-awareness, training activities (effective communication, self-leadership, language learning), the appointment of a company mentor, and a specific professional development plan.

To better attract talent, Intercos also engages in employer branding to strengthen its positioning on the market through initiatives and partnerships with major national and international schools and universities. These initiatives seek to introduce Intercos and, more generally, the cosmetics industry to professionals with potential and expertise.

2023 marked a turning point in the Group's people performance management with the launch of the new Intercos Performance Management (IPM) project across all Group Companies, involving approximately 1,600 people. The project continued in 2024 and 2025, in-

volving over 1,700 and 1,800 people respectively, further consolidating its impact on performance management. IPM is a key process that seeks to guide the professional development of employees by aligning their individual goals with the Company's business strategy. Doing so creates a beneficial cycle that aligns performance assessments with key business decisions on employee rewards and development. The system consists of identifying, and subsequently evaluating objectives (what), and observing demonstrated behaviors (how) using the Leadership model outlined in the introduction to the "We Care for People" chapter as a point of reference.

Figure 8



On the one hand, the assessment process seeks to provide greater transparency and clarity on management and the priorities of individuals, teams, and companies. On the other hand, it encourages the collaborative establishment of coherent objectives.

2024 also marked the launch of the Group's first calibration process, which was repeated in 2025. During the process, employee evaluations were discussed within both local and corporate Leadership Teams, promoting greater fairness and transparency.

During all phases of the process, close attention is paid to communication between managers and employees and the provision of feedback on performance.

Feedback concerns the results achieved during the year and the methods employed to

achieve them. Meanwhile, the qualitative aspect is based on the behaviors outlined in the leadership model, which serve as a common framework for managers and employees, individuals and the company. This communication method not only facilitates better mutual understanding but also represents a key aspect of defining personal development plans that align with both individual and company expectations.

As part of the professional growth of employees in all Group companies, whenever possible, Intercos promotes internal mobility as an opportunity for personal development. In recent years, internal mobility opportunities have been offered, both nationally and internationally, as a lever to spread an inclusive Group culture. Actions are managed by the Corporate HR function and local HR teams, with set criteria for application and recruitment.





Costs related to the mobility program are part of personnel management costs, and no significant investments were made in 2025.

Important investments are also made in employee skills and knowledge development through training and development initiatives across all levels of the organization.

Even before they join the Company, new employees are asked to participate in dedicated meetings and complete specific training modules depending on their role and responsibilities.

As regards training activities, each year the needs of employees across various Company divisions are analyzed to define priorities for that year at both Group and individual level. This analysis is led by the HR division in collaboration with line managers to ensure that individual needs are aligned with business needs where at all possible.

In 2025, the learning and development offering was further enriched, consolidating the adoption of digital methodologies and integrated training approaches. Through a variety of tools, such as virtual classes, in-person sessions, and e-learning, it was possible to engage employees from all Group companies, fostering not only skills development but also integration and networking, which are key to strengthening corporate culture.

Specifically, a project was launched in 2025 to use LinkedIn Learning, targeting all direct Group company employees. Through the plat-

form, employees can access more than 20,000 courses, subtitled in all languages spoken at Intercos, to make training, re-skilling and up-skilling more accessible, regardless of the role held and specific development needs. To promote the initiative, dedicated communication campaigns were launched in 2025, which involved awarding small gadgets to the best-performing employees in terms of use of the courses. In 2025, a total of approximately 1,068 training hours were completed within the program, highlighting how positively people received the initiative and the high levels of engagement it generated. 2025 also marked the launch of a new development initiative at international level: Eyes-Up, which is dedicated to the professional talent pool, complementing the development program for Senior Managers, InnovAction, and increasing the numbers of Intercos personnel included in this type of program. In 2025, the initiative involved more than 30 employees worldwide, providing access to structured professional development programs and fostering the development of soft and managerial skills, also involving dedicated individual development plans based on shadowing, to foster cross-departmental collaboration.

These two initiatives were managed by the Group Talent, Development, CSR & Internal Communication function with dedicated resources to plan the courses, provide technical support, and monitor uptake for effectiveness.

In 2025, the Intercos Academy was further expanded to offer a range of training and development opportunities.

Figure 9

INTERCOS ACADEMY IS GROWING



Training opportunities comprise programs to develop soft skills and leadership skills, programs to teach industry or role-specific technical knowledge, and language learning programs. Hence the target varies based on roles and development needs and covers the entire company population. In 2025, particular attention was paid to people management programs, both at the international and local levels, with a focus on key topics such as innovation, feedback, the development of shared leadership, intercultural collaboration, and effective communication.

Individual coaching pathways continued, with the support of specialized third-party coaches with extensive experience in business roles focused on personal development activities. These coaching pathways seek to address specific behavioral and leadership improve-

ment needs, in addition to professional development support requirements. The coaches provide an independent point of view on organizational challenges. In 2025, in addition to traditional coaching, the Speak To Lead program was launched, targeting senior people in different departments who share a need to develop areas such as Public Speaking and Personal Branding to effectively manage relationships with internal and external stakeholders.

Programs dedicated to the development of specialist skills in the cosmetic sector also continued, with specific attention paid to role-based pathways. This initiative takes place in a context marked by a generational shift and growing difficulties finding qualified individuals with the requisite skills for the market. Therefore, the program's objective





is to attract young talent and train them up on specific key skills that contribute to company success, exploiting and enhancing the experience and expertise accumulated in house over the years. In 2025, this approach was bolstered further, extending the program to both new hires and existing employees, through the launch of the Intercos Job Skills Hub. This is dedicated to developing skills in critical roles.

Focusing on specialist skills and market and digitalization trends, the Group also launched an AI Awareness program (AI Unlocked) to raise awareness among workers at all Group companies about Artificial Intelligence topics, covering everything from the most widely used

tools on the market to legal and ethical considerations.

A Finance for Non-Finance People course was also introduced to enhance employees' numerical and financial awareness across the Group based on the needs expressed during the collection of training needs.

These training initiatives were managed by the Group Talent, Development, CSR & Internal Communication function with dedicated resources to plan the courses, provide technical support, and monitor uptake for effectiveness. The costs associated with these initiatives are part of the function's operating expenses and did not involve additional investment in 2025.

TRAINING PROGRAMS

Leading through Energy, Passion and People (LEPP): a development program addressing the Group's people managers, which sets the goal of providing employee and diversity management tools that promote leadership skills in the context of change. The program, delivered both virtually and face-to-face, promotes the sharing of experiences between people from different parts of the Group. To guarantee the effective dissemination of shared tools and methods, the program is gradually being introduced across the various Group companies in the relevant local languages. 36 people were involved in 2025.

InnovAction: a program that seeks to strengthen leadership and collaboration across all levels of the organization, leveraging the potential of participants as facilitators of change, in order to generate innovation for the Group through proactivity, a sense of responsibility, decision-making, and cross-departmental collaboration.

Shape your future: a program dedicated to improving self-awareness and the identification of strengths and areas for improvement. The program begins with a development center of simulations and feedback, facilitated by expert and third-party assessors. The structured sharing of the results of the development center with participants and their

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managers allows individual development plans and coherent priorities to be developed more effectively.

Eyes-Up: development program for professionals with at least two years of service, designed to develop talent and strengthen the collaborative environment within the Group. It consists of three stages: Motivational Map (self-awareness of personal drivers), three days of intensive training on communication, empathy and networking, and a period of shadowing in other departments to become “bridge builders”.

AI Unlocked: a program consisting of three webinars: the first clarifies the fundamentals of AI and introduces generative AI; the second shows practical applications and tools, with a focus on customization and open/closed source models; and the third addresses ethics, regulation, and liability, providing guidelines for safe and informed use.

The table below (Table 30) shows the total training hours delivered, broken down by subject. A total of approximately 138,378 hours of training (approximately 33 hours of training per employee) were provided in 2025, primarily on the topic of improving technical/professional skills (hard and soft skills) and health and safety and environmental issues.

Table 30 - Training hours by subject provided in 2025

Subject	Hours - 2024	Hours - 2025
HSE	25,126	29,452
Languages	2,208	2,166
Human Rights	2,340	0
Anti-corruption	386	840
Technical, manufacturing and quality skills	61,159	87,875
Soft skills and leadership	29,591	12,480
IT/ Cybersecurity	1,527	5,565
Total	122,335	138,378

Worker well-being

Intercos is committed to promoting welfare initiatives that seek to promote well-being and a good work-life balance, and to appeal to future Group employees.

As an example, Intercos has implemented a specific welfare plan in Italy that provides access to a flexible benefits program, which can be used to obtain individual and family benefits, in the areas of education, transportation, health, social services, sports, and support for those looking to buy a home. Italian companies also give workers who join the plan an additional percentage, which is added to their spendable portfolio, thus increasing the benefits available to them. Periodically, welfare plan enhancement meetings are held to provide more details and information, and gather additional staff insights towards improvement. Italian employees can also take advantage of the VIP Program, a portal offering company discounts.

Employees in China benefit from several welfare initiatives, including activities for employee families, courses on specific topics of interest to workers, counseling services and sports activities.

In Brazil, Intercos do Brasil offers its employees health insurance, which can be extended to partners and children.





Finally, Intercos America offers employees the opportunity to allocate part of their salary to their health expenses and those of their families (tax free).

As part of a review of the remuneration policies within the Intercos Group, a project was launched to gather detailed information about the benefits offered by various legal entities. The goal was to identify potential gaps compared to standard practice in local markets and make the necessary improvements.

In both cases, Intercos America provides additional pay beyond the provisions for STD and PFL so that employees on leave receive 100% of their pre-leave base salary.

In addition, CRB has updated its supplementary pension plan, introducing significant changes, including a substantial increase in the company's contributions, enhanced pension and insurance coverage, and the introduction of new methods to access additional perks for employees.

The measures described in this section led to non-extraordinary operating expenses in 2025; these were part of personnel costs related to the Group companies mentioned.

Cognizant of the link between employee well-being and active engagement in local communities, Intercos promotes volunteer initiatives and support for foundations and associations, involving its employees.

The Group makes contributions to local communities and particularly to charities working in the areas of well-being and health, refugees, and care for children and children with

rare diseases (e.g., Fondation Planètes Enfants Malades, Apples of Madaifu, Fireflies, La Forza e il Sorriso Onlus, LILT, Telethon). Support for Associations is managed locally by the Group's various company HR teams, which help to strengthen ties with the communities concerned.

S1-5 - Targets

As part of its sustainability strategy, the Group has set the objective of minimizing negative impacts on its workforce and to strengthening the positive impacts, by means of two key targets:

- Extend Solidarity Recruiting projects to all Group Companies, promoting job inclusion opportunities (target #4).
- Achieve zero injuries in all business activities, ensuring an increasingly safe work environment (target #5).

These targets are an integral part of the Sustainability Plan, developed in 2019 and with targets to 2025, confirming the Group's ongoing commitment to responsible and sustainable growth.

Starting in 2026, in line with the process undertaken, the Group will further strengthen its ongoing commitment with the "**Beyond 2025**" Sustainability Plan, expanding its level of ambition and the time horizon and introducing specific goals to cover relevant IROs related to worker training, well-being, and human rights.

Specifically, the targets set are:

- Continue to aim for zero accidents in all Group activities by maintaining a TIR* below three by 2030 and below two by 2035, covering both direct and indirect employees;

- Define a comprehensive strategy and reach 250 workers under inclusive sourcing initiatives by 2030;
- Commit to ensuring that all employees are paid a fair and sustainable wage, with a target to ensure 100% receive a salary above the Living Wage by 2030, building on the strong level of compliance already achieved;
- Promote diversity, equity and inclusion in the workplace by fostering a culture based on gender equality and equal pay, seeking to structurally reduce the gender pay gap and eliminate it within the Group by 2030;
- Reaffirm the Group’s commitment to well-being, diversity, equity and inclusion (DEI) val-

ues and people engagement, ensuring that each company adopts at least one dedicated initiative for each area annually.

In setting the targets described above, the Group did not directly interact with its own workforce or employee representatives. The targets are monitored in line with the Procedures adopted and described in the section “Sustainability Strategy”.

See the section “Sustainability Strategy” for further information on the Sustainability Plans, the process to set targets, and on the process for monitoring and identifying areas for improvement.

METRICS ESRS S1 ESRS S1-6

Table 31

ESRS S1-6 - Characteristics of the company's employees (50. a, 50. b, 50. d, 50. e, 50. f, 52.)	2024		2025		Total 2024	Total 2025
	Donne	Uomini	Donne	Uomini		
50. (a) Total employees	2,581	1,493	2,610	1,583	4,074	4,193
50. (b) Permanent employees	2,426	1,446	2,478	1,510	3,872	3,988
50. (b) Temporary employees	155	47	132	73	202	205
50. (b) Non-guaranteed hours employees	-	-	-	-	-	-
52. Optional – Total Employees	2,581	1,493	2,610	1,583	4,074	4,193
52. (a) Optional – Full-time employees	2,576	1,492	2,574	1,578	4,069	4,152
52. (b) Optional – Part-time employees	5	1	36	5	6	41
50. (d) Provide a description of the methodologies and assumptions used to compile the data, including whether the numbers are reported	For the count of the number of employees, the personal data recorded and monitored within the internal personnel management portal were used. These metrics have not been validated by an external entity.					
50. (d) i. in head count or full-time equivalent (FTE) (including an explanation of how FTE is defined); and	The data report the annual summary of the Headcount of employees (payroll employee). Monitoring is carried out monthly, in line with the management control of personnel costs					
50. (d) ii. at the end of the reporting period, as an average across the reporting period, or using another methodology	N/A					
50. (e) Provide, where applicable, a provision of contextual information necessary to understand the data (for example, to understand fluctuations in number of employees during the reporting period); and	N/A					
50. (f) Provide a cross-reference of the information reported under (a) above to the most representative number in the financial statements.			2024			2025
50. (a) – AR 57 – Full Time Equivalent (FTE)			3,995			4,177





Table 32

ESRS S1-6 50. a)	Totale		2024		2025	
	2024	2025	Women	Uomini	Women	Uomini
Brazil	110	118	79	31	88	30
China	1,090	1,103	713	377	712	391
India	64	78	5	59	9	69
Italy	1,585	1,645	974	611	992	653
Rest of Europe - Poland	327	343	245	82	243	100
Rest of Europe - Switzerland	137	135	87	50	81	54
Rest of Europe - Benelux	8	6	3	5	2	4
South Korea	379	417	242	137	266	151
USA	374	348	233	141	217	131
GROUP TOTAL	4,074	4,193	2,581	1,493	2,610	1,583

Table 33

Characteristics of the undertaking's employees (50. c)	2024	2025
Number of employees	4,074	4,193
50. (c) Number of employees terminated	678	628
50. (c) Rate of employee turnover	17%	15%

ESRS S1-9

Table 34

Diversity metrics (66. a, AR. 71) - gender distribution at top management level	2024		2025		Methodological Note
	66.(a) Number	66.(b) Percentage	66.(a) Number	66.(b) Percentage	
Women	60	50%	58	51%	The group defines "top management" as employees belonging to the contractual category "Executives"
Men	61	50%	56	49%	
Other	0	0%	0	0%	
Not disclosed	0	0%	0	0%	
Total employees	121	100%	114	100%	

Table 35

Diversity metrics (66. b) - employees by age group	2024				2025				
	Number	< 30 years old	30-50 years old	> 50 years old	Total	< 30 years old	30-50 years old	> 50 years old	Total
Executives	0	77	44	121	0	65	49	114	
Managers	8	240	52	300	7	274	52	333	
Employees	409	1,154	182	1,745	426	1,160	188	1,774	
Workers	284	1,154	470	1,908	314	1,201	457	1,972	
Total	701	2,625	748	4,074	747	2,700	746	4,193	
Percentage		< 30 years old	30-50 years old	> 50 years old	Total	< 30 years old	30-50 years old	> 50 years old	Total
Executives	0%	2%	1%	3%	0%	2%	1%	3%	
Managers	0%	6%	1%	7%	0%	7%	1%	8%	
Employees	10%	28%	4%	43%	10%	28%	4%	42%	
Workers	7%	28%	12%	47%	7%	29%	11%	47%	
Total	17%	64%	18%	100%	18%	64%	18%	100%	

ESRS S1-10

Table 36

ESRS S1-10 - Adequate Wages	Employees	
70. If not all employees are paid an adequate wage in line with applicable benchmarks, the undertaking shall disclose the countries where employees earn below the applicable adequate wage benchmark;	In America, Brazil and China, a percentage of employees whose salary is lower than the Living Wage was found.	
	2024	2025
70. Percentage of employees that earn below the applicable adequate wage benchmark.	USA: 58% Brazil: 55% China: 0.1% Intercos Group: 6.8%	USA: 55.2% Brazil: 38.1% China: 0.1% Intercos Group: 5.7%
Methodological Note	The analysis was carried out according to the benchmark developed by Fair Wage Network. It included 100% of employees across the countries where the Group operates.	

ESRS S1-13

Table 37

ESRS S1-13 – Training and skills development by gender	Uom	2024		2025		Total 2024	Total 2025	Methodological Note
		Women	Men	Women	Men			
83. a) Percentage of employees who received a performance review during the year	%	85	78	50	45	82	89	The percentages shown refer exclusively to employees eligible within the performance management process (Intercos Performance Management - IPM), i.e. employees belonging to the categories of managers, middle managers and white-collar workers. Workers included in the process are excluded from the calculation as they hold key roles, representing about 5% of the category.
83. b) Average hours of training	n.	27.4	34.5	33.2	32.8	30	33	





Table 38

ESRS S1-13 – Training and skills development by employee category	Uom	2024				Total 2024
		Executives	Managers	Employees	Workers	
84. Percentage of employees who received a performance review during the year	%	88	92	80	-	82
84. Average hours of training	n	26.1	20.3	19.9	41.1	30

ESRS S1-13 – Training and skills development by employee category	Uom	2025				Total 2025
		Executives	Managers	Employees	Workers	
84. Percentage of employees who received a performance review during the year	%	100	99	87	-	89
84. Average hours of training	n	18.5	26.1	27.6	39.9	33

ESRS S1-14

Table 39

	Employees	
	2024	2025
88. (a) Percentage of people in its own workforce who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines	100%	100%
88. (b) Number of fatalities as a result of work-related injuries and work-related ill health	0	0
88. (c) Number of recordable work-related accidents	25	30
88. (c) Rate of recordable work-related accidents	3.14	3.72
RA 94. Optional - The disclosure may include cases of work-related ill health that were detected during the reporting period among people who were formerly in the undertaking's workforce	0	0
88. (d) Disclose the number of cases of recordable work-related ill health, subject to legal restrictions on the collection of data	0	0
88. (e) Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	1,521	1,688

ESRS S1-16

Table 40

ESRS S1 - 16 - Remuneration metrics	Average gross hourly pay level (€)			
	2024		2025	
	Women	Men	Women	Men
Total	16.5	18.8	18.27	20.96
97. (a) Gender pay gap	10.50%		11.14%	
97. (b) Annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual)	63%		61.13%	

ESRS S1-17

Table 41

ESRS S1 - 17 - Incidents, complaints and severe human rights impacts	Value	
	2024	2025
103. (a) Number of work-related incidents of discrimination reported in the reporting period		
Gender	0	0
Racial or ethnic origin	0	0
Nationality	0	0
Religion or belief	0	0
Disability	0	0
Age	0	0
Sexual orientation	0	0
Harassment	0	0
Other relevant forms of discrimination	0	0
Total	0	0
103. (b) Number of complaints filed through channels for people in the undertaking's own workforce to raise concerns (including grievance mechanisms)	0	0
103. (b) where applicable, to the National Contact Points for OECD Multinational Enterprises related to the matters defined in paragraph 2 of this Standard, excluding those already reported in (a) above;	0	0
103. (c) Total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints	0	0
103. (c) Provide a reconciliation of such monetary amounts disclosed with the most relevant amount presented in the financial statements; and		
103. (d) Where applicable, contextual information necessary to understand the data and how such data has been compiled.		
104. (a) Number of severe human rights incidents connected to the undertaking's workforce in the reporting period:		
Cases of non-respect of the UN Guiding Principles on Business and Human Rights	0	0
Cases of non-respect of ILO Declaration on Fundamental Principles and Rights at Work	0	0
Cases of non-respect of OECD Guidelines for Multinational Enterprises	0	0
Total	0	0
104. (a) If no severe human rights incidents connected to the undertaking's workforce have occurred, the undertaking shall state this.		
104. (b) Total amount of fines, penalties and compensation for damages for the incidents described.	0	0
104. (b) Provide a reconciliation of the monetary amounts disclosed in the most relevant amount in the financial statements.		
AR 106. Optional - Disclose the number of severe human rights incidents where the undertaking played a role securing remedy for those affected during the reporting period.	0	0





VALUE CHAIN

ESRS S2

ESRS 2 – SBM-3

The information shared under ESRS 2 by the Intercos Group concerns workers in the value chain who could be significantly impacted by the Group. Specifically, the disclosure relates to workers employed by entities in the company's upstream value chain who are subject to compliance with the Group's Code of Conduct

Below is a description of the main sustainability impacts related to ESRS S2:

Discrimination and segregation in the labor market

Along the Group's value chain, without adequate and ongoing monitoring, equal opportunities for all workers and the absence of any form of discrimination based on gender, ethnicity, religion, disability, citizenship, or sexual orientation may not always be fully guaranteed.

Physical and psychological damage to workers in the value chain

Production activities involving manual handling of loads or exposure to potentially hazardous chemicals, for example, may negatively impact workers' health, due to unsafe behavior or unsuitable working conditions.

Violation of human rights due to inappropriate working conditions in the value chain

A complex value chain such as the Group's can make oversight of human rights compliance difficult. The absence of adequate safeguards to ensure compliance may result in negative impacts on people.

The Group considers the negative impacts identified in relation to workers in the value chain to be of a general nature, as they are not limited to individual groups of workers, but affect the entire ecosystem of suppliers and other entities involved in Group operations.

The following is a description of the main risks in the ERM Framework that are affected by ESG Drivers directly or indirectly related to ESRS Topic S2:

Workers' human rights

The Group is exposed to the risk of the inadequate management of workers' human rights, including workplace discrimination, as well as health and safety aspects, as some specific manufacturing activities (e.g., the manual handling of heavy loads, exposure to potentially hazardous chemicals) could impact people's fitness for work. In relation to child labor, forced or compulsory labor, the Group has not identified geographic areas or product categories at significant risk.

The Group has adopted a Sustainability Policy that seeks to promote the safety and well-being of people by ensuring a healthy, diverse and inclusive work environment, promoting work-life balance, social protection, equal opportunities and fair wages, while at the same time protecting the universal rights of people and communities, preventing

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forced labor, child labor, harassment and discrimination, and promoting the inclusion and empowerment of local communities. This commitment is reiterated within the Group's Code of Conduct.

With reference to workers' human rights, through workshop sessions and interviews with relevant Management, a number of ESG Risk Drivers were identified, assessed and mapped within the Risk Register updated during 2024 (i.e., Operational and reputational risk associated with failure to protect employees' human rights; Operational and reputational risk associated with failure to protect employees' health and safety; Operational and reputational risk due to cases of discrimination in the workplace).

In view of the management methods adopted by the Group and the significance of the issues involved, the risk is considered to be of medium significance.

Supply chain ESG regulatory requirements

The Group is exposed to possible non-compliance with current environmental and social laws and regulations that affect the entire supply chain, as well as possible difficulties for suppliers in adapting to new legislative scenarios that impact the relevant business (e.g., EUDR).

The Group has adopted a Sustainability Policy that seeks to innovate formulas, ingredients and packaging to reduce non-renewable resource use and promote the use of recycled and recyclable materials and ingredients that ensure respect for human rights and the environment along the value chain. In addition, it places a strong focus on the preservation of natural ecosystems and biodiversity, non-deforestation and the principles of circular economy. The Group also encourages suppliers to adhere to the shared commitment to respect the environment and society and to ensure due diligence along the entire value chain. In this regard, the Group has adopted a Sustainable Procurement Policy, which constitutes its commitment to pursuing the development of a sustainable supply chain, based on the principles of international standards such as SA 8000, ISO 14001 and ISO 45001 for supplier qualification.

With reference to supply chain ESG regulatory requirements, through workshop sessions and interviews with relevant management, some ESG Risk Drivers were identified, assessed and mapped in the Risk Register updated in 2024 (i.e., Transitional risk due to the introduction of new legislation on the management of the supply chain; Operational risk due to violation by suppliers of existing environmental laws and regulations, i.e. pollution and waste management; Operational risk due to potential increase in cost of goods and services related to the need for suppliers to adapt to biodiversity laws; Operational and reputational risk related to suppliers' noncompliance with social laws and regulations related to worker's human rights, including health and safety).

In view of regulatory developments on the issue, particularly in the European Union, and the inherent complexity of the supply chain in the sector in which the Group operates, the risk is considered to be medium to high.

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Relations with suppliers and sub-suppliers

The Group is exposed to the risk that the replacement of specific suppliers or sub-suppliers or non-fulfillment by them may interrupt or compromise production. The Group's capacity to discharge its obligations to customers is reliant also on the fulfilment of contractual obligations by suppliers and subcontractors. Where the Group is unable to reclaim the entire compensation paid and/or greater costs incurred from suppliers and/or subcontractors through its right to regress, the occurrence of these risks could negatively impact the Group's financial position, results of operations and cash flows. Relations with suppliers may also be subject to audits and verifications by the authorities with regard to legislative and regulatory compliance.

In terms of supply chain risks, there is a reputational and/or compliance risk of working with suppliers, including suppliers of production-related services, who do not comply with applicable regulations on, but not limited to, the environment, health and safety, tax and contributions, social issues, including respect for human rights, etc.

Also in this context, the Group has adopted a Sustainability Policy that addresses responsible purchasing, and a Policy for Sustainable Sourcing that outlines Intercos' commitment to qualifying suppliers according to environmental and social criteria, including respect for human rights, health and safety, tax and contributions, among others. It has also adopted procedures regarding the qualification of new suppliers and the monitoring of existing suppliers, including, where deemed appropriate, the use of specialized external companies of primary standing.

Considering the numerous mitigation measures in place, and with the goal of maintaining a constant focus on monitoring the third parties with which the Group does business, this risk is considered to be medium-high.

In terms of impacts on workers in the value chain, the Group considers potential negative impacts on workers operating at the company's premises but who are not part of its own workforce and on workers who work for entities in the company's upstream value chain (Tier 1 and, for the mica supply chain, also workers in the entire value chain through activities promoted by the Responsible Mica Initiative). Workers at entities in the enterprise's downstream value chain are excluded from considerations, as are workers who conduct operations in a joint venture (not applicable) and workers who are particularly vulnerable to negative impacts.

In terms of child or forced labor, Intercos has not identified specific regions with significant risk; however, it has identified India, solely in relation to the mica supply chain, as a particularly high-risk area.

None of the significant risks or impacts identified were deemed attributable to a specific group of workers in the value chain.

ESRS2 SBM-2

The Intercos Group recognizes that its activities may have major impacts on the rights and working conditions of workers along the value chain. It therefore integrates the protection of these aspects into its supplier qualification strategy, adopting an approach based on accountability, continuous improvement and careful due diligence.

Suppliers are considered among the Group's main stakeholder categories and are involved through various initiatives and communication channels, including through partnerships with NGOs such as the Responsible Mica Initiative (RMI). For more on engagement initiatives see the chapter "Stakeholder engagement".

S2-1 - Policies 17. a), b), c); 18; 19

The Intercos Group is also committed to ensuring respect for human rights and protecting working conditions throughout its value chain.

While the Group has not adopted a specific policy on human rights, these issues, which are considered relevant to the value chain, are addressed in the other documents described below.

In 2018, the Group adopted a Sustainable Procurement Policy designed to extend the principles included in relevant social and environmental standards (e.g., SA8000, ISO 14001, ETI Base Code) to its supply chain. For details of the Policy see the section "Supplier Relations".

These principles include, among others, respect for human rights, opposing child and forced labor, preventing discrimination, and worker health and safety. They are regulated in the Group's Code of Conduct. The document does not currently include an explicit reference

to the issue of human trafficking as it is considered to be included in the general principles of protecting human rights and combating all forms of forced labor.

The Code is not only a reference document for internal staff, but is also a framework that extends to suppliers. In accordance with the Procurement Policy, suppliers are required to comply with the principles and guidelines set forth in the Code, which include the protection of universal rights as outlined in the United Nations Guiding Principles on Business and Human Rights, the promotion of safe and fair working conditions, and the fight against child and forced labor. The Code is a tool that the Group uses to manage and mitigate risks related to workers' human rights and relations with suppliers and subcontractors.

For details on the Code of Conduct, see the section "Business Ethics" and the section "Our people".

There were no reported cases of non-compliance with the guiding principles regulated in the Group's Code of Conduct in 2025.

In line with the Sustainable Procurement Policy and the Sustainability Policy, the Group is also committed to qualifying suppliers based on environmental and social criteria, with a focus on respect for human rights. This process allows potential negative impacts to be identified and actions to be put in place to remedy them.

For details of the Group Sustainability Policy, see the section "Sustainability Strategy".

For details regarding engagement of workers in the value chain and measures to remedy human rights impacts see the sections below.





S2-2 – Processes for engaging with value chain workers about impacts

The Intercos Group does not interact directly with workers along its supply chain, but works with their employers, i.e., its suppliers, to ensure that appropriate action is taken to mitigate any negative impacts and, where possible, generate positive impacts.

This collaboration is coordinated by the Global Purchasing function and operationally managed by local buyers. It begins with the selection and qualification of direct suppliers and continues with the definition of corrective actions and remedies where necessary. Hence engagement takes place throughout different stages of the supply relationship, specifically including the onboarding and initial qualification phase, periodic compliance monitoring, and any critical issue management events and follow-up of corrective actions, with a frequency that varies based on the outcomes of the assessments carried out. Engagement comprises three alternative methods, chosen according to the level of inherent risk associated with the supplier. For more information on governance and the qualification process, see “Corporate Governance” and “Supplier selection and assessment”, respectively.

Intercos also pays particular attention to supply chains considered at risk due to the nature of the raw materials supplied. One example is mica, the extraction of which still presents the risk of child labor in some areas. Given the complexity and globalization of the mineral's supply chain, identifying and preventing such critical issues can be particularly difficult. The Group is therefore a member of the Responsible Mica Initiative (RMI). See the following sections for more details.

S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns

Intercos identifies and assesses potential and actual negative impacts on workers in its supply chain and intervenes through preventive and mitigating measures where necessary, in line with its Sustainable Procurement Policy and qualification procedures. The company employs a rigorous supplier qualification process as one such preventive measure. This includes assessment of working conditions, compliance with local and international regulations, and respect for human rights. Where negative impacts are identified, Intercos takes mitigating measures, developing corrective action plans and actively involving suppliers to ensure that concrete, timely solutions are adopted. Collaboration with suppliers is essential in monitoring and resolving any critical issues, ensuring compliance with labor and ethical standards throughout the value chain. For more details, see the section “Impacts, Risks and Opportunities”.

Using a special reporting channel designed to ensure confidentiality and security, the Group enables reporting of human rights and violations of the ethical standards required of suppliers. This tool is accessible to all internal and external stakeholders including workers in the Group's value chain. The process to monitor the effectiveness of this channel does not currently include a specific assessment of the awareness of this tool among workers in the value chain. Intercos is, however, committed to continuously improving communication and support within its value chain to ensure that workers can report any violations. For details concerning the whistleblowing channel, cir-

ulation and the protection of whistleblowers, see “Violations and whistleblower protection”.

Corrective action and improvement plans, along with assessment of their effectiveness, are determined on a case-by-case basis, based on the results of the qualification process or violation found and taking into account the local context.

S2-4 - Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

As regards the material impacts on workers in the value chain, the Group takes preventive action to avoid causing significant negative impacts, and mitigation action, where there are significant risks, in line with its Sustainable Procurement Policy and qualification procedures. The actions currently underway were identified and defined following a risk assessment to identify specific critical issues that require targeted interventions. For more details, see the section “Impacts, Risks and Opportunities”.

Particularly in terms of measures related to the mica supply chain, since 2017 the Group has been a member of the Responsible Mica Initiative (RMI), a nonprofit organization that promotes the ethical and sustainable sourcing of Mica, an abundant mineral found in the Jharkhand region of India. Improper extraction of mica can expose people to health-related risks.

The RMI provides local development programs and on-site audits to monitor and guide local companies responsible for the extraction and processing of the raw material, which is used in the cosmetics industry, among others. The RMI commits active members to monitoring their supply chains and protecting universal rights for local communities operating in the mica supply chain.

As an RMI member, the Group participates in the Shareholders’ Meeting and Roundtables organized by the organization, where program progress is presented.

To monitor the effectiveness of the measures adopted, the Group has set targets regarding total spending on suppliers who have implemented a sustainability, environmental and social program, and the percentage of Indian mica purchased from RMI member suppliers.

As regards the supplier qualification process, the effectiveness of this measure on workers is also assessed using a monitoring procedure that ensures supplier compliance with the labor standards that the Group requires throughout the entire collaboration period. Where corrective action plans are introduced, Intercos actively collaborates with suppliers to verify that these plans are actually adopted and to assess the effectiveness of the action taken.

In 2025, no serious human rights issues or incidents related to the Group’s upstream and downstream value chain were identified. As regards the resources assigned to manage the impacts described in this section, these did not incur significant operational or capital expenditures in 2025.





S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As part of its sustainability strategy, the Group has set the objective of minimizing potential negative impacts and material risks on workers in its supply chain. It has done this by making two key commitments:

- Continue to source 100% of Indian mica from RMI members (target #10)
- Purchase from suppliers who are making progress on a recognized sustainability program (target #11) - for more information see the section “Supplier selection and assessment”

These targets are an integral part of the Sustainability Plan, developed in 2019 and with targets to 2025, confirming the Group’s ongoing commitment to responsible and sustainable growth.

Setting, monitoring and updating these targets is managed through internal governance processes that do not directly involve value chain workers, their representatives, or qualified proxies.

Starting in 2026, in line with the process undertaken, the Group will further strengthen its ongoing commitment with the “**Beyond 2025**” Sustainability Plan, expanding its level of ambition and the time horizon. In this regard, the Plan identifies specific targets designed to prevent and mitigate potential negative impacts along the supply chain:

- Continue to source 100% of mica from RMI members
- Continue to source 100% of all new suppliers selected according to quality, social, and environmental aspects (excluding customer-appointed suppliers) in line with current applicable policies
- Directly involve at least 80% of suppliers to foster their sustainability growth, strengthening collaboration on sustainability-related issues and providing at least one engagement initiative (e.g., training sessions or targeted questionnaires) for each of them.

See the section “Sustainability Strategy” for further information on the Sustainability Plans, the process to set targets, and on the process for monitoring and identifying areas for improvement.

CONSUMERS AND END-USERS

ESRS S4

ESRS 2 – SBM-3

Below is a description of the main sustainability impacts related to ESRS S4:

Damage to consumers' health due to poor product quality

The potential non-compliance of Group products with industry regulations may impact the health of consumers (understood as end-users of cosmetics produced by the Group), given the nature of the substances they contain, which can in incorrect concentrations be harmful. These impacts are considered to be of a general nature as they do not affect specific consumer groups.

The following is a description of the main risks in the ERM Framework that are affected by ESG Drivers directly or indirectly related to ESRS Topic S4:

Product ESG requirements

The Group is exposed to the possible formulation and manufacture of products that do not qualify under environmental and social criteria, with regard to the selection and design of raw materials and packaging. This includes possible non-compliance with laws and regulations related to hazardous substances (e.g., SC/SVHC) and microplastic content in products, in addition to potential violations of regulations (e.g., EUDR), and/or responsible sources (e.g., RSPO) seeking to protect biodiversity.

The Group has adopted a Sustainability Policy designed to innovate formulas, ingredients and packaging. It seeks to reduce non-renewable resource use and promote the use of recycled and recyclable materials and ingredients that ensure respect for human rights and the environment along the value chain. It further promotes a strong focus on preserving natural ecosystems and biodiversity, non-deforestation, and the principles of the circular economy.

In addition, activities relating to the composition, labelling, and packaging of cosmetic products are governed by specific internal procedures, in compliance with the European Cosmetics Regulation (Regulation (EC) No. 1223/2009) and other applicable regulations. The Group has equipped itself with and is constantly evaluating possible needs to strengthen internal structures dedicated to pre-identifying actions to comply with applicable laws and regulations, resulting in increased administrative and personnel costs. Procurement solutions from suppliers that meet the necessary requirements are also constantly considered (Ref. "Supply chain ESG regulatory requirements"), resulting in increased supply costs. Finally, the time and cost of compliance in order to meet product ESG requirements are considered. With reference to costs related to staff expansion, including for the purpose of strengthening internal structures, such as costs related to sourcing, these are considered in the Group's long-term financial plans.

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With reference to product ESG requirements, through workshops and interviews with relevant management, some ESG Risk Drivers were identified, assessed and mapped in the Risk Register updated in 2024 (i.e., Operational and reputational risk due to violation of existing laws and regulations related to the use of substance of concern/substances of very high concern; Strategic, operational and reputational risk due to release of microplastics from products into nature; Operational risk due to violation of regulations protecting biodiversity; Operational and reputational risk due to low product quality; Operational and reputational risk connected to non-compliance with labeling regulations).

Considering the strategic relevance of the topic to the sustainability of the business in the medium to long term, this risk is considered to be of medium-high significance.

The Intercos Code of Conduct expresses its commitment to ensuring high product quality standards and adopting appropriate communication tools to inform the broader community of the impacts of its business activities. The Group has not identified particular types of consumer or end-user that are more exposed to risk. To prevent product safety risks, Intercos ensures full compliance with the applicable laws in all countries in which it operates. In the cosmetics industry, the development, production and marketing stages are regulated by a particularly stringent regulatory framework, which is guided at the EU level by Regulation (EC) No. 1223/2009, (the "Cosmetics Regulation"). Furthermore, in accordance with the aforementioned Cosmetics Regulation and a specific company policy, no Intercos Group Legal Entity uses animals to test its products, nor does it engage third parties to conduct such tests on its behalf. While Intercos is not directly legally responsible for the impact of its products on end-users, the Company must still comply with restrictions imposed by applicable regulations in addition to customer blacklists in ingredient selection and product formulation.

ESRS2 - SBM-2

Intercos' nature as a business-to-business (B2B) organization means it has no direct contact with end-users. However, it recognizes the importance of their needs and expectations in its operations. To ensure that these are considered, it works closely with its customers, who serve as a bridge between the company and the end-user.

Intercos is a strategic partner for its customers, thanks to its ability to oversee the entire value chain, from trend scouting, supplier research and selection, to the production and marketing of its products, all of which seeks to meet the needs of end-users.

Customers have therefore been identified as the Group's key stakeholders. End-user feedback and requests are integrated into business practices through engagement activities, ensuring that the products offered meet their needs. For more on engagement initiatives see the chapter "Stakeholder engagement".

S4-1 - Policies

The Group carefully considers impacts, risks and opportunities related to consumers and end-users, placing a particular focus on quality, safety, innovation and sustainability.

As a subcontractor, the Group does not always have control over the final choice of formulations and packaging, which are decisions made by its customers.

For this reason, the Group has not adopted specific policies dedicated exclusively to managing impacts, risks and opportunities related to end-users. However, these aspects are covered by the set of quality management, product safety and regulatory compliance procedures integrated into the business management system described below.

The Code of Conduct emphasizes Intercos' commitment to ensuring high product quality standards and to using appropriate communication channels to inform communities about the impacts arising from its activities. This commitment is based not only on compliance with relevant laws, but also on universally recognized principles including the United Nations Global Compact, the ILO Conventions, the United Nations Universal Declaration of Human Rights, and the European Convention on Human Rights. For details on the Code of Conduct, see the section "Business Ethics".

Furthermore, to demonstrate the primary importance the Group attributes to quality in its business development strategies, the Company has set up a Corporate Quality Management System (CQMS) to standardize the management of the quality system across all Group companies. The Quality Function is responsible for implementing and managing the CQMS.

In terms of formulations, Intercos takes a proactive approach to developing and proposing "clean" formulations and innovative solutions to its customers. This is in line with market trends and growing consumer expectations regarding transparency and environmental responsibility. This approach has seen Intercos develop a Clean List that contains both ingredients banned by national and international regulations and ingredients considered controversial at the industry or public opinion level. In relation to these substances, the company has proactively defined its position: limiting or completely banning their use, promoting the "less is more" philosophy and thus increasing trust and transparency in the eyes of the end-user.





S4-2 - Processes for engaging with consumers and end-users about impacts

The Intercos Group operates B2B; as such, it has no direct relationship with the end-user.

The requests and guidelines of its customers, however, which are incorporated into the brief for new developments usually at least once a year, enable the Group to incorporate the needs of end-users and, through a profound understanding of the market and an ongoing commitment to innovation, mean it is able to adapt to their needs and manage the actual and potential relevant impacts on them.

Customers are, therefore, one of Intercos' key stakeholders, and their involvement is critical in ensuring the success of the company's operations and alignment with changing market dynamics. For more on engagement initiatives see the chapter "Stakeholder engagement".

As regards end-user impacts, customers collaborate with a number of Group functions, including Business Development, Sales, the Regulatory Affairs Office, and Quality Assurance, [ESRS S4-2, 20 c] throughout the entire production process, from product design to manufacturing. This synergy ensures constant alignment between customer requirements, which reflect the needs of end-users, and the work carried out by Intercos, ensuring that each stage meets quality standards and satisfies market expectations. The Group therefore assesses the effectiveness of its activities on consumers and/or end-users by engaging its customers, rather than by means of direct engagement.

S4-3 - Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Intercos identifies and assesses potential and actual negative impacts on end-users that could result from its activities, with a focus on ensuring product safety and quality. For more details, see the section "Impacts, Risks and Opportunities".

As such, the Group has introduced a Corporate Quality Management System (CQMS) to manage the quality system centrally and consistently, effectively monitoring and controlling processes, procedures and responsibilities to ensure compliance with quality policies. This system allows the company to identify negative impacts on consumers related to product quality and safety at an early stage, promptly taking any corrective actions required.

To ensure the safety and performance of products intended for end-users, the Group has also adopted a recall procedure that enables prompt action to be taken where necessary. This process involves continuously monitoring products and adopting immediate action plans to recall any non-compliant products or those which may pose risks, ensuring effective and transparent management of any critical issues.

For end-users, it is easier and more direct to report any product-related issues or defects through the dedicated channels provided by brands. Customers then report any non-conformities found to the QA function's Complaints Department or to the relevant figure in the Intercos Sales function. This allows the designated functions to take timely and appropriate action to resolve the issues reported.

The action plans and corrective measures taken, and the evaluation of their effectiveness, are defined on a case-by-case basis, based on the nature and severity of the problem encountered.

How consumers are informed of the existence of dedicated channels for reporting product-related concerns or issues depends on the communication practices adopted by Group customers. Intercos therefore has no direct visibility of the level of end-user awareness of the existence of such facilities. As regards consumer and/or end-user-related human rights impacts, these have not been identified as relevant or material to the Group, and therefore no significant cases requiring specific action have emerged.

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

The CQMS adopted by the Intercos Group is based on the globally recognized ISO 9001:2015 standard. It introduces and ensures compliance with mandatory and voluntary Good Manufacturing Practices (GMP) in relation to international (e.g., ISO 22716) and National (e.g., FDA CFR21; MoCRA in the United States of America; CSAR in China; KFDA in South Korea) standards. The use of such a system means the Intercos Group can mitigate material risk related to product safety and identify appropriate actions to prevent the negative impact identified, as described in SBM-3 in this section. Systematic monitoring also verifies efficiency and robustness in applying the processes defined in the CQMS and the effectiveness of measures taken at Group level and locally.

The CQMS ensures that Intercos is fully compliant with applicable laws in all the countries in which it operates. In the cosmetics industry, the development, production and marketing stages are regulated by a particularly stringent regulatory framework, which is guided at the EU level by Regulation (EC) No. 1223/2009, (the “Cosmetics Regulation”). Among other matters, this regulation governs the composition, labeling and packaging of cosmetic products to facilitate their free movement in EU markets. The regulation also introduces safety assessment criteria to ensure broader protection of consumer health and awareness. Non-clinical safety studies are conducted on cosmetic products, where applicable, in accordance with the principles of good laboratory practice pursuant to Legislative Decree No. 50 of March 2, 2007, implementing Directive 2004/9/EC and Directive 2004/10/EC.

The recurring actions described in this section are part of the Quality functions’ ordinary operations but did not incur extraordinary operating expenses in 2025.

Actions to combat the material negative impact identified relate to consumer protection through oversight of all stages of the production process - from formulation to production to packaging - and through proper awareness-raising activities.

Specifically, strict quality controls are adopted at every stage of the process to ensure that products meet the safety and quality standards required. Special attention is paid to the formulation stage through the choice of raw materials and the necessary testing.

Ingredients are chosen in compliance with current regulations and the highest quality standards. In addition, the Company is committed to respecting requests from customers, who





inform the Group of any ingredients they would prefer not to use in their products.

To be chosen and purchased, all raw materials sold by suppliers [MDR-A, 68b] must be accompanied by extensive documentation guaranteeing their technical characteristics, quality and safety. Specifically, this must include a material safety information document, a technical information document, details of composition, a certificate of origin, a declaration of compliance with the REACH Regulation, and specific information on material types (e.g., a declaration of pigment purity, a declaration of asbestos-free status for talc, etc.). New raw materials must be tested and approved in the laboratory before they can be coded and used in the production process.

During the formulation process and before large-scale production begins, Intercos products must undergo a series of tests, in line with the product category or specific tests required by the customer:

- A stability test, carried out on all new cosmetics and cosmetic products being changed. This test assesses how product quality varies under the influence of a number of environmental factors over time (e.g., temperature, humidity, and light) to determine shelf life and to collect the data needed for product release approval in various export regions;
- A challenge test, where applicable. This is performed according to the ISO method once a preliminary assessment of product stability has been successfully completed (after approximately one month). It assesses the antimicrobial efficacy of preservatives;
- A patch test, which is performed to check whether the product irritates the skin;
- A microbiological test in use, which is performed on certain categories of products or at the customer's request to determine the microbiological stability of a product if its use

includes applications that could contribute to bacterial growth;

- An ocular use test for products intended for use around the eye area, particularly mascara, eyeliner, and kohl;
- Dermatological use test for applications to the lips and face, where applicable and/or upon customer request;
- Sun protection factor (SPF) determination test, carried out on products that contain filters and require an SPF declaration (both UVB and UVA).

Specific tests and studies are also carried out in line with the claims the customer intends to make about the product.

During production, process controls are adopted to identify and correct any deviations from technical specifications and it is ensured that all product information on packaging is clear, accurate, and compliant with regulations to ensure maximum consumer transparency.

During the three-year period from 2023 to 2025, no reports of serious undesirable effects were received under Regulation (EC) No. 1223/2009 (consumer health and safety), and no cases of non-compliance with product information circulation and labeling regulations were recorded.

To ensure and document that products [MDR-A, 68b] meet EU and international regulatory requirements in terms of their composition, safety, and stability, the Regulatory Affairs Office – present at both the corporate and local level – is responsible for collecting and assessing all data relating to the compliance of raw materials and cosmetic products with the regulations in force, in addition to preparing the technical documentation required by customers to sell products or to be submitted to the authorities in case of request.

The Regulatory Affairs Office publishes a PIF (Product Information File), which compiles all available technical information about the product and comprises the following main documents: quali-quantitative formulation and ingredients, product specifications, raw material specifications, manufacturing methods, test results, the Cosmetic Product Safety Report (CPSR).

S4-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As part of its sustainability strategy, the Group has set a specific target that considers the impact of its formulations on end-users. The target is an integral part of the Sustainability Plan, developed in 2019 and with targets to 2025. Specifically, target number 6 relates to the percentage of formulations complying with

the Intercos Clean list compared to the total number of new formulations presented by Intercos at key events during the year. The target is based on scientific criteria, as the methodology adopted is proprietary.

Starting in 2026, in line with the process undertaken, the Group will further strengthen its ongoing commitment through the “Beyond 2025” Sustainability Plan with reference to the impact of formulations on end consumers, expanding its time horizon. Hence the goal included in the “Beyond 2025” Plan is to continue to use clean formulas in all formulations presented at international industry events, and to establish a structured process for monitoring and verifying compliance. See the “Sustainability Strategy” section for further information on Sustainability Plans, the target-setting process, monitoring, and the process of identifying areas for improvement.





WE LIVE OUR VALUES

ESRS G1

ESRS 2 – SBM-3; IRO-1

Below is a description of the main sustainability impacts related to ESRS G1:

Harm to animal health caused by animal testing

While animal testing is banned by law in many countries, including the European Union, the cosmetics industry is known for also testing the quality and safety of new products on animals.

Promoting virtuous environmental and social practices at suppliers

Working with a large number of suppliers and stakeholders throughout the value chain, the company can contribute to developing a more sustainable supply chain by choosing and assessing its suppliers based on environmental and social criteria. These selection and assessment criteria can in turn stimulate suppliers to adopt more sustainable business practices.

The following is a description of the main risks in the ERM Framework that are affected by ESG Drivers directly or indirectly related to ESRS Topic G1:

Corruption and unfair practices

The Intercos Group is exposed to the risk of potentially unfair business practices and/or corruption by its employees. Such events and any subsequent of lawsuits would result in direct impacts on the Group's reputation (ref. "Litigation and other legal or administrative proceedings" risk).

Aspects related to corruption are relevant in view of the Company's nature and size, and the fact that it operates in different countries that do not always adopt a standardized approach to the topic, both at regulatory level, and with regard to individual acceptance of the practice.

The Group has adopted a Sustainability Policy which seeks to promote transparency and tackle corruption, ensuring compliance with the principles of free competition, honesty and fairness, and guaranteeing the utmost respect for customers and business partners' right to commercial confidentiality.

In addition, in 2024, the Intercos S.p.A. Board of Directors issued and approved the updated version of the Code of Conduct. This formalizes the Group's commitment to complying with national and international laws and regulations by embracing the ethical values of

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“respect, integrity, and transparency”. The Code of Conduct was updated in accordance with the highest international standards in these areas.

The Group’s Italian companies Intercos S.p.A., Intercos Europe S.p.A., Cosmint S.p.A. e Ager S.r.l. have also adopted their own organization, management, and control models in compliance with Italian Legislative Decree No. 231/2001. The Group has also issued Guidelines for International Subsidiaries, which underline the essential principles of the Model that are also applicable to Group subsidiaries.

In terms of product ESG requirements, through workshop sessions and interviews with relevant managers, a number of ESG Risk Drivers were identified, assessed and mapped as part of the Risk Register updated in 2024 (i.e., Operational and reputational risk due to unfair business practices conducted by employees).

In view of the management methods adopted by the Group, this is considered a low-materiality risk.

Supply chain ESG regulatory requirements

The Group is exposed to possible non-compliance with current environmental and social laws and regulations that affect the entire supply chain, as well as possible difficulties for suppliers in adapting to new legislative scenarios that impact the relevant business (e.g., EUDR).

The Group has adopted a Sustainability Policy that seeks to innovate formulas, ingredients and packaging to reduce non-renewable resource use and promote the use of recycled and recyclable materials and ingredients that ensure respect for human rights and the environment along the value chain. In addition, it places a strong focus on the preservation of natural ecosystems and biodiversity, non-deforestation and the principles of circular economy. The Group also encourages suppliers to adhere to the shared commitment to respect the environment and society and to ensure due diligence along the entire value chain. In this regard, the Group has adopted a Sustainable Procurement Policy, which constitutes its commitment to pursuing the development of a sustainable supply chain, based on the principles of international standards such as SA 8000, ISO 14001 and ISO 45001 for supplier qualification.

With reference to supply chain ESG regulatory requirements, through workshop sessions and interviews with relevant management, some ESG Risk Drivers were identified, assessed and mapped in the Risk Register updated in 2024 (i.e., Transitional risk due to the introduction of new legislation on the management of the supply chain; Operational risk due to violation by suppliers of existing environmental laws and regulations, i.e. pollution and waste management; Operational risk due to potential increase in cost of goods and

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services related to the need for suppliers to adapt to biodiversity laws; Operational and reputational risk related to suppliers' noncompliance with social laws and regulations related to worker's human rights, including health and safety).

In view of regulatory developments, particularly in the European Union, and the inherent complexity of the supply chain in the sector in which the Group operates, the risk is considered to be medium to high.

The analyses carried out considered the regional specificities of Group companies. The Management Model adopted at the Corporate level has identified no specific critical issues for any legal entity or region in which the Group operates.

CORPORATE ETHICS

G1-1 - Corporate culture and business conduct policies

The Intercos Group promotes a corporate culture based on **honesty**, **integrity** and **transparency**.

These values, along with the conduct and specific responsibilities that guide the people of the Group in relations with its stakeholders are expressed in its **Code of Conduct**, which establishes a shared vision requiring all Group companies to act responsibly and guarantees respect for legal regulations and relevant social and environmental standards.

The Intercos Group's **Code of Conduct** (hereinafter also "Code") was updated in May 2024. It was approved by the Board of Directors and verified by the Company's Supervisory Board. It is an integral part of the 231 Models adopted respectively by the Company, Intercos Europe S.p.A. ("**Intercos Europe**"), Cosmint S.p.A. ("**Cosmint**") and Ager S.r.l. ("**Ager**") pursuant to Legislative Decree No. 231 of June 8, 2001. It therefore applies to all Italian Intercos Group companies and is also to be used as a refer-

ence for all Intercos Group companies abroad. The HR&O, Legal, Regulatory & CSR Function is responsible for enacting the Code.

The Code is intended to provide a clearly defined guideline for Intercos personnel regarding stakeholder relations, the exercise of values, the application of principles, and the pursuit of Group commitments. The principles contained in the Code, also apply to the Group's upstream value chain (suppliers), who are required to comply with the principles and guidelines set forth in the Code, as described in the section "Supplier relations".

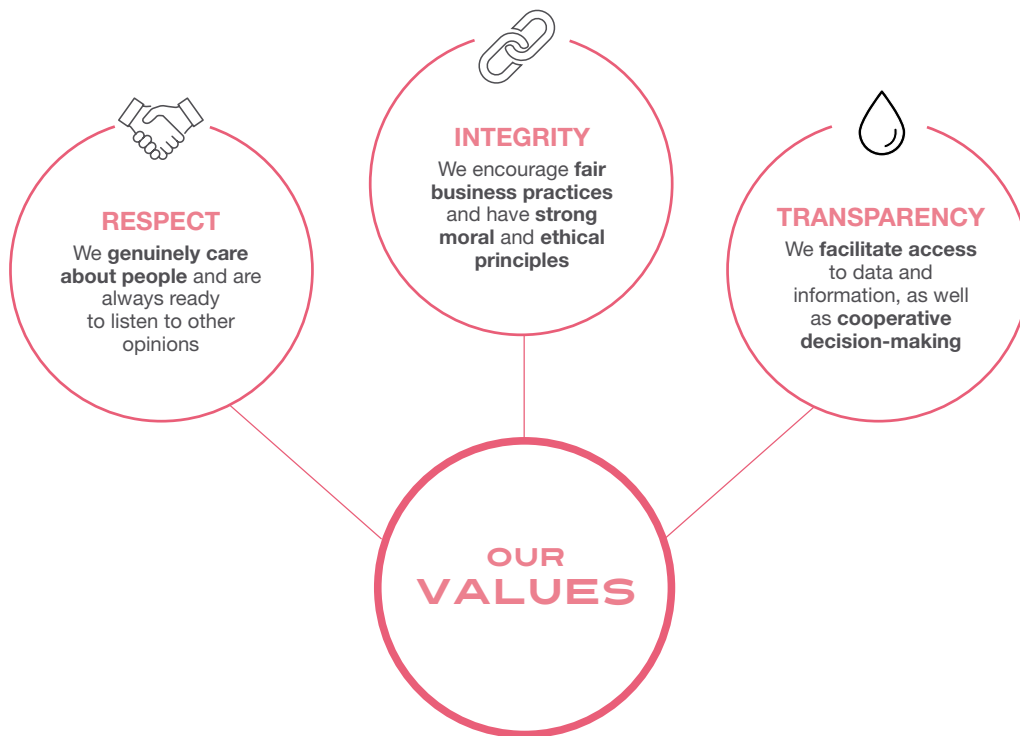
The Code draws on international conventions such as the Universal Declaration of Human Rights, Children's Rights and Business Principles, The UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, the principles of the UN Global Compact, and the International Labour Organization (ILO) Conventions.

The Code of Conduct is available to the public in Italian and English on the Intercos website.

The company's values and ethics also form an integral part of the **onboarding process**, which was renewed in 2023. This seeks to align all employees with these principles and provide them with the knowledge they need to make informed decisions, always acting in accordance with the fundamental principles that form the basis of the Group's corporate culture.

The Group has also adopted an **ongoing training** policy on ethical conduct and business principles, including a focus on combating corruption and bribery, for employees of both Italian companies and foreign subsidiaries. For further information on the functions with the highest risk of corruption, see the section "ESRS G1-4 - Confirmed incidents of corruption or bribery."

Figure 10





Legislative compliance is an essential pillar of ethics and business conduct at the Intercos Group. All employees and company representatives are required to comply with all applicable laws and regulations in the countries in which they operate.

In Italy, the relevant legislation is **Legislative Decree No. 231/2001**, which governs the administrative liability of companies and entities. In Italy, Intercos S.p.A., Intercos Europe, Cosmint and Ager have adopted and routinely update their 231 Model, with the aim of complying with legislative requirements and continuously improving the efficiency of the internal control and corporate governance systems.

The primary goal of the **231 Model** is to provide a comprehensive, structured system of supervisory procedures and principles targeted at preventing the offenses listed in Legislative Decree No. 231/2001, including corruption. It does so by informing and training employees, promoting a company culture based on lawfulness, promoting decision-making processes based on **transparency** and **traceability**, and empowering the employees tasked with making and enacting said decisions. In addition, the 231 Model foresees measures that seek to protect whistleblowers and encourage the prompt and appropriate use of whistleblowing channels in general.

The basic principles contained in the 231 Model act as a benchmark for all other Intercos Group companies. **Guidelines** applicable to all foreign companies in the Intercos Group have therefore been circulated. These set out the most relevant behavioral principles with which the foreign companies in the Intercos Group are required to comply, along with the regulations applicable in the countries where these companies are headquartered.

Through its related Pillar “**We live our Values**”, moreover, the Group’s Sustainability Policy expresses the company’s commitment to conducting its business activities in compliance with all applicable laws in the jurisdictions in which it operates and in accordance with the highest ethical standards. This includes combating corruption among the priority areas of the sustainability strategy. For details of the Group Sustainability Policy, see the section “Sustainability Strategy”.

The 231 Model adopted by the aforementioned Intercos Group companies and the related guidelines for foreign companies also constitute concrete implementation of certain principles enshrined in the **United Nations Convention against Corruption (UNCAC)**. Specifically, there are several similarities:

- **corruption prevention:** both the UNCAC and 231 Model emphasize the key role of preventive strategies through internal controls and business practices oriented around integrity;
- **liability of entities:** the Convention encourages the introduction of liability of legal persons for corruption offenses, a principle that in Italy is enacted through Legislative Decree No. 231/2001;
- **internal control systems:** the UNCAC promotes the adoption of control measures and codes of conduct to combat corruption. The 231 Model translates this principle into concrete tools such as risk mapping, prevention protocols, and Supervisory Board oversight.
- **training and culture of legality:** both systems insist on the need to spread a culture of ethics and transparency through training and awareness-raising activities for employees and top management.

Violations and whistleblower protection

To ensure compliance with the Group's values and ethical standards, all employees and stakeholders are encouraged to report any instances of misconduct or if they suspect that behavior does not meet the Group's ethical principles.

The Group has established a **whistleblowing** channel to handle reports, which can be made either anonymously or non-anonymously, in written or oral form. Reports can be made easily through the "Integrity Line" platform, which is accessible via a dedicated link on the company website (<https://intercosgroup.integrityline.com/>).

All Group employees have been informed of the existence of the whistleblower channel through a special e-mail. The channel is also mentioned in the **Code** and is easily accessible through corporate SharePoint and via QR codes on company bulletin boards. To improve awareness and ensure proper that it is properly used, the topic is also covered in periodic training sessions that focus on the provisions of the 231 Model and the Code. All employees are specifically notified whenever updates are made or new elements introduced.

The company monitors employee **awareness** levels of the existence and use of the whistleblower channel through third-party audits, such as SMETA audits.

Reports may be submitted by workers, former workers (exclusively regarding information on violations that occurred during their employment relationship), self-employed workers, trainees, candidates (relating to information obtained during the recruitment process or in the early stages of the contract) and other parties (e.g., suppliers and shareholders).

Reports may relate to conduct, actions or omissions observed in the workplace that potentially or actually undermine the public reputation or integrity of the Intercos Group. Such reports are considered material violations according to the meaning under the Regulation on reporting offenses, including violations of national and European Union regulations referred to therein, and are also understood as a violation of 231 Model.

The whistleblower process is transparently informed of the whistleblowing process through the Whistleblowing Policy on the channel's webpage (available at: <https://intercosgroup.integrityline.com/app-page:appPageName=Whistleblower%20policy>).

Specifically, reports made from Italy are accessed and processed by the Chairperson of the Supervisory Board. Reports received from all other countries, however, are also accessed and managed by the Intercos Group Chief HR&O, Legal, Regulatory & CSR Officer.

Following receipt of the report, the Chairperson of the Supervisory Board is responsible for:

1. receiving and recording each report in a special document called the "Report Register" (the "Register"), which is kept by the same person;
2. sending acknowledgement that the report has been received within seven days of its receipt;
3. recording in the aforementioned Register all information about each report received;
4. to the extent appropriate, conducting dialogue with the reporter, including to request further information from the reporter regarding the subject of the report;
5. providing feedback to the reporter within three months from the date the acknowledgement of receipt was sent regarding the





timely and diligent action taken or intended to be taken on the report.

At every stage of the management process, **absolute confidentiality** is ensured regarding the identity of the reporter, the reported person, persons otherwise named in the report, and the content of the report. Personal data related to the individuals involved are also processed in accordance with applicable data protection regulations.

In accordance with the Whistleblowing Decree, the Group also prohibits retaliatory acts linked to the report against whistleblowers, persons related to the whistleblower, entities owned by the whistleblower or for which the whistleblower works, and entities working with or on behalf of the Company.

Any retaliatory measures, or alleged retaliatory measures, can be reported to the National Anticorruption Authority (ANAC) for appropriate action, in compliance with the provisions of the Whistleblowing Decree.

Animal welfare

The Group has not prepared specific policies on animal welfare. Recognizing the significance of the issue in the upstream value chain and the interests of end-users, however, Intercos has adopted a strict **animal testing** Policy. This, where not explicitly required by applicable local laws, expressly prohibits all subsidiaries from conducting animal testing for their products and prohibits third parties from conducting such testing on behalf of the company, in accordance with European Regulation 1223/2009.

SUPPLIER RELATIONS

G1-2 - Management of relationships with suppliers

In managing relationships with its packaging and raw material suppliers, drawing on the Group's innovative nature, the purchasing function's approach is to build lasting partnerships that ensure flexible, personalized solutions for customers. As a B2B operator, the Intercos Group monitors the risk "Relations with suppliers and sub-suppliers", which is described in the relevant section of the Directors' Report. For information regarding supplier payment practices, see section "G1-6 - Payment Practices".

Supplier selection and assessment

The company adopts a time-tested approach to integrating social and environmental criteria into supplier selection, in line with the Sustainability Policy and Sustainable Procurement Policy adopted. These policies are based on the principles contained in international standards such as SA 8000, ISO 14001, and ISO 45001 (formerly OHSAS 18001) and define the principles with which Group companies must comply when selecting new suppliers, promoting responsible practices throughout the supply chain.

Specifically, the Group's Sustainability Policy makes explicit, among other things, the company's commitment to encouraging its suppliers to join in its commitment to respecting the environment and people and to ensuring due diligence throughout the entire value chain. For details of the Group Sustainability Policy, see the section "Sustainability Strategy".

The Sustainable Procurement Policy was approved at the Corporate level in 2018 by the Global Packaging Development function. The global purchasing function is responsible for implementing its principles.

To guarantee compliance with these principles, Intercos has introduced procedures, applied at the Corporate level, to qualify new suppliers and monitor existing ones. The objective of this procedure is to ensure respect for the environment, human and labor rights, and commitment to a safe and healthy work environment. Operational procedures are verified by the Chief Purchasing Officer, who, as the head of the global purchasing function, also verifies that they are adopted correctly.

During the new supplier selection phase, therefore, Intercos assesses not only commercial and supply quality aspects, but also performance in the environmental sphere (including, but not limited to, Environmental Management Systems, health and safety, energy management, pollution, biodiversity, deforestation), the social sphere (including, but not limited to, protection of universal human rights, protection of workers' rights, trade union freedom, working hours, diversity protection measures, equity and inclusion) and the ethical sphere (including, but not limited to, compliance with collective bargaining, the existence of reporting channels, anti-corruption, the existence of codes of ethics/conduct). This evaluation process comprises three alternative methods, chosen according to the level of inherent risk associated with the supplier. The first method involves completing self-evaluation questionnaires, accompanied by specific documentary evidence, including management system certifications and third-party audit reports. Where required by the supplier's risk level or that of the geographic area in which it operates, the evaluation is instead carried out through third-party audits conducted on-site.

Evaluation of suppliers classified as low-risk, due to good maturity on sustainability issues and an approach that aligns with that of Intercos, is carried out by means of analysis of the documentation provided. These documents include, but are not limited to, Sustainability Reports subject to third-party assurance, Ethics Codes, and publicly available Environmental and Social Policies, which attest to the supplier's concrete commitment and therefore do not require formal adherence to Intercos' corporate policies. This approach allows best practices already adopted by the most virtuous partners to be recognized, promoting a collaborative model based on mutual growth and shared reinforcement of sustainability standards along the supply chain.

Suppliers are also required to be aware of and accept the content of the Group's Code of Conduct, thereby complying with the Intercos Group's ethical, social and environmental standards and principles. This commitment implies compliance with national and international regulations and best practices on human rights, working conditions, environmental protection and corporate integrity, in line with, among other matters, the principles detailed by the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises, to which the Code itself refers. For details on the Code of Conduct, see the section "Business Ethics".

The results of the prequalification process define the supplier's risk level for the Group. Intercos discusses minor nonconformities (medium-low risk) with the supplier, providing a corrective action plan and monitoring relevant improvements within the agreed timeline. Where serious nonconformities (high risk) are identified, the supplier is considered ineligible to begin or continue its collaboration with Intercos and must adopt an alignment strategy to be re-qualified in the future.





To ensure the effective adoption of sustainable procurement policies, Group buyers regularly participate in training and refresher sessions in these areas. This training not only provides detailed alignment on the process to be adopted, but also include insights into regulatory changes and key sustainability issues. This recurring initiative, which was introduced in 2024, enables effective supplier management on relevant sustainability matters. It did not result in significant operating expenses and/or capital expenditures in 2024. The individual incentive plans for some buyers also include performance indicators relating to these activities. The objective is to guarantee that all personnel involved in the Group's supplier relationship and supply chain management have the necessary skills to **select** and **work** with suppliers that meet Intercos' ethical, social and environmental standards.

Indicators

The table below shows data on the selection of new suppliers based on sustainability criteria (environmental, social, and ethical).

In 2025, the percentage of suppliers selected according to these criteria was 98%. This percentage rises to 100% when including suppliers (2 in all) for whom the qualification process according to sustainability criteria was initiated in 2025 but not yet completed.

The three-year period 2023-2025 saw a substantial improvement thanks to alignment

Table 42: Percentage of suppliers selected according to environmental, social and ethical criteria

	2025
Total of new suppliers	85
Total of new suppliers selected according to environmental, social and ethical criteria	83
Percentage of new suppliers selected according to environmental, social and ethical criteria	98

Methodological note: the data refer to suppliers of raw materials and packaging. In the absence of timely data available, the number of new suppliers for Intercos do Brasil and Intercos India have been estimated based on the value of the companies' purchases on the Group. In addition, as a precautionary measure, they were considered as "unqualified" based on environmental, social and ethical criteria.

PREVENTING CORRUPTION

G1-3 – Prevenzione e individuazione della corruzione attiva e passiva

The Intercos Group has adopted an integrated approach to prevent, detect and manage possible cases of corruption and bribery. This is based on a series of tools and procedures that ensure compliance with the highest standards of honesty, integrity and transparency.

The Code, the Anti-Corruption Policy approved by the Board of Directors on February 25, 2025, and the Sustainability Policy clearly outline the company's principles and commitments on anti-corruption, requiring all employees and business partners to operate ethically and in compliance with the applicable regulations.

Specifically, the Anticorruption Policy applies to all internal and external stakeholders of Group companies who act in the name and on behalf of Intercos, in any capacity and regardless of contractual relationship, and to third parties acting on its behalf. The policy seeks to reaffirm the Group's commitment to a "zero tolerance" approach to any form of corruption, ensuring compliance with all applicable anti-corruption laws and conventions, including Italian Legislative Decree No. 231/2001, the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act, the United Nations Convention Against Corruption, and the U.N. Global Compact. The actual application of this policy is ensured through concrete actions of monitoring, verification and timely handling of possible violations, and by strengthening internal controls. Management at each Group legal entity is responsible for ensuring that employees and third parties acting on behalf of the Group are fully aware of and comply with the applicable laws and regulations in their respective jurisdictions.

Reinforcing these internal provisions is the adoption of the 231 Model and the "Guidelines for the foreign subsidiaries" (the "Foreign Guidelines"). These include the principles of organization and conduct - including protocols to mitigate the risk of corrupt practices - that the Intercos Group's foreign Legal Entities are required to follow, as they are controlled by an Italian company subject to the provisions of Legislative Decree No. 231/2001. For further details, see the previous section.

The policies are made available to all Group stakeholders on the Intercos website and to employees via access to the corporate SharePoint.

Intercos has also introduced an effective second-level control system through a program of internal audits, based on assessments conducted directly by the relevant foreign Le-

gal Entities, and specifically (i) by the "Legal" function where locally present or (ii) by the "Finance" function, where there is no "Legal" function in place. These functions are coordinated by the "Group HRO, Legal, Regulatory & CSR" function and supported by the "Internal Audit" function, and their objective is to verify, on a semi-annual basis, compliance with the Foreign Guidelines and the Code. The sensitive areas assessed in this way are periodically reviewed together with the Internal Audit Team, to check for any new or increasingly important issues (by way of non-exhaustive example, cash flows, relations with the public sector, new powers of attorney and proxies with related changes in thresholds, the process of selecting third parties such as suppliers/consultants/contractors/subcontractors, etc.). Finally, in 2025, two assessments were carried out at every Intercos Group foreign Legal Entity, bringing together the subject of the audits - compared to 2024 - so as to align them with the Anti-Corruption Policy adopted by the Group on February 25, 2025.

The areas usually assessed in these audits are relationships with government agencies and authorities; internal proxies and authorizing powers; the management of consulting and contracts with suppliers and third parties; transactions involving significant cashflows; health and safety policies, procedures, and practices; and third-party gifts, donations, and sponsorships during the reporting period.

These audits are performed in addition to those carried out on the Italian companies Intercos, Intercos Europe, Cosmint and Ager by their respective Supervisory Boards, in accordance with Legislative Decree No. 231/2001.

In addition, to ensure an effective approach to preventing corruption, Intercos actively involves its employees by making them active participants in protecting corporate integrity.





This is a recurring action and did not result in significant operating costs or capital expenditures in 2025.

On the one hand, the whistleblowing channel offers all workers a secure and confidential way to report possible misconduct. On the other, through regular training sessions covering this topic Intercos is committed to improving employee awareness of the risks involved and providing the skills necessary to recognize and prevent misconduct.

Of the Company's internal Board Committees, the CRSC is required to inform the Board of Directors about the presence of any risks detected - including those related to corruption - in the Internal Control and Risk Management System, along with the corrective measures adopted by the company.

ESRS G1-4 – Confirmed incidents of corruption or bribery

There were no cases of corruption or bribery in 2025. Incidents are reported through the channels described above and monitored and reported on by the appropriate body. These metrics, for reporting purposes, are reported by the Group's HRO, Legal, Regulatory & CSR function.

Table 43: Confirmed incidents of corruption and/or bribery registered in 2025

Metrics related to confirmed incidents of corruption and/or bribery	
Number of confirmed incidents of corruption or bribery	0
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incident	0

Training

Online training is delivered annually on the 231 Model, which includes an examination of some predicate offenses under Legislative Decree No. 231/2001, including anti-corruption (both active and passive) and a specific focus on the Anti-Corruption Policy. The following training modules are included:

- principles of Legislative Decree No. 231/2001; these modules are offered to all foreign companies in the Intercos Group - as they are controlled by an Italian holding company - through the adoption of the Foreign Guidelines;
- the key content of the Intercos Group Code, 231 Models and the Foreign Guidelines for foreign subsidiaries;
- the whistleblowing management system. In 2025, 840 employees and workers were

involved in such training sessions, in line with their respective responsibilities and roles. This included those functions and levels most exposed to risks relating to conflict of interest, corruption, or ethical violations more generally.

Those most exposed to such risks are:

- all employees and contractors in the Legal, Finance (including Accounting), Internal Audit, HR, HSE, Purchasing Department (both Sourcing and Purchasing), and Security functions; for all other business functions, all first-line managers and their reports;
- Top Management (i.e., first line) and all immediate reports of all the functions listed above;
- Board of Directors members who are internal to the company.

G1-6 - Payment practices

The Group has not adopted specific practices to avoid late payments (including, among others, in dealings with SMEs). Through its purchasing area, each company negotiates

payment terms with its suppliers, operating at all times in accordance with the applicable regulations. Companies work in all cases to ensure compliance with the contractually agreed terms.

In relation to average payment terms, Group companies generally pay suppliers, regardless of category, within 105 days of the date from which the contractual payment term is calculated. The figure was estimated from the accounting items in the Consolidated Income Statement at December 31, 2025 (*Trade Payables third parties/Total purchase * 365 days*). Regarding the value of invoices to be received, there is currently no precise monitoring of these timeframes. In any case, the value of *Invoices to be received* that exceeds the estimated average payment terms constitutes approximately 18% of the value of *Trade Payable third parties*.

Finally, no pending legal proceedings for late payments by Group companies to their suppliers are currently underway.

* Calculated using the countback method.





Other information

It is communicated that Intercos S.p.A. has complied with the simplified regime as per Articles 70, paragraph 8 and 71, paragraph 1-bis, of CONSOB Regulation on Issuers No. 11971/1999, as subsequently amended, thereby availing of the right to waive the disclosure requirements provided for in Articles 70, paragraph 6 and 71, paragraph 1, of the aforementioned Regulation for significant mergers, spin-offs, share capital increases by contributions in kind, acquisitions and disposals.

MARKETS REGULATION ARTICLE 15 (PREVIOUSLY ARTICLE 36) OF CONSOB MARKETS REGULATION (ADOPTED WITH CONSOB MOTION NO. 20249)

In relation to the regulations concerning the conditions for the listing of companies that control companies constituted and regulated according to laws outside of the European Union and of significant importance for the purposes of the consolidated financial statements, the Intercos Group has identified 4 subsidiaries, with headquarters in 4 countries not belonging to the European Union, which are considered significant in accordance with the regulation.

With regards to that outlined above, the current administrative-accounting and reporting systems of the Intercos Group are considered appropriate to provide regular reporting to management and the Auditor of the Parent Company of the income statement, balance sheet and financial data necessary for the preparation of the Consolidated Financial Statements and to ensure compliance with the above regulation.

Milan, March 4, 2026

INTERCOS S.p.A.
for the Board of Directors





NOTES TO THE FINANCIAL STATEMENTS

General information

BOARD OF DIRECTORS

Name	Office
Dario Gianandrea Ferrari	Executive Chairperson
Renato Semerari	Chief Executive Officer
Ludovica Arabella Ferrari	Executive Director
Gianandrea Ferrari	Executive Director
Nikhil Kumar Thukral	Non-Executive Director
Ciro Piero Giuseppe Cornelli	Non-Executive Director
Maria D'Agata	Non-Executive Director
Vincenzo Giannelli	Independent Director pursuant to the CFA and the CG Code
Michele Scannavini (*)	Independent Director pursuant to the CFA and the CG Code
Paola Boromei	Independent Director pursuant to the CFA and the CG Code
Patrizia De Marchi	Independent Director pursuant to the CFA and the CG Code

(*) Lead Independent Director

The Board of Directors was appointed by the Intercos S.p.A. Ordinary Shareholders' Meeting on April 11, 2024, using the slate voting method, in accordance with the applicable regulatory and statutory provisions. It shall remain in office for three fiscal years and, therefore, until the approval of the financial statements at December 31, 2026.





BOARD OF STATUTORY AUDITORS

Nome e cognome	Carica
Paolo Prandi	Statutory Auditor and Chairperson of the Board of Statutory Auditors
Monica Manzini	Statutory Auditor
Giovanni Rossi	Statutory Auditor
Daniela Savi	Alternate Auditor
Maurizio Nastri	Alternate Auditor

The Board of Statutory Auditors was appointed by the Intercos S.p.A. Ordinary Shareholders' Meeting on April 11, 2024, using the slate voting method, in accordance with the applicable regulatory and statutory provisions. It shall remain in office for three fiscal years and, therefore, until the approval of the financial statements at December 31, 2026.

INTERNAL COMMITTEES TO THE BOARD (pursuant to Article 123-bis, paragraph 2, letter d) CFA)

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Office
Patrizia De Marchi	Chairperson
Ciro Piero Giuseppe Cornelli	Member
Michele Scannavini	Member

CONTROL AND RISKS COMMITTEE

Name	Office
Vincenzo Giannelli	Chairperson
Ciro Piero Giuseppe Cornelli	Member
Paola Boromei	Member

RELATED PARTY TRANSACTIONS COMMITTEE

Name	Office
Michele Scannavini	Chairperson
Patrizia De Marchi	Member
Paola Boromei	Member

On April 15, 2024, the Intercos S.p.A. Board of Directors resolved to establish the internal committees described above, granting them investigative, proposal and advisory functions. Their term of office is the same as that of the Board of Directors and, therefore, shall last until the approval of the financial statements for the year ended December 31, 2026.

For further information on the Committees, reference should be made to the Corporate Governance Report available on the Company's website at www.intercos-investor.com.

SUPERVISORY BOARD

Name	Office
Giuseppe Schiuma	Chairperson
Francesco Cimatti	Member
Maria D'Agata	Member

The Supervisory Board was appointed on April 15, 2024 by Board of Directors' motion of Intercos S.p.A. and will remain in office for three financial years and, therefore, until the Shareholders' Meeting called to approve the financial statements at December 31, 2026.





INDEPENDENT AUDIT FIRM

EY S.p.A.

The Ordinary Shareholders' Meeting of Intercos S.p.A. on August 25, 2021 appointed the Independent Audit Firm EY S.p.A. for the legal audit of the accounts for nine years (2021-2029), until the approval of the financial statements at December 31, 2029.

According to the provisions of the new Legislative Decree No. 125/2024 implementing the EU Corporate Sustainability Reporting Directive (CSRD), on December 17, 2024 the Company's Board of Directors, with regard to the appointment for the sustainability reporting compliance declaration, resolved to continue with the NFD appointment signed in 2021 with the company EY until its expiration, thus availing itself of the transitional regime without the prior approval of the Shareholders' Meeting and the Board of Statutory Auditors (which, however, was informed of such by the Company and EY during the Board of Statutory Auditors' meeting last November 13, 2024). The Board also accepted EY's proposal to integrate the scope of activities related to the NFD engagement with the assurance activities on sustainability reporting and adjust accordingly the compensation agreed between the Company and EY in the NFD appointment originally signed.

EXECUTIVE OFFICER FOR FINANCIAL REPORTING

The Executive Officer for Financial Reporting ("Executive Officer") was Mr. Stefano Zanelli until August 30, 2025, the day on which he ended his tenure as Group CFO, Organizational SE and Executive Officer, following his voluntary resignation on August 4, 2025.

Following his resignation, the Company's Board of Directors, after receiving the favorable opinion of the Company's CRC, ARC and of the Board of Statutory Auditors, on September 12, 2025 resolved to appoint Vittorio Brenna - Group COO in office and Organizational SE - as Group CFO and Executive Officer for Financial Reporting on an interim basis, effective as of September 13, 2025 and for the time required to the search for a suitable candidate to fill these roles.

On November 6, 2024, the Company's Board of Directors, having heard the favorable opinion of the CRC, ARC, of the RPT Committee and of the Board of Statutory Auditors of the Company, resolved to revoke the appointment of Mr. Vittorio Brenna as the Group CFO and as the Company's interim Executive Officer for Financial Reporting, effective December 1, 2025; at the same time, the Board appointed Ms. Paola Agasso as the new Group CFO and Executive Officer for Financial Reporting of the Company, effective December 1, 2025 and until revoked.

Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2025 AND DECEMBER 31, 2024

(Euro thousands)	December 31, 2025	December 31, 2024
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	252,137	248,538
Intangible assets	72,058	63,214
Goodwill	133,817	133,737
Equity Investments	1,498	1,498
Deferred tax assets	34,659	38,733
Other non-current assets	785	1,129
Non-current financial assets	218	240
Non-current assets	495,172	487,089
CURRENT ASSETS		
Inventories	172,197	193,292
Trade receivables	140,232	160,562
Other current assets	19,614	18,513
Current financial assets	42	49
Cash and cash equivalents	152,217	190,021
Current assets	484,302	562,437
TOTAL ASSETS	979,474	1,049,526
EQUITY		
Share Capital	11,314	11,300
Other reserves	108,504	108,504
Retained earnings	365,825	356,918
Total Equity owners of the parent	485,643	476,722
Non-controlling interest equity	2,284	2,136
TOTAL EQUITY	487,927	478,858





(Euro thousands)	December 31, 2025	December 31, 2024
LIABILITIES		
NON-CURRENT LIABILITIES		
Bank borrowings and other lenders	200,255	237,492
Provisions for risks and charges	893	1,713
Deferred tax liabilities	8,516	9,412
Other non-current liabilities	261	215
Employee benefits	9,625	11,018
Non-current liabilities	219,550	259,850
CURRENT LIABILITIES		
Current bank borrowings and other lenders	47,385	41,565
Other financial payables	5,326	8,960
Trade payables	165,171	202,236
Other current liabilities	54,115	58,057
Current liabilities	271,997	310,818
TOTAL LIABILITIES AND EQUITY	979,474	1,049,526

2025 AND 2024 CONSOLIDATED INCOME STATEMENT

(Euro thousands)	2025	2024
Revenues	1,047,233	1,064,904
Cost of sales	(827,814)	(857,870)
Industrial Gross Profit	219,419	207,034
Research, Development and Innovation costs	(40,993)	(40,402)
Selling Expenses	(25,923)	(29,600)
General and Administrative Expenses	(55,856)	(51,838)
Other income and (expenses)	(667)	(1,067)
EBIT	95,980	84,127
Financial income	10,248	17,002
Financial expense	(32,126)	(27,096)
Profits from equity investments	-	-
EBT	74,102	74,033
Income taxes	(24,049)	(25,257)
Net Profit	50,053	48,776
Of which:		
- Owners of the parent	49,826	48,524
- Minority interest	227	252
Earnings per share		
Basic	0.52	0.51
Diluted	0.51	0.50





CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro thousands)	2025	2024
Net Profit	50,053	48,776
Total other comprehensive income, net of tax effect which will not subsequently be reclassified to profit/loss for the year		
- Actuarial gains/(losses) on defined benefit plans	292	(1,106)
- Tax effect	(53)	197
Actuarial Gains and Losses net of tax effect	239	(909)
Other comprehensive income/(charges) which will subsequently be reclassified to profit/loss for the period		
- Translation difference	(12,062)	3,807
Translation difference	(12,062)	3,807
- Fair Value Hedge	-	(5,244)
- Tax effect	-	1,259
Fair Value Hedge, net of tax effect	-	(3,985)
Comprehensive income for the year	38,230	47,689
Of which:		
- Owners of the parent	37,991	47,437
- Non-controlling interests	239	252

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT DECEMBER 31, 2025 AND DECEMBER 31, 2024

(Euro thousands)								Total
Description	Group Equity				Non-controlling Interests Equity			
	Share capital	Other Reserves (share premium)	Reserves and retained earnings	Profit (loss) for the year	Non-controlling interests share capital)	Non-controlling interests net profit (loss)		
January 1, 2025	11,300	108,504	309,481	47,437	1,884	252	478,858	
Allocation of 2024 result	-	-	47,437	(47,437)	252	(252)	-	
Translation difference	-	-	-	(12,060)	-	(2)	(12,062)	
Share capital increase	14	-	-	-	-	-	14	
Other comprehensive income, net of tax effect	-	-	-	225	-	14	239	
Net change in LTIP plans reserve	-	-	802	-	-	-	802	
Consolidation reserve	-	-	2,254	-	(91)	-	2,163	
Dividends distributed	-	-	(19,000)	-	-	-	(19,000)	
Buyback Reserve	-	-	(13,140)	-	-	-	(13,140)	
Profit/(loss) for the year	-	-	-	49,826	-	227	50,053	
December 31, 2025	11,314	108,504	327,834	37,991	2,045	239	487,927	

(Euro thousands)								Total
Descrizione	Group Equity				Non-controlling Interests Equity			
	Share capital	Other Reserves (share premium)	Reserves and retained earnings	Profit (loss) for the year	Non-controlling interests share capital)	Non-controlling interests net profit (loss)		
January 1, 2024	11,300	108,504	281,726	45,974	1,948	88	449,540	
Allocation of 2023 result	-	-	45,974	(45,974)	88	(88)	-	
Translation difference	-	-	-	3,807	-	-	3,807	
Share capital increase	-	-	-	-	-	-	-	
Other comprehensive income, net of tax effect	-	-	-	(4,894)	-	-	(4,894)	
Net change in LTIP plans reserve	-	-	(210)	-	-	-	(210)	
Consolidation reserve	-	-	(9)	-	(152)	-	(161)	
Dividends distributed	-	-	(18,000)	-	-	-	(18,000)	
Profit/(loss) for the year	-	-	-	48,524	-	252	48,776	
December 31, 2024	11,300	108,504	309,481	47,437	1,884	252	478,858	





RECONCILIATION STATEMENT BETWEEN THE CONSOLIDATED AND RECLASSIFIED INCOME STATEMENTS FOR 2025 AND 2024

(Euro thousands)	2025						
	Revenues	Cost of sales	Research, Development and Innovation costs	Selling expenses	General and Administrative Expenses	Other income and expenses	EBIT
Revenues	1,047,233	-	-	-	-	-	1,047,233
Personnel expenses	-	(173,453)	(30,612)	(18,728)	(25,916)	-	(248,709)
Raw Materials, ancillary, consumables and goods	-	(482,812)	(1,972)	-	-	-	(484,784)
Outsourcing	-	(81,800)	-	-	-	-	(81,800)
Consultancy costs	-	-	(3,229)	(1,248)	(5,535)	-	(10,012)
IT systems services	-	-	-	-	(7,555)	-	(7,555)
Employee training and hiring	-	-	-	-	(2,082)	-	(2,082)
Transport costs	-	(21,789)	-	(869)	-	-	(22,658)
Travel expenses	-	-	(2,019)	-	-	-	(2,019)
Commercial expenses	-	-	-	(427)	-	-	(427)
Amortization, depreciation and write-downs	-	(29,645)	(11,493)	(1,307)	(9,096)	(1,278)	(52,819)
Utilities	-	(12,203)	(762)	(748)	(955)	-	(14,668)
Maintenance services	-	(9,584)	-	-	-	-	(9,584)
Costs capitalized for internal construction	-	-	12,235	-	-	-	12,235
Rental charges	-	-	-	-	(225)	-	(225)
(Accruals) util. doubtful debt prov. Receivables	-	-	-	162	-	-	162
Other general expenses	-	-	(3,141)	(2,758)	(4,492)	-	(10,391)
Other costs of sales	-	(16,528)	-	-	-	-	(16,528)
Other operating income	-	-	-	-	-	10,057	10,057
Other operating charges	-	-	-	-	-	(2,264)	(2,264)
Net non-recurring charges	-	-	-	-	-	(7,182)	(7,182)
Total	1,047,233	(827,814)	(40,993)	(25,923)	(55,856)	(667)	95,980

(Euro thousands)	2024						
	Revenues	Cost of sales	Research, Development and Innovation costs	Selling expenses	General and Administrative Expenses	Other income and expenses	EBIT
Revenues	1,064,904	-	-	-	-	-	1,064,904
Personnel expenses	-	(168,503)	(30,371)	(20,493)	(22,545)	-	(241,912)
Raw Materials, ancillary, consumables and goods	-	(501,528)	(2,701)	-	-	-	(504,229)
Outsourcing	-	(89,288)	-	-	-	-	(89,288)
Consultancy costs	-	-	(3,212)	(1,219)	(5,138)	-	(9,569)
IT systems services	-	-	-	-	(7,306)	-	(7,306)
Employee training and hiring	-	-	-	-	(2,282)	-	(2,282)
Transport costs	-	(24,112)	-	(909)	-	-	(25,021)
Travel expenses	-	-	(1,950)	-	-	-	(1,950)
Commercial expenses	-	-	-	(501)	-	-	(501)
Amortization, depreciation and write-downs	-	(30,186)	(10,504)	(1,546)	(7,409)	-	(49,645)
Utilities	-	(11,925)	(756)	(764)	(951)	-	(14,396)
Maintenance services	-	(9,979)	-	-	-	-	(9,979)
Costs capitalized for internal construction	-	-	12,038	-	-	-	12,038
Rental charges	-	-	-	-	(714)	-	(714)
(Accruals) util. doubtful debt prov. Receivables	-	-	-	(759)	-	-	(759)
Other general expenses	-	-	(2,946)	(3,409)	(5,493)	-	(11,848)
Other costs of sales	-	(22,349)	-	-	-	-	(22,349)
Other operating income	-	-	-	-	-	10,723	10,723
Other operating charges	-	-	-	-	-	(2,213)	(2,213)
Net non-recurring charges	-	-	-	-	-	(9,577)	(9,577)
Total	1,064,904	(857,870)	(40,402)	(29,600)	(51,838)	(1,067)	84,127





CONSOLIDATED STATEMENT OF CASH FLOWS AT DECEMBER 31, 2025 AND DECEMBER 31, 2024

(Euro thousands)	Period ended December 31, 2025	Period ended December 31, 2024
Group net profit	50,053	48,776
Amortization and Depreciation	51,476	49,351
Revaluations/Write-downs of tangible and intangible assets	1,342	302
Other income and (expenses)	802	(210)
Change in provisions	(1,889)	67
Financial expenses and (income)	21,878	10,094
Decrease / (Increase) in inventories	14,623	(23,848)
Decrease / (Increase) in trade receivables, net	15,036	8,146
Increase/(decrease) in trade payables	(31,485)	18,017
Decrease / (Increase) in other assets	(2,982)	(1,091)
Interest paid in the period	(23,173)	(31,639)
Increase / (Decrease) in other liabilities	22,881	21,424
Cash flow generated by operating activities (a)	118,562	99,389
Investments in property, plant & equipment	(45,260)	(44,584)
Investments in intangible assets	(23,938)	(20,548)
Divestments of property, plant & equipment	1,780	3,705
Other Investments / (Divestments) in equity investments	-	-
Cash flow generated by investing activities (b)	(67,418)	(61,427)
Share capital increase	14	-
Decrease / (Increase) in bank borrowings & other lenders	(45)	16
Increase in payables to banks & other lenders	9,477	215,928
(Decrease) in payables to banks & other lenders	(39,424)	(186,821)
Interest paid in the year	(11,207)	(3,473)
Fees paid IFRS16	(9,672)	(9,868)
Dividends paid	(19,000)	(18,000)
Buyback	(13,140)	-
Dividends received	75	59
Cash flow generated by financing activities (c)	(82,922)	(2,159)
Cash flows in the year (a)+(b)+(c)	(31,778)	35,803
Cash and cash equivalents at beginning of year	190,021	152,842
Of which currency changes	6,026	(1,376)
Cash and cash equivalents at end of year	152,217	190,021
Change in cash and cash equivalents in the year	(31,778)	35,803

NOTES TO THE FINANCIAL STATEMENTS

Introduction

Intercos S.p.A. is a limited liability company incorporated in Italy. The company has its registered office in Milan, Piazza Generale Armando Diaz 1 and its administrative offices in Agrate Brianza, via Guglielmo Marconi 84 (Italy), which is the headquarters of the Parent Company.

Intercos S.p.A. leads a Group that operates internationally in the production and marketing of cosmetic products and cosmetics in general.

The Consolidated Financial Statements at December 31, 2025 have been prepared in accordance with International Financial Reporting Standards (“IFRS”), where IFRS also includes all revised International Accounting Standards (“IAS”) and all interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), previously known as the Standing Interpretations Committee (“SIC”). For further details, please refer to paragraph “*Basis of preparation of the Consolidated Financial Statements*” of the Explanatory Notes.





General information

The Group is one of the leading business-to-business (B2B) operators internationally in the creation, production and marketing of cosmetics (color cosmetics) and skincare products, in addition to hair and body care products (Hair&Body), for Multinational Brands, Emerging Brands and retailers serving the cosmetics market and the wider beauty sector.

At December 31, 2025, the Group operates through the following business units:

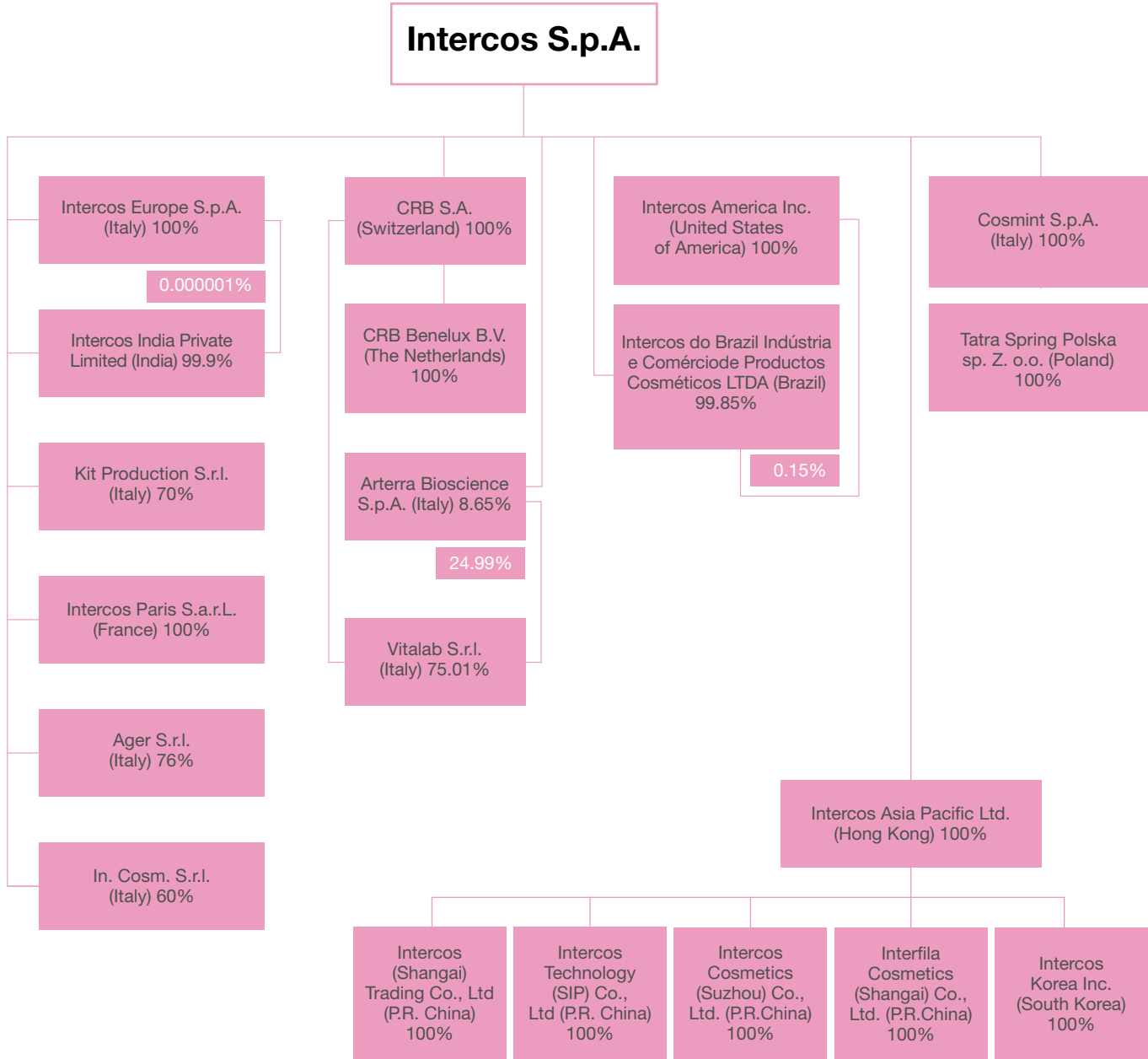
- (i) **MakeUp**: specializes in the creation, research, development, manufacture and marketing of face and eye powder products, foundations, lipsticks, mascaras, nail polishes and delivery systems, the latter used for the face, eyes and lips. The MakeUp business unit in turn comprises six business segments, each corresponding to one or more product categories: Mascara&Delivery System Eyes, Powders&Wet Powders, Foundations, Lipsticks, MakeUp transfers, Pencils&Markers;
- (ii) **Skincare**: specializes in the creation, research, development, production and marketing mainly of creams, serums and cosmetic and dermocosmetic lotions; and
- (iii) **Hair&Body**: specialized in the production, and more recently also in the creation and research, of hair and body care products, in which the Group has been involved since the second half of 2017 following the acquisition of the Cosmint Group.

The Intercos Group production facilities number 15, located across three continents, of which 7 in Europe, 5 in Asia, and 3 in the Americas (of which 2 in North America and 1 in South America). The production locations reflect the Group's clear decision to serve the most developed geographical areas and to operate close to its main clients.

THE GROUP STRUCTURE

The structure of the Group, updated
as of the closing date of the annual
financial report at December 31, 2025,
is presented below.





Basis of presentation of the consolidated financial statements

GENERAL INFORMATION

These consolidated financial statements of the Parent Company Intercos S.p.A. for the year ending December 31, 2025 were approved by the Board of Directors on March 4, 2026.

ACCOUNTING STANDARDS

The Group consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission for the preparation of the consolidated and separate financial statements of companies with equity and/or debt securities listed on a European Union regulated market.

The Group has prepared the financial statements on a going concern basis.

NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

During the year ended December 31, 2025, the Group applied accounting standards consistent with the prior year, except for the accounting standards, interpretations and amendments becoming effective on January 1, 2025, as set out below.

The Group has not adopted in advance any accounting standard, interpretation or amendment issued but not yet in effect.

Various amendments are applied for the first time in 2025, but did not impact the consolidated financial statements of the Group.

The new standards and amendments effective as of January 1, 2025, adopted by the Group for the preparation of the consolidated financial statements, are presented below:

LACK OF EXCHANGEABILITY - AMENDMENTS TO IAS 21

The amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* specify how an entity should consider whether a currency is convertible and how it should determine the spot exchange rate when it is not convertible. The amendments also require disclosures that enable users of the financial statements to understand how the non-convertible currency affects, or is expected to affect, the entity's operating results, balance sheet, financial position and cash flows.

These amendments did not have any significant impact on the Group financial statements.

ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BY IASB/IFRIC AND ENDORSED BY THE EUROPEAN COMMISSION, BUT NOT YET APPLIED

The standards and interpretations which at the date of the preparation of the Group consolidated financial statements were issued but not yet in force are reported below.





The Group will adopt these standards when they enter into force, if applicable.

IFRS 18 PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the income statement, including specific totals and subtotals. Additionally, entities will need to classify all expenses and revenues within the income statement within four categories: operating, investing, financing, income tax, and discontinued operations. The first three categories are new.

The standard also requires disclosures based on the new definition of management-defined performance indicators (MPMs), subtotals of costs and revenues, and includes new provisions for aggregating and disaggregating financial information based on the identified roles of Primary Financial Statements (PFS) and the notes. In addition, changes have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations based on the indirect method; from profit or loss to operating profit or loss and removing the option to classify cash flows from dividends and interest. Additionally, consequential changes were made to multiple other accounting standards.

IFRS 18, and amendments to other standards, are effective for fiscal years beginning on or after January 1, 2027, but early application is permitted subject to disclosure. IFRS 18 will apply retrospectively.

The Group is currently working to identify the impacts that the changes will have on its financial statements and notes to the financial statements.

The preliminary assessments of the main expected impacts on the Group's consolidated financial statements are as follows:

- Rental income, changes in fair value related to investment properties, and the profit share of an investee and a joint venture will be classified in the "investment" category within the income statement.
- Foreign exchange differences will be classified within the category in which the related income and expenses giving rise to the foreign exchange difference were classified.
- New disclosures will be introduced with reference to: (a) "management-defined performance measures"; (b) costs by nature when the costs are presented by function of the "operating" category in the statement of profit/(loss) for the year; and (c) a reconciliation, for each item in the income statement, between the amounts restated by applying IFRS 18 and those previously presented under IAS 1. Interest income and interest expense will respectively be classified as investing activities and financing activities in the statement of cash flows.

IFRS 19 SUBSIDIARIES WITHOUT PUBLIC ACCOUNTABILITY: DISCLOSURES

In May 2024, the IASB issued IFRS 19, which allows eligible entities to opt for a reduction in their disclosure requirements while continuing to apply the recognition, measurement and presentation requirements in the other IFRS accounting standards. To be eligible, at the end of the fiscal year, an entity must be a subsidiary as defined within IFRS 19, may not have "public accountability" and must have a parent (ultimate or interim) that prepares consolidated financial statements, available to the public, prepared in accordance with IFRS accounting standards.

IFRS 19 will become effective for fiscal years beginning on or after January 1, 2027, with early application possible.

As the Group's shares are publicly traded, the Group is not eligible for the application of IFRS 19.

AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS-AMENDMENTS TO IFRS 9 AND IFRS 7

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7, called Amendments to the Classification and Measurement of Financial Instruments (the "Amendments"). The Amendments include:

- a clarification that a financial liability is written off on the "settlement date" and the introduction of an accounting policy choice (where specific conditions are met) to cancel financial liabilities settled through electronic payment systems before the settlement date;
- additional guidance on how to evaluate contractual cash flows for financial assets with environmental, social and governance (ESG) characteristics or similar;
- clarification of the characteristics of a "non-recourse" instrument (non-recourse feature) and the characteristics of contractually linked instruments;
- the introduction of disclosure requirements for financial instruments with contingent characteristics and additional disclosure requirements for equity instruments classified at fair value through comprehensive income (OCI).

The Amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted only for the classification of financial assets and related disclosures. The Group does not expect the changes to have a significant effect on the consolidated financial statements.

ANNUAL IMPROVEMENTS TO IFRS ACCOUNTING STANDARDS - VOLUME 11

In July 2024, the IASB issued nine amendments of limited scope as part of the periodic maintenance of the IFRS. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and the related Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows. The changes will be effective for periods beginning on or after January 1, 2026. Early adoption is permitted, of which adequate notice must be given.

These amendments are not expected to have a significant impact on the Group's consolidated financial statements.

CONTRACTS REFERENCING NATURE-DEPENDENT ELECTRICITY - AMENDMENTS TO IFRS 9 AND IFRS 7

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that refer to that type of electricity and:

- clarify the application of own-use requirements for contracts within the scope;
- change the requirements for designating a hedged item in a cash flow hedging relationship for these contracts; introduce new disclosure requirements to enable investors to understand the effects of such contracts on a company's financial performance and cash flows.

The amendments will be effective for fiscal years beginning on or after January 1, 2026. Early adoption is allowed, although adequate disclosure must be given.





The amendments related to the own-use exception should be applied retrospectively, while those in hedge accounting should be applied prospectively to new hedging relationships designated as of the date of first application. In addition, the amendments to disclosure under IFRS 7 must be implemented in conjunction with the changes to IFRS 9. In the event that an entity does not restate the comparative information, it may not submit comparative disclosures.

The Group does not expect these amendments to have a significant impact on its consolidated financial statements.

TRANSLATION TO A HYPERINFLATIONARY PRESENTATION CURRENCY - AMENDMENTS TO IAS 21

On November 13, 2025, the IASB issued amendments to IAS 21, Translation to a Hyperinflationary Presentation Currency. The changes aim to improve the usefulness of the resulting information in a cost-effective manner. The amendments will be effective for fiscal years beginning on or after January 1, 2027. Early adoption is allowed, although adequate notice must be given.

In view of the geographic areas in which the Group is present, these amendments are not expected to have a significant impact on the Group's consolidated financial statements.

CONSOLIDATION CRITERIA AND METHODS

The consolidated financial statements include the financial statements of Intercos S.p.A. and of its subsidiaries at December 31, 2025.

The financial statements prepared for consolidation purposes, whose year-end coincides with that of the Parent Company, have been drawn up in accordance with the international

accounting standards adopted by the Group. Where necessary appropriate adjustments are made to the financial statements of the subsidiaries, in line with the accounting policies of the Group.

The Group exercises control when it is exposed to or has the right to variable income streams, based on the relationship with the investee, and, at the same time, has the capacity to affect such income streams through the exercise of power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- the power over the investment entity (or holds valid rights which confer it the current capacity to control the significant activities of the investment entity);
- the exposure or rights to variable returns deriving from involvement with the investment entity;
- the capacity to exercise its power on the investment entity to affect its income streams.

When the Group holds less than the majority of the voting rights (or similar rights), all the facts and significant circumstances should be considered to establish whether control of the investment entity exists, including:

- Contractual agreements with other holders of voting rights;
- Rights deriving from contractual agreements;
- Voting rights or potential voting rights of the Group.

The Group reconsiders if it has control of an investee if the facts and circumstances indicate that there have been changes in one or more of the three significant elements for the definition of control. The consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses this control.

The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the period are included in the statement of comprehensive income from the date in which the Group obtains control until the date in which the Group no longer exercises control on the company.

The profit/(loss) and each of the other comprehensive income statement items are allocated to the shareholders of the parent company and minority shareholders, even if this implies that the minority shareholder investments have a negative balance. All assets and liabilities, shareholders' equity, revenues and costs, and inter-company cash flows relating to transactions between entities of the Group are completely eliminated on consolidation.

When the share in the equity held by the Parent Company changes, which does not result in a loss of control, this change must be recorded under equity.

If the Group loses control, it must:

- Eliminate the assets (including any goodwill) and the liabilities of the subsidiary;
- Eliminate the book value of all the minority shareholdings;

- Eliminate the cumulative translation reserve recorded in equity;
- Recognize the fair value of the amount received;
- Recognize the fair value of any holding maintained in the former subsidiary;
- Recognize the gain or loss in the income statement;
- Reclassify the share of the Parent Company of any items previously recorded in the statement of comprehensive income to the income statement or profits/(losses) carried forward, as required by specific accounting standards, as if the Group had directly sold the related assets or liabilities.





CONSOLIDATION SCOPE

The companies included in the consolidation scope of Intercos S.p.A. at December 31, 2025 and the respective consolidation methods are reported below:

SUBSIDIARIES (CONSOLIDATED BY THE LINE-BY-LINE METHOD)

Company	Registered Office	Currency	Share Capital in thousands	Percentage of control	
				Direct	Indirect
Intercos Europe S.p.A.	Milan	Euro	3,000	100.00%	
Kit Productions S.r.l.	Pessano con Bornago (Milan)	Euro	10	70.00%	
Ager S.r.l.	Monza	Euro	31	76.00%	
Intercos America Inc.	Wilmington, New Castle, Delaware (USA)	US Dollar	10	100.00%	
Intercos do Brasil Indústria e Comércio de Produtos Cosméticos Ltda	Atibaia (Brazil)	Brazilian Real	62,349	99.85%	0.15%
Intercos Paris Sarl	Paris (France)	Euro	14	100.00%	
CRB S.a.	Puidoux (Switzerland)	Swiss Franc	100	100.00%	
Vitalab S.r.l.	Milan	Euro	160		75.01%
CRB Benelux BV	Maastricht (Netherlands)	Euro	18		100%
Intercos Technology Co.Ltd.	Suzhou (P.R.C.)	US Dollar	8,400		100%
Interfila Cosmetics (Shanghai) Co. Ltd	Shanghai (P.R.C)	US Dollar	2,700		100%
Intercos Cosmetics Suzhou Co. Ltd.	Suzhou (P.R.C.)	US Dollar	12,800		100%
Intercos (Shanghai) Trading Co., Ltd.	Shanghai (P.R.C)	RMB	5,000		100%
Intercos Asia Pacific Limited	Hong Kong	US Dollar	48.951	100.00%	
Intercos Concept S.r.l.**	Milan	Euro	10	100.00%	
Cosmint S.p.A.	Olgiate Comasco	Euro	1,586	100.00%	
Tatra Spring Polska Sp. Z o.o.	Garwolin (Poland)	PLN	50		100%
In.Cosm S.r.l.	Italy	Euro	500	60%	
Intercos Korea Inc.	South Korea	KRW	39,565,640		100%
Intercos India Private Limited	Mumbai (India)	INR	744,100	99.90%	0.000001%

Details of the direct and indirect minority holdings of the Parent Company at December 31, 2025 follow:

Company	Registered Office	Currency	Share Capital in thousands	Percentage of control	
				Direct	Indirect
Arterra Bioscience S.p.A.*	Italy	Euro	333	8.65%	

* Intercos S.p.A. acquired a minority holding in Arterra Bioscience S.p.A. (formerly "Arterra Bioscience S.r.l.") for a total investment of Euro 1,500,000, equivalent to 8.65% of the company.

** On September 29, 2025, noting the remaining assets to be liquidated and the amounts due from the tax authorities, it was deemed appropriate to close the state of liquidation of Intercos Concept S.r.l. and, as a result, the Final liquidation financial statements closed as of September 30, 2025, prepared in accordance with Article 2492 of the Civil Code, including the Liquidator's Report and the Plan for Distribution of the remaining assets among the shareholders of Intercos Concept S.r.l., were approved. On October 30, 2025, the subsidiary was removed from the Register of Companies. For further details on the accounting effects, please refer to paragraph "Financial Income and Expenses" of the notes to the financial statements

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are recognized using the acquisition method. The purchase cost is calculated as the total of the fair value consideration transferred at the acquisition date, and the value of any minority equity holding. For each business combination, the Group decides whether to measure the minority interest at fair value or in proportion to the amount held in the identifiable net assets of the investee. The acquisition costs are expensed and classified under administration expenses. The Group determines that it has acquired a business when the integrated set of activities and assets includes at least one factor of production and one substantial process that together contribute significantly to the ability to generate an output. The acquired process is considered substantial if it is critical to the ability to continue generating an output and the acquired inputs include an organized workforce that has the necessary skills, knowledge, or experience to perform that process or contributes significantly to the ability to continue generating an output and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay to the ability to continue generating an output.

When the group acquires a business, the financial assets acquired or liabilities assumed under the agreement are classified or designated in accordance with the contractual terms, the economic conditions and the other conditions at the acquisition date. This includes the verification to establish whether an embedded derivative must be separated from the host contract.

Any contingent payment to be recognized is recorded by the acquirer at fair value at the acquisition date. The contingent amount classified as equity is not remeasured and its subsequent payment is accounted under shareholders' equity. The change in the fair value of the contingent amount classified as an asset

or liability, as a financial instrument covered by IFRS 9 Financial instruments must be recognized in the income statement in accordance with IFRS 9.

The contingent amount that does not fall within the scope of IFRS 9 is measured at fair value at the reporting date and changes in fair value are recognized in the income statement.

Goodwill is initially recognized at cost represented by the excess of the total amount paid and the amount recognized for minority interests in respect of the net identifiable assets acquired and the liabilities assumed by the Group. If the fair value of the net assets acquired exceeds the total consideration paid, the Group again verifies if it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedure utilized to determine the amount to be recorded at the acquisition date. If from the new valuation the fair value of the net assets acquired is still above the consideration, the difference (profit) is recorded in the income statement. Reference should be made to the specific criterion of goodwill for subsequent measurement.

CURRENT/NON-CURRENT CLASSIFICATION

Assets and liabilities in the financial statements of the Group are classified according to the current/non-current criterion.

An asset is current when:

- it is expected to be realized, or is held for sale or consumption, in the normal course of the operating cycle;
- it is held principally for trading;
- it is expected to be realized within twelve months from the reporting date;
- it comprises cash or cash equivalents, upon which no prohibition exists on their exchange or utilization to settle a liability for at least 12 months from year-end.





All other assets are classified as non-current. A liability is considered current when:

- it is expected to be settled within the normal operating cycle;
- it is held principally for trading;
- it is expected to be settled within twelve months from the year-end;
- the entity does not have a right to defer settlement of the liability for at least twelve months after the reporting date.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The principal measurement criteria utilized are described below. The accounting principles described below were applied in a uniform manner for all the periods presented.

CONVERSION OF ACCOUNTS IN FOREIGN CURRENCIES

The consolidated financial statements are presented in Euro, which is the Parent Company's functional currency. Each Group company decides the functional currency to be used to measure the accounts in the financial statements. The Group utilizes the direct consolidation method; the gain or loss reclassified to the income statement on the sale of a foreign subsidiary represents the amount deriving from the use of this method.

j) Transactions and balances

Foreign currency transactions are initially recorded in the functional currency, applying the exchange rate at the transaction date.

Monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Exchange rate differences realized or arising on the translation of monetary items are recorded

in the income statement, with the exception of monetary items which hedge a net investment in a foreign operation. These differences are recorded in the comprehensive income statement until the sale of the net investment, and only then is the total amount reclassified to the income statement. The income taxes attributable to the exchange differences on the monetary items are also recorded in the comprehensive income statement.

Non-monetary items, measured at historical cost in foreign currency, are translated using the exchange rates on the date the transaction was first recorded. Non-monetary items recorded at fair value in foreign currencies are translated using the exchange rate at the date this value was determined. The gain or loss deriving from the translation of non-monetary items is treated in line with the recognition of the gain or loss recorded on the change in the fair value of these items (i.e. the translation differences on the accounts to which the fair value changes in the comprehensive income statement or in the income statement are recorded, respectively in the comprehensive income statement or in the income statement).

In determining the spot exchange rate to be used upon initial recognition of the related asset, expense or revenue (or portion thereof) upon derecognition of a non-monetary asset or non-monetary liability related to the upfront consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability resulting from the upfront consideration. If there are multiple payments or advances, the Group determines the transaction date for each payment or advance.

ii) Group Companies

At the reporting date, the assets and liabilities of the Group companies are translated into Euro at the exchange rate at that date, while revenue and costs included in the statement of comprehensive income or separate income statement are translated at the exchange rate at the date of the transaction and as an ap-

proximation these are converted at the period's average exchange rate. The exchange differences from the translation are recorded in the statement of comprehensive income. On the sale of a net investment in a foreign operation, the items in the statement of comprehensive income relating to this foreign operation are recorded in the income statement.

The goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign opera-

tion are recorded as assets and liabilities of the foreign operation and therefore are recorded in the functional currency of the foreign operation and translated at the exchange rate at the reporting date.

The exchange rates applied in the translation of balance sheet items in currencies other than the Euro at December 31, 2025, December 31, 2024, in addition to the average rates for the period January 1 - December 31, 2025 and January 1 - December 31, 2024 are as follows:

	2025 Income Statement	Statement of financial position at 31/12/2025	2024 Income Statement	Statement of financial position at 31/12/2024
	Average exchange rate for the year	Period-end exchange rate	Average exchange rate for the year	Period-end exchange rate
US Dollar	1.1294	1.1750	1.0821	1.0389
UK Sterling	0.8566	0.8726	0.8466	0.8292
Swiss Franc	0.9371	0.9314	0.9526	0.9412
Chinese Renminbi (Yuan)	8.1151	8.2262	7.7863	7.5833
Brazilian Real	6.3054	6.4364	5.8268	6.4253
Won (South Korea)	1,605.32	1,696.94	1,475.25	1,532.15
Polish Zloty	4.2391	4.2210	4.3057	4.2750
Indian Rupee	98.4640	105.5965	90.5307	88.9335
HK Dollar	8.8050	9.1464	8.4430	8.0686

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at purchase or production cost, net of accumulated depreciation and any impairments. The cost includes all charges directly incurred for bringing the asset to their condition for use, as well as dismantling and removal charges which will be incurred consequent of contractual obligations, which require the asset to be returned to its original condition. Any interest charges incurred in the acquisition, production or construction of property, plant and equipment is capitalized on the value of the related asset until it is available for use.

The expenses incurred for the maintenance and repairs of an ordinary and/or cyclical nature are directly charged to the income statement in the year in which they are incurred. The capitalization of the costs relating to the expansion, modernization or improvement of owned tangible assets or of those held in leasing, is made only when they satisfy the requirements to be separately classified as an asset or part of an asset in accordance with the component approach.

Similarly, the replacement costs of components relating to complex assets are allocated as assets and depreciated over their estimated residual useful life while the residual value





of the component subject to replacement is recorded to the income statement.

Spare parts of significant value are capitalized and depreciated over the useful life of the asset to which they relate.

The carrying amount of property, plant and equipment is adjusted by systematic depreciation, calculated on a straight-line basis from the date on which the asset is available and ready for use, in accordance with its estimated useful life.

Depreciation is recognized from the month in which the asset is available for use, or is potentially able to provide the economic benefits associated with it, and is charged on a monthly basis on a straight-line basis using rates that allow for depreciation of the assets until the useful life is exhausted or, in the case of divestments, until the last month of use.

The useful life of property, plant and equipment and their residual value are reviewed and updated, where necessary, at the end of each year.

	Depreciation rate	
	December 31, 2025	December 31, 2024
Buildings	4% - 5.5%	4% - 5.5%
Plant	10% - 15%	10% - 15%
Machinery	10% - 12%	10% - 12%
Equipment	10% - 40%	10% - 40%
Furniture & fittings	12% - 20%	12% - 20%
Transport vehicles	20% - 25%	20% - 25%

When the asset to be depreciated is composed of separately identifiable elements whose useful life differs significantly from the other parts of the asset, the depreciation is made separately for each part of the asset, with the application of the component approach principle.

Leasehold improvements are classified in property, plant and equipment in line with the nature of the cost incurred. The depreciation period corresponds to the lower of the residual useful life of the tangible fixed asset and the residual duration of the lease contract.

The carrying amount of an asset and any significant component initially recognized is derecognized upon disposal (i.e. on the date the acquirer obtains control) or when no future economic benefit is expected from its use or disposal. Gains and losses deriving from the sale or disposal of assets are determined as the difference between sale pro-

ceeds and the net carrying amount of the asset disposed of or sold, and are charged to the income statement for the relevant period. Land is not depreciated and is stated at cost less accumulated impairment losses.

LEASED ASSETS

The Group assesses when entering into a contract whether it is, or contains, a lease. In other terms, we consider whether the contract confers the right to control the use of an identified asset for a period of time in exchange for a fee.

THE GROUP AS LESSEE

The Group adopts a single recognition and measurement model for all leases, except for short-term leases and low value leases. The Group recognizes the lease liabilities and the right-of-use asset representing the right to use the asset underlying the contract.

(i) Right-of-use assets

The Group recognizes right-of-use assets at the initial lease date (i.e. the date on which the underlying asset is available for use). The right-of-use assets are measured at cost, net of accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liabilities. The cost of the right-of-use assets includes the amount of the lease liabilities recognized, the initial direct costs incurred and the lease payments made at the commencement date or before, net of any incentives received. Right-of-use assets are depreciated on a straight-line basis from the effective date to the end of the useful life of the asset consisting of the right-of-use.

If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the asset consisting of the right-of-use reflects the fact that the lessee will exercise the option to purchase, the lessee shall depreciate the asset consisting of the right-of-use from the commencement date to the end of the useful life of the underlying asset.

Right-of-use assets are subject to impairment. Reference should be made to the Impairment of non-financial assets section.

(ii) Lease liabilities

At the lease commencement date, the Group recognizes the lease liabilities measuring them at the present value of the future lease payments not yet settled at that date. The payments due include the fixed payments (including the fixed payments in substance), net of any lease incentives to be received, the variable lease payments which depend on an index or a rate and the amounts expected to be paid as guarantee on the residual value.

The lease payments include also the exercise price of a purchase option where it is reasonably certain that this option shall be exercised by the Group and the lease termination penalty payments, where the lease duration takes account of the exercise by the Group of the termination option on the lease.

The variable lease payments not depending on an index or a rate are recognized as costs in the period (unless incurred in the production of inventories) in which the event or the condition generating the payment occurs.

In calculating the present value of the future payments, the Group uses the incremental borrowing rate at the commencement date where the implicit interest rate can not be readily determined. After the commencement date, the amount of the lease liability increases to take account of the interest on the lease liabilities and reduces to consider the payments made. In addition, the carrying amount of the lease liabilities are restated in the case of any changes to the lease or a review of the contractual terms with regards to the change in the payments; it is also restated in the event of changes in the valuation of the option to purchase the underlying asset or for changes in future payments resulting from a change in the index or rate used to determine those payments.

The Group's lease liabilities are included in the Payables to banks and other lenders.

SHORT-TERM LEASES AND LOW VALUE ASSET LEASES

The Group applies the exception for the recognition of short-term leases for machinery and equipment (i.e. leasing with a duration of 12 months or less from the commencement date and not containing a purchase option). The Group has also applied the exception for leases concerning assets of a modest value with regards to the leasing contracts on office equipment whose value is considered low. The short-term lease instalments and those for low value assets are recognized as costs on a straight-line basis over the lease duration.

THE GROUP AS LESSOR

Lease agreements where essentially all the risks and benefits linked to the ownership of the asset remain within the Group are classified as operating leases. Lease income





from operating leases must be recognized on a straight-line basis over the lease term, and is recognized as revenues to the income statement given its operating nature. The initial brokering costs are added to the carrying amount of the leased asset and recognized over the duration of the contract, on the same basis as lease income. Rent not estimated in advance is recognized as revenue in the period in which it matures.

INTANGIBLE ASSETS

An intangible asset is an asset without physical substance, identifiable, under control of the entity and capable of generating future economic benefits, as well as purchased goodwill. Identifiability is defined with reference to the possibility of distinguishing the intangible asset acquired from goodwill; this requirement is normally met when: (i) the intangible asset is traceable to a legal or contractual right, or (ii) the asset is separable, i.e. it can be sold, transferred, leased or exchanged independently or as an integral part of other assets. Control of the business consists of the power to take advantage of future economic benefits arising from the asset and the possibility of limiting its access to others. Intangible assets are recognized at cost according to the criteria indicated for property, plant and machinery. Revaluations are not permitted, even pursuant to specific laws.

These items are initially recognized at purchase and/or production cost, including directly attributable expenses to prepare the asset for use, while those acquired through business combinations are recognized at fair value at the acquisition date and subsequently at cost net of accumulated amortization and any impairment losses. Any interest expense matured during the year and for the development of the intangible assets are charged to the income statement.

The useful life of the intangible assets is measured as finite or indefinite.

Intangible assets with a finite useful life are amortized over their useful life and tested for impairment whenever there is evidence of an impairment loss. Amortization begins when the asset is available for use and is recognized on a systematic basis in relation to the residual possibility of use and thus over the estimated useful life of the asset.

The amortization period and the amortization method of an intangible asset with finite useful life are reconsidered at least at each year-end. Changes in the expected useful life or in the manner in which the future economic benefits related to the asset will be realized are recognized through the change in the period or amortization method, as the case may be, and are considered changes in accounting estimates. The amortization of intangible assets with finite useful life is recorded in the income statement under the category of costs relating to intangible assets.

Intangible assets with indefinite useful life are not amortized but are subject to an annual impairment test at an individual level or at cash-generating unit level. The valuation of the indefinite useful life is reviewed annually to determine whether this allocation continues to be sustainable, otherwise, the change from indefinite useful life to finite useful life is applied on a prospective basis.

An intangible asset is derecognized upon disposal (i.e. on the date on which the acquirer obtains control of it) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the disposal of the asset (calculated as the difference between the net disposal consideration and the carrying amount of the asset) is included in the income statement.

(i) Goodwill

As previously reported under the “Business combinations and goodwill” criterion, goodwill is initially recognized at cost and represents the excess of the acquisition cost incurred against the fair value at the date of purchase of assets and liabilities comprising businesses or business units.

It is not subject to systematic amortization but to an impairment test, carried out at least annually and on the occurrence of events indicating impairment, to verify the recoverability of its carrying amount.

The impairment test is the procedure that verifies the existence or otherwise of a loss in value of an asset (tangible or intangible) recognized to the financial statements. The impairment loss is considered as the difference between the carrying amount of the asset being analyzed and its recoverable amount, defined as the higher of its value in use and the fair value of the asset less costs to sell, whereby the latter is the higher of its value in use and its fair value less costs to sell:

- the value in use is the present value of expected future cash flows that are expected to arise from the continuous use and possible disposal of an asset at the end of its useful life;
- fair value less cost to sell (net selling price) is the amount obtainable, net of disposal costs, from the sale of an asset in an arm’s length transaction between knowledgeable, willing parties.

The valuation model determines the value in use as the sum of the operating cash flows (defined as gross operating margin net of notional income taxes on the operating result, as well as changes in net working capital and investments/divestments in fixed capital) for each year of the plan.

The discount rates reflect the market’s assessment of the specific risk of each cash generating unit, considering the time value of money and the specific risks of the underlying assets that have not already been included in the cash flow estimate. The calculation of the discount rate is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected rate of return on investments by the Group’s investors. The cost of debt is based on the onerous borrowings undertaken by the Group. Industry-specific risk is incorporated by applying specific beta factors. The beta factors are reviewed annually based on available market data. Discount rates are adjusted for the specific amounts and timing of future tax flows to reflect a pre-tax discount rate.

Goodwill is tested for impairment at least annually and, more frequently, when circumstances indicate that the carrying value may be impaired. The impairment of goodwill is determined through a valuation of the recoverable value of the cash generating unit (or group of units) to which the goodwill is allocated. Where the recoverable amount of the cash generating unit is less than the carrying amount of the cash generating unit to which the goodwill has been allocated, an impairment loss is recognized. The decrease in the value of goodwill cannot be restated in future years.

After its initial recognition, goodwill is measured at cost, net of accumulated impairment. In order to identify any impairment, the goodwill acquired in a business combination is allocated, at the acquisition date, to the Group’s cash-generating units, or to the group of cash generating units which should benefit from the synergies of the business combination, independently of the fact that other assets or liabilities of the Group are allocated to this unit or group of units.





Each unit or group of units to which the goodwill is allocated:

- a) represents the lowest level within the Group to which the goodwill is monitored at internal management level;
- b) is no larger than the segments identified on the basis of the Group's segment reporting schedule, determined in accordance with IFRS 8 Operating Segments.

If the goodwill is allocated to a cash generating unit and the entity sells part of the activities of this unit, the goodwill associated with the activity sold is included in the book value of the activity when determining the gain or loss deriving from the sale. The goodwill associated to assets sold is calculated based on the relative values of the asset sold and the part maintained by the cash generating unit.

(ii) Brands. Licenses and similar rights

The amortization of Licenses is calculated on a straight line basis in order to allocate the costs incurred for the acquisition of the right over the shorter between the expected utilization and the duration of the relative contracts, from the moment in which the rights acquired are exercisable. Software licenses are amortized using the straight-line method over the period considered representative of their useful life, i.e. 5 years.

(iii) Research and development costs

Research and development costs are recorded in the income statement in the year incurred, with the exception of development costs recorded under intangible assets, when they satisfy the following conditions:

- a) the project is clearly identified and the related costs are reliably identifiable and measurable;
- b) the technical feasibility of the project;
- c) the intention to complete the project and

the ability to sell or use the intangible assets generated by the project;

- d) a potential market exists or, in the case of internal use, the use of the intangible asset is demonstrated for the generation of future economic benefits;
- e) the technical and financial resources necessary to complete the project are available.

The amortization of any development costs are recognized under intangible assets from the date in which the result generated from the project is commercialized. Amortization is on a straight line basis over a period of five years, which represents the duration of the estimated useful life of the expenses capitalized.

	Licenses and Brands	Research and development costs
Useful life	Defined (based on contract length)	Defined (5 years)
Amortization method used	Straight-line method	Amortized on a straight-line basis over the period of expected future sales from the related project
Internally produced or acquired	Acquired	Generated internally

IMPAIRMENTS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

At each reporting date, property, plant and equipment and intangible assets with a finite life are analyzed in order to identify the existence of any impairment indicators. Where such indicators are identified, the recoverable value of these assets is estimated. If the carrying amount of an asset is higher than its recoverable value, this asset has incurred a loss in value and is consequently written down to the recoverable value.

The recoverable value of an asset is the higher between the fair value less costs to sell and its value in use, where this latter is the fair value of the estimated future cash flows for this asset. For an asset that does not generate independent cash flows, the realizable value is determined in relation to the cash generating unit to which the asset belongs. In the determination of the value in use, the estimated future cash flows are discounted by the Group at a pre-tax rate that reflects the market assessment of the present value of money and the risks specific to the asset. In the determination of the fair value net of selling costs, account is taken of recent market transactions. Where it is not possible to identify these transactions, an adequate valuation model is utilized. These calculations are made utilizing appropriate valuation multipliers, listed equity prices for publicly traded securities and other fair value indicators available.

The Group bases its impairment test on recent budgets and forecasts, prepared separately for each Group cash generating unit to which the individual assets were allocated. These budgets and forecasts generally cover a period of five years. A long-term growth rate is calculated to project future cash flows beyond the fifth year.

The losses in value of operating assets are recorded in the income statement in the category of costs relating to those assets.

An exception are fixed assets previously revalued, where the revaluation was recorded under other items of the statement of comprehensive income. In this case, the loss in value is recorded under other items of the statement of comprehensive income up to the amount of the previous revaluation.

For assets other than goodwill, at each reporting date, the Group evaluates the existence of indicators of a recovery (or reduction) in the loss in value previously recorded and, where these indicators exist, estimates the recoverable value of the asset or of the CGU.

The value of an asset previously written down may be restated only if there have been changes in the assumptions used to determine the recoverable value, after the last recording of a loss in value. The recovery of value cannot exceed the carrying amount which would have been calculated, net of amortization, where no such loss in value was recorded in previous years.





This recovery is recorded in the company income statement unless the fixed asset is recorded at a revalued amount, in which case the recovery is treated as a revaluation gain. Intangible assets with indefinite useful lives are tested for impairment at least annually, at the cash generating unit level and when circumstances indicate that there may be an impairment.

FINANCIAL INSTRUMENTS

A financial instrument is any contract which gives rise to a financial asset for one entity and a financial liability or an equity instrument for another.

FINANCIAL ASSETS

Financial assets principally relate to trade receivables, non-derivative, not listed on an active market, from which fixed or determinable payments are expected.

Upon initial recognition, financial assets are classified according to the subsequent measurement method, as appropriate, i.e., amortized cost, fair value through OCI comprehensive income, and fair value through profit or loss.

The classification of financial assets on initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the business model that the Group uses to manage them. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are valued at the transaction price as illustrated in the "Revenues" section. In order for a financial asset to be classified and measured at amortized cost or fair value recognized in OCI, it must generate cash flows that depend solely on principal and interest on the amount of principal to be repaid ("solely payments of principal and interest (SPPI)").

This assessment is referred to as the SPPI test and is performed at the instrument level. Financial assets whose cash flows do not meet the above requirements (e.g., SPPI) are classified and measured at fair value through profit or loss.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will come from the collection of contractual cash flows, the sale of financial assets, or both.

Financial assets that are classified and measured at amortized cost are held as part of a business model whose objective is to own financial assets for the collection of contractual cash flows, while financial assets that are classified and measured at fair value through OCI are held as part of a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets.

The purchase or sale of a financial asset that requires delivery within a period of time generally established by regulation or market conventions ("standardized sale or regular way trade") is recognized on the trade date, i.e. the date on which the Group undertook to purchase or sell the asset.

They are stated as current assets except for amounts due beyond twelve months from the reporting date, which are classified as non-current. These assets are valued on initial recognition at fair value (plus transaction costs directly attributable to the acquisition, except in the case of financial assets at fair value through profit or loss) and subsequently at amortized cost based on the effective interest rate method.

If there is objective evidence of indicators of impairment (which may include indications that a debtor or group of debtors is in financial distress, inability to meet obligations or inability and delays in making interest or major payments), the asset is reduced to an amount equal to the discounted value of the cash flows obtainable in the future. The losses in value are recognized in the income statement.

If, in subsequent periods, the reasons for the impairment loss no longer exist, the carrying amount of the assets is reinstated up to the amount deriving from the application of the amortized cost where no impairment loss had been applied.

Financial assets are derecognized from the Statement of Financial Position when the right to receive the cash flows from the instrument ceases or where the Group has transferred all the risks and rewards relating to the instrument and the relative control.

Subsequently, the financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through other comprehensive income with reclassification of accumulated gains and losses (debt instruments);

- Financial assets at fair value through other comprehensive income without reversal of accumulated gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

FINANCIAL ASSETS AT AMORTIZED COST (DEBT INSTRUMENTS)

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the income statement when the asset is derecognized, modified or revalued.

The Group's financial assets at amortized cost include trade receivables, a loan to an associate, and a loan to a director included in other non-current financial assets.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI (DEBT INSTRUMENTS)

For assets from debt instruments measured at fair value through OCI, interest income, changes due to exchange rate differences and impairment losses, together with reversals, are recognized to the income statement and are calculated in the same way as financial assets measured at amortized cost. The remaining changes in fair value are recognized in OCI. Upon derecognition, the cumulative change in fair value recognized in OCI is reclassified to the income statement.

The Group's debt instrument assets measured at fair value through OCI include investments in listed debt instruments included in other non-current financial assets.





INVESTMENTS IN EQUITY INSTRUMENTS

Upon initial recognition, the Group may irrevocably elect to classify its equity investments as equity instruments recognized at fair value through OCI when they meet the definition of equity instruments under IAS 32 “Financial Instruments: Presentation” and are not held for trading. Classification is determined for each individual instrument.

Gains and losses on these financial assets are never reversed through profit or loss. Dividends are recognized as other income in the income statement when the right to payment has been approved, except when the Group benefits from such income as a recovery of part of the cost of the financial asset, in which case such gains are recognized to OCI. Equity instruments recorded at fair value through OCI are not subject to impairment testing. The Group has chosen to irrevocably classify its unlisted equity investments in this category.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial instruments at fair value with changes recognized to the income statement are recorded in the balance sheet at fair value and net changes in fair value through profit or loss. This category includes derivative instruments and listed equity investments that the Group has not irrevocably elected to classify at fair value through OCI.

Dividends on publicly traded equity investments are recognized as other income to the income statement when the right to payment has been established.

The embedded derivative contained in a hybrid non-derivative contract, financial liability or master non-financial contract is separated from the host contract and accounted for as a separate derivative if: its economic charac-

teristics and associated risks are not closely related to those of the host contract; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. The embedded derivatives are measured at fair value through profit or loss.

A redetermination occurs only in the case of a change in the terms of the contract which significantly modify the cash flows otherwise expected or a reclassification of a financial asset to a category other than fair value through profit or loss.

DERECOGNITION OF FINANCIAL ASSETS

Financial assets (or, where applicable, part of a financial asset or part of a group of similar financial assets) are derecognized firstly (e.g. eliminated from the Group balance sheet) when:

- the rights to receive cash flows from the asset are extinguished, or
- the Group has transferred to a third party the right to receive the cash flows of the asset or has assumed the contractual obligation to pay entirely and without delay and (a) has substantially transferred all of the risks and rewards of ownership of the financial asset, or (b) has not substantially transferred all of the risks and rewards of the asset, but has transferred control.

Where the Group has transferred the rights to receive the cash flows of an asset or has signed an agreement under which to maintain the contractual rights to receive the cash flows of a financial asset, but assumes a contractual obligation to pay the cash flows to one or more beneficiaries (pass-through), they shall assess if and to what extent they have maintained the risks and rewards relating to ownership.

Where they have neither transferred or maintained substantially all of the risks and rewards or have not lost control, the asset continues to be recorded in the financial statements of the Group up to the amount of its residual holding in the asset. In this case, the Group also recognizes an associated liability. The assets transferred and the associated liabilities are measured in order to reflect the rights and obligations maintained by the Group.

When the entity's continuing involvement is a guarantee on the transferred asset, involvement is measured based on the lesser of the amount of the asset or the maximum amount of consideration received that the entity may have to repay.

IMPAIRMENT OF OTHER ASSETS

The Group recognizes a write-down for expected credit losses (ECLs) on all financial assets represented by debt instruments not held at fair value recognized to the Income Statement. ECLs are based on the difference between the contractual cash flows due under the contract and all cash flows that the Group expects to receive, discounted at an approximation of the effective original interest rate.

Expected cash flows will include the cash flows from the enforcement of collateral held or other credit guarantees that are an integral part of the contractual conditions.

Expected credit losses are recognized in two stages. Where there has not been a significant increase in the credit risk associated with the credit exposures since initial recognition, expected credit losses are recognized on the basis of the estimated default events that are possible within the 12 following months (12-month ECLs). Where there has been a significant increase in the credit risk associated with the credit exposures since initial recognition, the expected credit losses over the entire residual term of the exposure are recognized

in full, regardless of when the default event is expected to occur (lifetime ECLs).

The Group takes a simplified approach to calculating the expected credit losses on trade receivables and assets deriving from contracts. Accordingly, the Group does not monitor changes in credit risk, but recognizes the full expected credit loss at each reporting date. The Group has implemented a matrix system based on historical information, revised to consider prospective elements with regard to specific types of debtors and their economic environment, as a means of determining expected credit losses.

For assets represented by debt instruments measured at fair value through OCI, the Group applies the simplified approach allowed for assets with low credit risk.

At each reporting date, the Group assesses whether the debt instrument is considered to have low credit risk using all available information that can be obtained without undue cost or effort. In making this assessment, the Group monitors the creditworthiness of the debt instrument. In addition, the Group assumes that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Financial assets represented by debt instruments held by the Group measured at fair value through OCI include only listed bonds classified in the best creditworthiness category and, therefore, are considered low credit risk investments. Impairment of financial assets is based on the expected credit loss model; it is Group policy to measure expected losses over the next 12 months on these instruments on an annual basis. However, when there has been a significant increase in credit risk, the Group fully recognizes the expected losses that relate to the remaining duration of the exposure. The Group uses ratings both to determine whether the credit risk of the debt instrument has sig-





nificantly increased and to estimate expected losses that relate to the remaining term of the exposure.

The Group considers a financial asset to be in default when contractual payments are 120 days past due. In some cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to recover contractual amounts in full before considering credit guarantees held by the Group. A financial asset is derecognized when there is no reasonable expectation of recovery of the contractual cash flows.

FINANCIAL LIABILITIES

Purchases and sales of financial liabilities are accounted for on the settlement date, i.e. the date on which the Group commits to purchase or sell the financial instrument. Financial liabilities relate to loans, trade payables and other commitments to be paid, and are initially valued at fair value and subsequently at amortized cost, using the effective interest rate.

Financial liabilities are classified upon initial recognition among financial liabilities at fair value through profit or loss, among loans and borrowings at amortized cost (plus directly attributable transaction costs) or among derivatives designated as hedging instruments. The Group's financial liabilities include bonds, mortgages and loans, including overdrafts and guarantees granted.

When there is a change in the expected cash flows and it is possible to estimate them reliably, the value of the loans are recalculated to reflect this change based on the new current value of the expected cash flows and of the internal yield initially determined. Financial liabilities are classified under current liabilities, unless there is an unconditional right to defer their payment for at least 12 months after the reporting date.

For the purposes of subsequent measurement, financial liabilities are classified into two categories:

- Financial liabilities at fair value through profit or loss;
- Financial liabilities at amortized cost (loans and borrowings).

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial liabilities at fair value through profit or loss are liabilities held-for-trading and those initially designated as financial liabilities at fair value through profit or loss.

Liabilities held-for-trading are all those assumed with the intention of settling or transferring them in the short term. This category also includes derivative financial instruments underwritten by the Group which are not designated as hedging instruments as defined by IFRS9. The embedded derivatives unbundled from the host contract are classified as financial instruments held-for-trading, unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the income statement.

Financial liabilities are designated at fair value through profit or loss from the date of first recognition, only when in compliance with the criteria as per IFRS 9. Upon initial recognition, the Group did not designate financial liabilities at fair value with changes recognized in the income statement.

FINANCIAL LIABILITIES AT AMORTIZED COST (LOANS AND BORROWINGS)

This is the most relevant category for the Group. After initial recognition, loans are measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in the income statement when the liability is settled and through the amortization process.

The amortized cost is calculated taking into consideration all discounts or purchase premiums and includes commissions and transaction costs which are an integral part of the effective interest rate. The interest is recognized under financial expenses in the consolidated income statement.

This category generally includes interest-bearing receivables and loans.

DERECOGNITION OF FINANCIAL LIABILITIES

A financial liability is derecognized when the underlying obligation of the liability is settled, cancelled or fulfilled. If an existing financial liability is replaced by another by the same lender but under substantially different conditions, or if the conditions of an existing financial liability are substantially changed, such a swap or change is treated as an elimination of the original liability and the opening of a new liability, with any differences in accounting values recorded in the income statement. It should be noted that the Group has no supply financing arrangements in place.

DERIVATIVE INSTRUMENTS

Depending on the financial policies adopted, derivative contracts are used. In particular, derivative instruments are used as part of hedging strategies to neutralize the risk of fluctuations in cash flows deriving from the future performance of contractually defined obligations at the reporting date, essentially the payment of floating rate interest on loans received (hereafter also “cash flow hedges”) and the risk connected with fluctuations in exchange rates relating to creditors’ or debtors’ balances in currencies other than the functional currency (hereafter also referred to as “fair value hedges”).

All derivative instruments are initially recognized at the fair value at the contract signing date. The changes in the fair value of derivative instruments subsequent to initial recognition are recognized as financial components to the income statement. This recognition criterion is applied to all existing derivative instruments since the Group does not consider it appropriate to implement the procedures necessary to verify the existence of the requirements that make it possible to designate, from a strictly accounting point of view, existing derivatives as hedging instruments, whether these are fair value hedges or cash flow hedges, and therefore to record the changes in fair value subsequent to initial recognition of the derivative in accordance with the specific “hedge accounting” criteria.

They are recorded as financial assets when the fair value is positive, and as financial liabilities when negative.

For hedge accounting purposes, hedges may be classified into three types:

- fair value hedge where the exposure is hedged against changes in the fair value of the recognized asset or liability or unrecognized firm commitment;
- cash flow hedge where the exposure is hedged against changes in cash flows attributable to a particular risk associated with all recognized assets or liabilities or a highly probable scheduled transaction or foreign currency risk on unrecognized firm commitment;
- hedges of a net investment in a foreign operation.

At the beginning of the hedge, the Group establishes and documents formally the hedge relationship, upon which it will apply hedge accounting, its risk management objectives and the strategy undertaken.





The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined). The hedging relationship meets the eligibility criteria for hedge accounting if it meets all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not prevail over changes in value resulting from the above economic report;
- the hedging ratio of the hedging relationship is the same as that resulting from the amount of the hedged item that the Group actually hedges and the amount of the hedging instrument that the Group actually uses to hedge that amount of the hedged item.

MEASUREMENT OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value concerns the price that will be received for the sale of an asset or which will be paid for the transfer of a liability, in a transaction settled between market operators at the measurement date.

Fair value measurement requires that the sale of the asset or transfer of the liability has taken place:

- (a) in the principal market of the asset or liability; or
- (b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal market or the most advantageous market must be accessible for the Group.

The fair value of an asset or liability is measured adopting the assumptions which market operators would utilize in the determination of the price of the asset or liability, assuming they act to best satisfy their economic interests.

The fair value measurement of a non-financial asset considers the capacity of a market operator to generate economic benefits utilizing the asset to its maximum and best use or of selling to another market operator that would utilize the asset to its maximum or best use.

The Group utilizes measurement techniques which are appropriate to the circumstances and for which there is sufficient available data to measure the fair value, maximizing the utilization of relevant observable inputs and minimizing the use of non-observable inputs.

All the assets and liabilities for which the fair value is measured or stated in the financial statements are categorized based on the fair value hierarchy, as described below:

- Level 1 - listed prices (not adjusted) on active markets for identical assets or liabilities which the entity can access at the measurement date;
- Level 2 - inputs other than listed prices included in Level 1, directly or indirectly observable for the asset or the liability;
- Level 3 - measurement techniques for which the input data are not observable for the asset or for the liability.

The fair value measurement is classified entirely in the same fair value hierarchical level in which the lowest hierarchical input level utilized for the measurement is classified.

For the assets and liabilities recognized in the financial statements on a recurring basis, the Group assesses whether there have

been transfers between the hierarchy levels, reviewing the classification (based on the lowest input level, which is significant for the fair value measurement in its entirety) at each reporting date.

Transactions which satisfy all the hedge accounting qualifying criteria are recognized as follows:

FAIR VALUE HEDGES

The change in fair value of hedging derivatives is recognized to other costs in the income statement. The change in fair value of the hedged item attributable to the hedged risk is recognized as part of the carrying value of the hedged item and is also recognized to other costs in the income statement.

With regard to fair value hedges referring to items accounted for under the amortized cost method, any adjustment to the carrying amount is amortized in the income statement over the remaining period of the hedge using the effective interest rate (EIR) method.

Amortization determined in this way may begin as soon as an adjustment is made, but may not extend beyond the date on which the hedged item ceases to be adjusted due to changes in fair value attributable to the hedged risk.

If the hedged item is derecognized, the unamortized fair value is recognized immediately to the income statement.

When an unrecognized firm commitment is designated as a hedged item, subsequent cumulative changes in its fair value attributable to the hedged risk are recognized as assets or liabilities and the corresponding gains or losses recognized to the income statement.

CASH FLOW HEDGES

The portion of profit or loss on the hedged instrument relating to the effective portion of the hedge is recognized to other comprehensive income in the “cash flow hedge” reserve, while the ineffective portion is recognized directly to the income statement. The cash flow hedge reserve is adjusted to the lesser of the cumulative gain or loss on the hedging instrument or the cumulative change in the fair value of the hedged item.

The Group uses forward currency contracts to hedge its exposure to currency risk relating to both scheduled transactions and already established commitments; it similarly uses forward commodity contracts to hedge against the volatility of commodity prices.

The ineffective portion of currency forward contracts is recognized to others and the ineffective portion of commodity forward contracts is recognized to other operating charges or income. The Group only designates the spot component of forward contracts as a hedging instrument. The forward component is cumulatively recognized to OCI in a separate line item.

Amounts accumulated in other comprehensive income are accounted for according to the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial component, the amount accumulated in equity is removed from the separate component of equity and included in the cost or other carrying value of the hedged asset or liability.





This is not considered a reclassification of items recognized in OCI for the period. This also applies in the case of a scheduled hedged transaction of a non-financial asset or non-financial liability that subsequently becomes an irrevocable commitment to which fair value hedge accounting applies.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to earnings as a reclassification adjustment in the same period or periods during which the hedged cash flows impact earnings.

If cash flow hedge accounting is discontinued, the amount accumulated in OCI must remain as such if the future hedged cash flows are expected to materialize. Otherwise, the amount must be immediately reclassified to the income statement as a reclassification adjustment.

Following suspension, once the hedged cash flows materialize, any accumulated amount remaining in OCI must be accounted for depending on the nature of the underlying transaction as previously described.

HEDGES OF A NET INVESTMENT IN A FOREIGN OPERATION

Hedges of a net investment in a foreign operation, including hedges of a monetary item accounted for as part of a net investment, are accounted for in a manner similar to cash flow hedges. Gains or losses on the hedging instrument are recorded in other comprehensive income for the effective portion of the hedge, while the remaining (ineffective) portion is recognized to the income statement.

Upon disposal of the foreign operation, the cumulative amount of such comprehensive income or expense is transferred to the income statement.

The Group uses a loan to hedge its exposure to foreign exchange risk on its investments in foreign subsidiaries.

INVENTORIES

Inventories are valued at the lower of purchase or production cost, determined using the weighted average cost method, and estimated realizable value. Provisions are made against the value thus determined, where necessary, to take account of inventories considered obsolete or slow-moving.

When the circumstances that previously caused the recognition of the above provisions cease to exist, or when there are clear indications of an increase in net realizable value, the provisions are reversed in whole or in part, so that the carrying amount is the lower of purchase or production cost and net realizable value at the reporting date.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include bank deposits, postal deposits, cash and cash equivalents on hand. They are recognized in Euro at their nominal value, which corresponds to their fair value; if in another currency, they are recognized at the exchange rate in force at period-end.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges include provisions deriving from current obligations (legal or implicit) arising from a past event, for the fulfillment of which it is probable that an outlay of resources will be required, the amount of which can be reliably estimated.

The amount set aside represents the best estimate less the expenses required to settle the obligation. When the time value of money is significant and the payment dates of the obligations can be reliably estimated, the provision is discounted.

The rate used in the determination of the present value of the liability reflects the current market values and includes the further effects relating to the specific risk associated with each liability. Changes in the value of provisions related to the passage of time are recognized in the income statement under "Financial expenses".

Risks for which the occurrence of a liability is only possible are indicated at paragraph "Contingent liabilities" of the Explanatory Notes.

EMPLOYEE PROVISIONS

Group companies recognize various forms of defined benefit pension plans, in line with the conditions and practices commonly applied in the countries in which they carry out their activities.

The defined benefit plans, which include post-employment benefits in accordance with article 2120 of the Civil Code, are based on the period of employment service and on the remuneration received by each employee over a pre-determined period of employment. In particular, the liability representing the debt of Group companies towards their employees is recognized to the financial statements on the basis of its actuarial value, as it qualifies as an employee benefit due on the basis of a defined-benefit plan.

The recognition in the financial statements of a defined benefit plan requires an estimate of the value of the services matured by employees for their employment service in current and

previous years through actuarial techniques and the discounting of these services in order to determine the present value of Group company commitments. The present value of these commitments is determined using the projected unit credit method.

This method, which relates to the "matured benefits" techniques, considers each period of service by employees at the company as a source of an additional unit of entitlement: the actuarial liability must be quantified only on the basis of the service matured at the valuation date; therefore, the total liability is normally proportioned based on the ratio between the service years matured at the valuation date and the total number of years at the expected settlement of the benefit.

In addition, this method considers future increases in remuneration, of whatever nature (inflation, merit, contractual renewals etc.), up to the termination of employment.

The cost accrued during the year in relation to defined benefit plans and recognized to the Income Statement under personnel costs is equal to the sum of the average present value of the rights accrued by employees for work carried out during the year and the annual interest accrued on the present value of the commitments of Group companies at the beginning of the year, calculated using the discount rate for future outlays adopted to estimate the liability at the end of the previous year.

Revaluations, which include actuarial gains and losses, changes in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately to the statement of financial position by debiting or crediting retained earnings through other comprehensive income in the period in which they occur.





Revaluations are not reclassified to the income statement in subsequent years.

The cost of employee service in prior periods is recognized in the income statement on the later of the following dates:

- the date on which the plan is changed or reduced; and
- the date on which the Group recognizes related restructuring costs or post-employment benefits.

Net interest on the net defined-benefit liabilities/assets are calculated by multiplying the net asset/liability by the discount rate. The Group recognizes the following changes in the net defined benefit obligation in the cost of goods sold, administrative expenses and selling and distribution costs in the consolidated income statement (by nature):

- Costs of employee service, inclusive of costs of both current and prior employee service, profits and losses on non-routine curtailments and settlements;
- Net interest income or charges. Following the Complementary Pension Reform, as amended by the 2007 Finance Act and subsequent Decrees and Regulations issued in the early months of 2007, as of January 1, 2007 the accruing Employee benefit obligations will be allocated to pension funds, to the treasury fund set up at the INPS or, in the case of companies with fewer than 50 employees, may remain with the company in the same way as in previous periods. Employees had the right to choose their preference for the allocation of their employee benefit obligations up to December 31, 2007.

In this regard, the effects deriving from the new provisions have been taken into account, by measuring for the purposes of IAS

19 only the liability relating to accrued employee benefit obligations remaining with the company, since the portion accruing since 2007 has been paid into alternative pension schemes or into a treasury account set up with the INPS, depending on the choice made by each individual employee.

Following the allocation of the TFR maturing to the pension funds or the INPS fund, part of the TFR maturing is classified as a defined contribution plan as the obligation of the company is exclusively represented by the payment of the contributions to the pension fund or to the INPS fund. The liability relating to the prior benefits matured continue to represent a defined benefit plan measured based on actuarial assumptions.

REVENUES AND COSTS

REVENUES

The Group is engaged in the marketing of cosmetics (color cosmetics) and skincare products, in addition to hair and body care products (hair&body), for leading domestic and international brands, emerging brands and retailers serving the cosmetics market and the wider beauty sector.

Revenues from contracts with customers are recognized when the control of the goods and services is transferred to the customer for an amount which reflects the consideration that the Group expects to receive in exchange for these goods and services.

The Group has concluded that generally it acts as the Principal for the majority of agreements from which it receives revenues, as usually it controls the goods and services before their transfer to the customer.

Revenues are recorded net of directly related returns, discounts, allowances, premiums, taxes and promotional contributions.

Product sales

Revenue from contracts with customers is recognized based on the following five steps:

- (i) identification of the contract with the customer;
- (ii) identification of the contractual commitments (performance obligations) to be transferred to the customer in exchange for the consideration;
- (iii) identification of the contract consideration;
- (iv) allocation of the price to the individual performance obligations;
- (v) recognition of revenue upon satisfaction of the relative performance.

Revenue is recognized in an amount that reflects the consideration to which the Group considers it is entitled upon performance of the obligation to be executed, with the transfer of the goods or service when the customer acquires control.

The Group has identified a single revenue stream, i.e. the sale of products that represent obligations to be fulfilled “at a point in time”. Revenue from the sale of products is recognized when the significant risks and rewards of controlling the assets are transferred to the buyer. The moment of the passage of control coincides with the transfer of ownership or possession of the asset to the buyer, and thus generally with the shipment or completion of the service.

Revenue from product sales is recognized when all of the following conditions are met:

- the significant risks and rewards associated with ownership of the assets have been transferred to the buyer;

- effective control over the subject property and the normal ongoing level of activity associated with the property have ceased;
- the revenues have been reliably measured;
- it is probable that the economic benefits associated with the sale will flow to the enterprise;
- the costs incurred, or to be incurred, have been reliably measured.
- In cases where the nature and extent of the vendor’s involvement are such that the risks and rewards relating to the property are not in fact transferred, the time of revenue recognition is deferred until the date on which such transfer can be considered to have taken place.
- In the case of “Bill & Hold” sales transactions, the revenue is recognized on the basis of a contract signed by the client in which the latter expressly requests deferred delivery of the products while assuming the control and the risks and benefits associated with them. These transactions only concern products that are immediately available to Intercos Europe and are concluded within a shorter timeframe than the date on which the “Bill & Hold” agreement was signed between the parties.

OPERATING COSTS

Costs are recorded when relating to goods and services sold or consumed in the year or when there is no future utility.

Personnel expenses also include directors’ fees, both fixed and variable, on an accruals basis, taking account of the period of actual service. Costs that do not meet the conditions for recognition as assets are charged to the income statement in the year they are incurred.





FINANCIAL INCOME

Financial income is recognized on an accrual basis and include: interest earned on related financial assets using the effective interest rate method, changes in the fair value of derivatives and other financial instruments recognized at fair value through profit or loss and exchange gains.

FINANCIAL EXPENSES

Financial expenses are recognized as a cost in the period in which they are incurred on an accrual basis. This item includes interest accrued on bank overdrafts and loans using the effective interest rate, financial expenses related to finance leases, and financial costs arising from the actuarial valuation of the employee benefit obligations provision.

INCOME TAXES

Current taxes

Tax receivables and payables for the year are measured at the amount expected to be paid to / received from the tax authorities. The tax rates and regulations used to calculate such amounts are those issued or substantially in force at the reporting date of the financial statements, in the countries in which the Group operates and generates its assessable income.

Current taxes relating to items recorded directly in shareholders' equity are also recorded directly to shareholders' equity and not to the separate income statement.

Management periodically assesses the positions assumed in the income tax returns where the fiscal regulations are subject to interpretations and, where appropriate, record appropriate provisions.

Deferred taxes

Deferred taxes are calculated using the liability method on temporary differences at the reporting date between the fiscal values of the assets and liabilities and the corresponding values in the financial statements.

Deferred tax liabilities are recorded on all temporary assessable differences, with the following exceptions:

- when the deferred tax liabilities derive from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, has no effects on the result in the financial statements or on the fiscal result;
- the reversal of the temporary assessable differences, related to investments in subsidiaries and associates, can be controlled, and it is probable that such will not occur in the foreseeable future.

Deferred tax assets are recognized on all temporary deductible differences, credits and unused fiscal losses carried forward, to the extent of the probable existence of adequate future tax profits, that can justify the use of the temporary deductible differences, credits and fiscal losses carried forward, with the following exceptions:

- when the deferred tax assets related to the temporary deductible differences derives from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, has no effects on the result in the financial statements or on the fiscal result;
- in the case of temporary deductible differences related to investments in subsidiaries and associates, the deferred tax assets are only recognized to the probable extent that the temporary differences will reverse in the foreseeable future and the existence of adequate future tax profits, that can justify the use of the temporary deductible differences.

The carrying value of deferred tax assets is reviewed at each reporting date and reduced to the extent it is unlikely that sufficient future taxable income will be available, so that some or all of the asset may be used. Unrecognized deferred tax assets are reviewed at each reporting date and are recognized to the extent of the probability that the taxable income is sufficient to permit such deferred tax assets to be recovered. Deferred tax assets and liabilities are calculated on the basis of the tax rates expected to be applied in the year in which the assets are realized or the amounts are paid, considering the rates in effect and those already issued or substantially issued as of the closing date of the financial statements.

Deferred taxes concerning items recognized outside of the income statement are also recognized outside of the income statement and therefore to net equity or to the statement of comprehensive income, in line with the item to which they refer.

The Group offsets deferred tax assets and deferred tax liabilities when there is a legal right to offset current tax assets and current tax liabilities and the deferred tax assets and liabilities relate to income taxes due to the same tax authority.

The fiscal benefits acquired following a business combination, but which do not satisfy the criteria for separate recognition at the acquisition date, may be recognized subsequently, when updated information is received on the facts and on the circumstances.

The adjustment is recognized as a reduction of goodwill (up to the value of the goodwill), where this is recorded during the measurement period, or in the income statement, if recorded subsequently.

It is recalled that the Company Intercos S.p.A., jointly with all its subsidiaries resident in Italy participates, as a Consolidating Company, in the consolidated taxation, pursuant to Article 117 and subsequent of the Income Tax Law, with intercompany relations arising from participation in the Group Consolidation governed by special Regulations and an agreement between the participating companies, which establishes a common procedure for the application of the statutory and regulatory provisions.

The Companies participating in the domestic tax consolidation are, in addition to the Parent Company:

- Intercos Europe S.p.A.,
- Ager S.r.l.,
- Vitalab S.r.l.,
- Kit Productions S.r.l.,
- Cosmint S.p.A.

For further details, please refer to paragraph “*Tax Consolidation*” of the Directors’ Report.

The calculation of current and deferred income taxes is made using all the elements and information available at the date of the financial statements, taking into account the laws in force and also considering and including in the valuations all the elements that may cause uncertainties in the determination of the amounts due to the tax authorities, as provided for by IFRIC 23.

It should also be noted that the Company has a policy in place regarding the recognition and measurement of deferred assets arising from past losses. The valuation of the deferred tax asset on past losses is undertaken using conservative recovery forecasts consistent with the Company’s current tax loss increase expectations.





This methodology, consistent with Group policy, includes in the projections, the use of the five-year business plan and, for the next 10 years not covered by it, the expected taxable income of the fifth year, reduced by 3% per year.

PUBLIC GRANTS

Public disbursements - Disclosure as per Article 1, paragraphs 125-129, Law No. 124/2017. Article 1, paragraphs 125-129, of Law No. 124/2017 regulates the subject of public contributions and, specifically, the obligations incumbent on beneficiaries and issuers.

As far as Intercos S.p.A. is concerned, given that it is not a company directly or indirectly controlled by the State, there is no obligation under paragraph 126 to indicate any payments made to Italian or foreign beneficiaries.

On the other hand, with regard to the disbursements received from Italian public bodies and entities, given that they are not subject to presentation:

- the forms of incentive/subsidy received under a general aid scheme to all those eligible (such as, for example, tax relief measures);
- fees relating to works/services, including sponsorships;
- reimbursements and allowances paid to individuals engaged in training and orientation internships;
- contributions received for ongoing training from inter-professional funds set up in the legal form of an association;
- membership fees for belonging to trade and territorial associations, as well as for foundations, or equivalent organizations, functional to activities connected with the company's business.

As per Article 3-*quater* of Legs. Decree No. 135/2018, for disbursements received in 2020 and contained in the National Register of State Aid pursuant to Article 52 of Law No. 234 of December 24, 2012, reference should be made to the indications contained therein and it should be noted that any other contributions, subsidies, consideration and economic benefits of any kind received in the year from public and equivalent entities not included in the aforementioned Register (in particular the "Youth Guarantee" incentive requested through the INPS) are reported in the separate financial statements of the Italian subsidiaries.

Public grants are recognized when there is reasonable certainty that they will be received and that all conditions attached to them are met. Grants related to cost components are recognized as revenue, but are allocated systematically between periods so as to be commensurate with the recognition of the costs they are intended to offset. Grants related to an asset are recognized as revenue on a straight-line basis over the expected useful life of the asset to which they refer.

SHARE-BASED PAYMENTS

Group employees (including executives) receive part of their remuneration in the form of share-based payments, with these employees therefore providing services in exchange for shares (“capital instrument regulated transactions”).

EQUITY-SETTLED TRANSACTIONS

The cost of the equity-settled transactions is determined by the fair value at the assignment date utilizing an appropriate valuation method, as illustrated in greater detail in paragraph “Other charges and income” of the Explanatory Notes.

This cost, together with the corresponding increase in shareholders’ equity, is recorded over the period in which the performance and/or service conditions are satisfied. The cumulative costs relating to these operations at each balance sheet date until the maturity date are compared to the maturity date and to the best estimates available of the number of participating instruments which will effectively mature. The cost or revenue recorded in the income statement for the year represents the change of the cumulative cost recorded at the beginning and at the end of the year.

The service or performance conditions are not taken into consideration when the fair value of the plan is defined at the assignment date. Account however is taken of the probability that these conditions will be satisfied in calculating the best estimate of the number of equity instruments which will mature. The market conditions are reflected in the fair value at the assignment date.

Any other condition related to the plan, which is not a service obligation, is not considered as a maturation condition. The non-maturation

conditions are reflected in the fair value of the plan and result in the immediate recording of the plan cost, unless there are also service or performance conditions.

No cost is recorded for the rights which do not mature as the performance and/or service conditions are not satisfied.

When the rights include a market condition or a non-maturation condition, these are treated as if they independently mature from the fact that the market conditions or the other non-maturation conditions to which they are subject are complied with or otherwise, provided that all the other performance and/or service conditions are satisfied.

If the conditions of the plan are modified, the minimum cost to be recorded is the fair value at the allocation date in the absence of changes to the plan, in the presumption that the original conditions of the plan were satisfied.

In addition, a cost will be recorded for all changes which result in an increase in the total fair value of the payment plan, or which is in any case favorable for employees; this cost is measured with reference to the date of the change. When a plan is cancelled by the entity or by the counterparty, any remaining element of the fair value of the plan is expensed immediately in the income statement.

The effect of the dilution of the options not yet exercised is reflected in the calculation of the diluted earnings per share (further details are provided at paragraph “*Earnings per share*” of the Explanatory Notes).





Estimates and assumptions

The preparation of the consolidated financial statements requires the Directors to apply accounting policies and methods that are at times based on complex subjective assessments and estimates linked to historical experience, and on assumptions that at any given point are considered reasonable and realistic in view of the relevant circumstances. The application of these estimates and assumptions impact upon the amounts reported in the financial statements, such as the statement of financial position, the income statement and the statement of cash flow, and on the disclosures in the notes to the accounts. The accounting policies which require greater subjectivity by the Directors in the preparation of the estimates and for which a change in the underlying conditions or the assumptions may have a significant impact on the financial statements of the Group are briefly described below. The assumptions underlying the Directors' assessments also include those related to climate change and the possibility of long-term investments that would reduce environmental impacts in the form of environmentally sustainable projects. In particular, it should be noted that in the preparation of the business plan for the five-year period 2026-2030 approved on February 25, 2026, the Group considered and included in its assumptions the roll-out of energy efficiency projects, the further increase in the share of electricity purchased from the grid from renewable sources, and the increase in the self-production of electricity from renewable sources. In addition, the estimate of future income streams factors in the effects of the approved plans' continued strategic-operative investments, such as the streamlining of certain business processes and of the water and energy consumption associated with those

processes, resulting in cost reductions, as well as reductions in climate-altering emissions and waste, as described in detail above.

Goodwill

In accordance with the accounting standards adopted for the preparation of the financial statements, goodwill is tested annually for impairment to be recognized to the income statement. In particular, this test involves the allocation of goodwill to the cash generating units and the subsequent determination of the related recoverable value, i.e. the higher of fair value net of costs to sell and the value in use. If the recoverable value is lower than the carrying amount of the cash generating units, the goodwill allocated to them must be written down.

The calculation of the recoverable value requires estimates which depend on subjective valuation factors that may change over time with consequent effects, which may be significant, compared to the valuations made by the Directors.

In establishing the main accounting estimates and assumptions used for the purpose of preparing the financial statements, the Company takes into account the forecasts of long-term plans and the main risk factors outlined in paragraph "*Risks and opportunities management*" of the Directors' Report, including those related to the management of the workforce, human rights, health and safety, the volatility of raw material costs, supplier relationships and legal disputes.

These risks, together with the organizational policies and safeguards described in the Consolidated Sustainability Statement, particularly in ESRS S1 (human rights, working conditions, health and safety, and staff development) and ESRS G1 (governance safeguards and Code of Conduct), may affect the assumptions used in determining certain future charges, provisions, personnel expenses and projected operating expenses.

The Group therefore assesses, as far as is relevant, the potential impact of these elements in estimates of personnel expense, training and welfare programs, health and safety safeguards, foreseeable legal costs, and, more generally, commitments arising from internal policies and procedures to protect people and the supply chain.

This approach makes it possible to ensure connectivity between financial disclosure and sustainability information, consistent with the requirements of the European regulatory framework (CSRD/ESRS), ensuring that estimates reflect - when relevant - the Group's commitments and mitigation initiatives set out in its business plans.

The calculation of value in use is based on a discounted cash flow model. Cash flows are derived from the business plan prepared for the five-year period 2026-2030 and do not include restructuring activities to which the Company has not yet committed or significant future investments that will increase the results of the business included in the cash generating unit being evaluated. The recoverable amount depends significantly on the discount rate used in the discounted cash flow model, in addition to the expected future cash flows and the growth rate used for the extrapolation. The key assumptions used to determine the recoverable amount, including a sensitivity analysis, are described in detail in paragraph "Goodwill" of the Explanatory Notes.

Impairment of fixed assets

Fixed assets are subject to an impairment test to ascertain any reduction in value, which is recognized through a write-down where indicators exist of difficulties in recovering the related net carrying amount. The verification of such indicators requires the Directors to make valuations based on the information available within the Group and on the market, as well as from historical experience.

In addition, if it is considered that a potential impairment has been generated, the Group uses suitable valuation techniques for its calculation. The correct identification of the indicators of the existence of a potential impairment, in addition to the estimates for their determination depends on factors which may vary over time impact upon the valuations and estimates made by the Directors.

For further details, reference should be made to paragraphs "Property, plants and equipment" and "Intangible assets" of the explanatory notes

Depreciation of property, plant & equipment

Depreciation represents a significant cost for the Group. The cost of property, plant and equipment is depreciated on a straight-line basis on the estimated useful life of the asset. The useful life of the fixed assets is determined by the Directors when the fixed assets are purchased.

This is based on the historical experiences for similar fixed assets, market conditions and considerations relating to future events which could have an impact, such as changes in technology. The effective useful life may therefore be different from the estimated useful life. The Group periodically assesses technological and industry changes, decommissioning charges and salvage value to update the remaining useful life. This periodic update could result in a change in the depreciation period and therefore in the depreciation charge in future years.





Deferred taxes

Deferred tax assets are recognized on the basis of income expectations for future periods. The measurement of expected income for the purpose of accounting for deferred taxes depends on factors that may change over time and have a significant effect on the measurement of this item.

Reference should be made to paragraphs “*Deferred tax assets*” and “*Deferred tax liabilities*” of the Explanatory Notes for further details.

Provisions for risks

The Group makes provisions in its risk reserves for probable liabilities arising from disputes with personnel, suppliers, third parties and, in general, charges that it will be obliged to incur as a result of past obligations.

These assessments include, among other matters, an estimate of the liabilities that may arise from disputes over the terms of fixed-term employment contracts that have been used in the past or other disputes. The determination of these provisions involves making estimates upon the likelihood of occurrence and their amount - if reasonably determinable - based on current knowledge of factors that may change over time, which may therefore generate final results that also significantly differ from those forecast by the directors for the preparation of the financial statements.

For further details, reference should be made to paragraph “*Non-current provisions for risks and charges*” of the Explanatory Notes.

Credit risk

The Intercos Group is not exposed to significant credit risk: procedures are in place to ensure the sale of products and services to highly reliable clients, taking into account their financial position, historical experience and other factors.

Financial and business risks

Group operations are exposed to various risks, including financial and business risks: currency risk, interest rate risk, credit risk, liquidity risk, raw material price risks, product quality risks, product liability risks, reputation risks, risks related to relations with vendors and sub-contractors, and risks related to rapid innovation and the launch of new products.

These risks give rise to changes in the operating and financial cash flows from the Group's core operations, which may only be partly promptly identifiable and mitigated through appropriate management policies.

For a better understanding of the impact on the Group's balance sheet, earnings and cash flows, qualitative disclosure is provided below for clarity on the Group's exposure to the various types of risk and the related management policies.

The Group's risk management strategy focuses on the unpredictability of the markets and seeks to minimize potential impacts on Group results.

Co-ordination and monitoring of the main financial risks are centralized to the management team. The risk management policies are approved, together with the Board of Directors, by the Group's Finance, Administration and Control Department, which provides written principles for the management of the above risks and the use of appropriate financial instruments.

In terms of the sensitivity analysis, please refer to paragraph “*Management of risks and opportunities*” of the Directors' Report for further quantitative details.

Risks and opportunities management

Managing enterprises involves handling both risks and opportunities. The success of the enterprise depends on the ability to manage such risks competently: they should not be entirely eliminated, but consciously assumed within defined limits so as to successfully exploit emerging opportunities. Doing so requires keeping risks within acceptable levels, their constant monitoring and integrating them early into decision-making processes. For further details, please refer to paragraph “*Risks and opportunities management*” of the Directors’ Report.

Segment disclosure

The Group is one of the leading business-to-business (B2B) operators internationally in the creation, production and marketing of cosmetics (color cosmetics) and skincare products, in addition to hair and body care products (Hair&Body), for leading domestic and international brands, emerging brands and retailers serving the cosmetics market and the wider beauty sector.

According to IFRS 8 “Operating Segments”, the identification of reportable operating segments is based on management’s assessment, i.e. segments are defined in accordance with an entity’s internal control and reporting structure. Therefore, a business area should be considered an operating segment if its business activities can generate revenues and expenses, its operating results are regularly reviewed by the entity’s chief operating decision maker (the Intercos Group Board of Directors) for performance management and resource allocation purposes, and circumscribed financial information is available in its internal reporting. It should also be noted that the operating segments derive from management reporting (sales management tool) approved by the Board of Directors (operating decision-maker), and analyzed by management control. It is noted that (i) the breakdown between Make-up, Skincare and Hair&Body follows the type of product sold; (ii) the breakdown between EMEA, Americas and Asia sales follows the revenue allocation

based on the Region where the customer has its headquarters; (iii) the breakdown between sales to Multinationals, Emerging Brands and Retailers follows the allocation made by the sales offices, based on the type of customer served.

At December 31, 2025, the Group operates through the following business units:

- (i) **Make Up**: specialized in the creation, research, development, manufacture and marketing of face and eye powder products, foundations, lipsticks, mascaras, nail polishes and delivery systems, the latter used for the face, eyes and lips. The Make Up business unit in turn comprises six business segments, each corresponding to one or more product categories: Powders, Wet Powders, Foundations, Lipsticks, Delivery Systems (including Mascaras) and Nail Lacquers;
- (ii) **Skincare**: specialized in the creation, research, development, production and marketing mainly of creams, serums and cosmetic and dermocosmetic lotions;
- (iii) **Hair&Body**: specialized in the production, and more recently also in the creation and research, of hair and body care products, in which the Group has been involved since the second half of 2017 following the acquisition of the Cosmint Group.

The Intercos Group production facilities number 15, located across three continents,





of which 7 in Europe, 5 in Asia, and 3 in the Americas (of which 2 in North America and 1 in South America), for a total production area of approx. 220,000 sq. m. The production locations reflect the Group's clear decision to serve the most developed geographical areas and to operate close to its main clients.

It should be noted that with reference to the required segment reporting, the Group has reported the general information, the reconciliation of total revenues of reportable segments against the entity's revenues, the reconciliation of revenues by product type against the entity's revenues, and in finally that of revenues by region. The Group therefore provided adequate disclosure on the revenues and Adjusted EBITDA.

It should be noted that Adjusted EBITDA is the key performance indicator of the Group's operating segments, as management uses this performance measure to monitor the Group and its operating segments.

Adjusted EBITDA is obtained as indicated in section "Intercos Group Key Financial Highlights" of the Directors' Report. Adjusted EBITDA is not an IFRS-defined performance measure, and therefore this indicator may not be comparable with similar performance measures and financial information provided by other entities. In any case, the accounting and measurement methods of the operating segments are in accordance with the accounting standards adopted by the Group.

Finally, we report that the assets and liabilities of each segment are not reported to the Board of Directors on a regular basis and therefore are not included within the segment reporting.

For further details on the alternative performance measures, reference should be made to paragraph "Intercos Group Key Financial Highlights" of the Directors' Report.

The breakdown of each segment for 2025 and 2024 is presented below.

2025 (Euro thousands)	Make up Line	Skin Care Line	Hair & Body Line	Total
Revenues	655,182	160,998	231,053	1,047,233
Adjusted EBITDA (*)	107,009	27,039	21,933	155,981
Amortization, depreciation and write-downs	(33,596)	(8,006)	(11,217)	(52,819)
Non-recurring income/(expenses)				(7,182)
Financial income/(expenses)				(21,878)
Income taxes				(24,049)
Net profit/(loss) for the year				50,053
Net capital employed at 31/12/2025(*)	377,761	101,478	109,177	588,416

2024 (Euro thousands)	Make up Line	Skin Care Line	Hair & Body Line	Total
Revenues	619,836	167,090	277,978	1,064,904
Adjusted EBITDA (*)	83,079	25,340	34,930	143,349
Amortization, depreciation and write-downs	(31,599)	(7,810)	(10,236)	(49,645)
Non-recurring income/(expenses)				(9,577)
Financial income/(expenses)				(10,094)
Income taxes				(25,257)
Net profit/(loss) for the year				48,776
Net capital employed at 31/12/2024(*)	368,908	99,822	107,835	576,565

(*) Adjusted EBITDA and net capital employed are not GAAP measures. For further details, reference should be made to paragraph "Estimates and assumptions" of the Explanatory Notes

The ***Make-up business unit*** Group revenues totaled Euro 655,182 thousand, representing another year of growth (+5.7%). It was the best-performing Business unit, with excellent performances across all Regions (mainly Asia and EMEA). The Multinationals meanwhile developed strongly, considerably outperforming the Emerging Brands. Sales to prestige customers were up significantly, while mass segment customers also grew in the year. Last quarter 2025 sales were substantially in line with the previous year (Euro 160,209 thousand or - Euro 4,622 thousand), mainly due to the unfavorable currency effect.

The Adjusted EBITDA of the Make-Up Business Unit was Euro 107,009 thousand, increasing significantly on the previous year (Euro 23,930 thousand), thanks to sales growth of +5.7%, although particularly thanks to the significantly higher profitability which rose 293bps to 16.3%. The business unit grew in all quarters, with profitability of 18% in the second half of the year. Operational efficiencies and lower full-service sales (without the packaging component) supported this result.

The ***Skincare business unit***, following two years of significant expansion, saw a more fluctuating performance in 2025 as a result of the uncertainties caused by the constant changes to the tariff rules. Sales therefore totaled Euro 160,998 thousand (-3.6%). Results in EMEA and Asia were also strong, although not sufficient to offset the decline in the United States. This trend was also evident in the final quarter, with sales of Euro 39,768 thousand, decreasing Euro 2,106 thousand on the previous year.

The Adjusted EBITDA of the Skincare Business Unit was Euro 27,039 thousand, increasing on the previous year (Euro 1,699 thousand or +6.7%). The significant increase in profitability (+163bps) contributed to the growth, with a margin on net sales of 15.3%.

The ***Hair & Body business unit***, as indicated, saw a contraction due to the significant growth in 2024 as a result of particularly important new product launches (fragrances). Sales totaled Euro 231,053 thousand, decreasing -16.9%, also in view of the growth rates of close to 40% in last quarter 2024.

The Adjusted EBITDA of the Hair & Body Business Unit, as was the case for sales, negatively impacted the Group performance. EBITDA was Euro 21,933 thousand, contracting Euro 12,997 thousand, as a result of the sales contraction of -17% and the reduced absorption of overheads.

The breakdown of revenues for 2025, compared with 2024, by geographic area is presented below. The Group, in line with how management analyses business performance, has altered how sales are reported by region in the financial statements. It is in fact considered more pertinent to represent sales by region from a commercial viewpoint, basing revenues according to the region in which the client has its headquarters.

SALES OVERVIEW BY REGION

(Euro thousands)	December 31, 2025	December 31, 2024
Americas	290,043	293,397
EMEA	531,690	559,477
Asia	225,500	212,030
Total	1,047,233	1,064,904





- Group sales in the Americas amounted to Euro 290,043 thousand, with substantial stability in the year (-1.1%), despite the unfavorable exchange rates. The result reflects the contraction in skincare, almost entirely recovered by the Make-up performance. The prestige segment performed stronger than the mass customer segment. Sales in the fourth quarter amounted to Euro 73,189 thousand, which substantially recovered the contraction in the year.
- Group revenues for the EMEA area were Euro 531,690 thousand, contracting -5.0% on 2024. Good growth rates were seen both for the Make-up and Skincare Business Units. The contraction in sales almost entirely

ly stemmed from the Hair & Body business unit. In addition, the multinationals also saw a very strong performance, particularly in the prestige segment. Sales of Euro 131,807 thousand were reported in the final quarter, decreasing -15.1% due to the Hair & Body contraction.

- Group sales in Asia totaled Euro 225,500 thousand, increasing +6.4% on 2024, despite the strong growth reported in 2024 and the highly unfavorable exchange rate movements in 2025. Both the mass and prestige segment grew, among all customer types and particularly the Make-up business unit. Growth was again reported in the final quarter at constant exchange rates.

SALES OVERVIEW BY CUSTOMER

(Euro thousands)	December 31, 2025	December 31, 2024
<i>Multinational Brands</i>	510,930	468,878
<i>Emerging Brands</i>	465,558	526,564
<i>Retailers</i>	70,745	69,468
Total	1,047,233	1,064,904

- Group sales generated by the Multinationals totaled Euro 510,930 thousand, increasing on the previous year and becoming in 2025 the Group's revenue growth engine (+9%). Growth was seen for both Make-up and Skincare, and across all regions. Sales in the final quarter were in line with the previous year (Euro 118,316 thousand).
- Group sales generated by the Emerging Brands, following years of sustained growth, amounted to Euro 465,558 thousand (-11.6%). Despite the growth reported by the Asian brands, the contraction due to Hair & Body in EMEA and the decline in the United States impacted the cluster's performance. The contraction in the final quarter (-15.8%) mainly related to the Hair & Body business unit following the exceptional sales in final three months of 2024 (i.e. fragrances).

- Group sales generated by the Retailers totaled Euro 70,745 thousand, increasing +1.8% on 2024. Retailers represent the smallest customer group (approximately 7% of the Group's total sales).

From the first quarter of 2025, the classification of a number of customers was reviewed in order to reflect certain Emerging Brands being acquired by Multinational Brands and other retailers which, developing their proprietary brands, have expanded their distribution channels.

For comparability, the 2024 figures were made uniform.

Significant events

Reference should be made to paragraph “*Significant transactions in 2025*” of the Directors’ Report.

REVIEW OF THE MAIN CONSOLIDATED FINANCIAL STATEMENT ACCOUNTS

Property, plants & equipment

The movements in “Property, plant and equipment” in 2025 were as follows:

(Euro thousands)	January 1, 2025	Increases/ deprec.	Inc/ Deprec. Option Contract	Currency changes/ Transfers	Decreases / Utilizations	December 31, 2025
Historical cost						
Land & buildings	273,968	18,805	-	(10,416)	6,655	289,012
Plant & machinery	317,438	13,636	-	(5,677)	(636)	324,761
Industrial equipment	68,246	3,879	-	(832)	(763)	70,530
Office furniture and equipment	26,694	3,001	-	(451)	(745)	28,499
Vehicles and internal transport	7,027	1,084	-	(447)	(312)	7,352
Radiotelephones	139	242	-	(117)	-	264
Assets in progress & payments on a/c	20,982	10,306	-	(4,305)	(17,998)	8,985
Total	714,494	50,953	-	(22,245)	(13,799)	729,403
Provisions						
Land & buildings	140,124	11,249	207	(4,565)	(9,850)	137,165
Plant & machinery	240,026	17,510	-	(6,465)	(373)	250,698
Industrial equipment	59,218	3,993	-	(752)	(718)	61,741
Office furniture and equipment	21,587	1,730	-	(544)	(622)	22,151
Vehicles and internal transport	4,942	935	-	(46)	(274)	5,557
Radiotelephones	59	10	-	(116)	-	(47)
Total	465,956	35,427	207	(12,488)	(11,837)	477,265
Net value	248,538	15,526	(207)	(9,757)	(1,962)	252,137

Group capital expenditure in 2025 totaled Euro 50,953 thousand, of which:

- (i) investments by the Group in the EMEA area totaling Euro 23,160 thousand, of which Euro 4,210 thousand in Cosmint S.p.A., Euro 8,166 thousand in Intercos Europe S.p.A., Euro 1,274 thousand in Intercos S.p.A., Euro 2,103 thousand in CRB S.A. and Euro 7,323 thousand in Tatra Spring Polska Sp. Z.o.o..

These investments mainly concern new plant and machinery (Euro 8,902 thousand), new industrial equipment (Euro 2,511 thousand), new land and buildings (Euro 2,816 thousand) and assets in progress for Euro 5,729 thousand, principally for the upgrading of the industrial plant and machinery of Intercos Europe S.p.A. and of Cosmint S.p.A.





- (ii) Asian investments totaled Euro 24,895 thousand, of which Euro 3,218 thousand in Intercos Technology Co. Ltd, Euro 2,297 thousand in Intercos Cosmetics Suzhou Co. Ltd, Euro 391 thousand in Interfila Cosmetics (Shanghai) Co. Ltd. and Euro 18,263 thousand in Intercos Korea INC. These investments, by their nature, principally comprise buildings (Euro 15,148 thousand), new plant and machinery (Euro 3,840 thousand) and assets in progress and advances (Euro 4,369 thousand), mainly for the expansion of the new plant in Korea and the review of the industrial footprint in China.
- (iii) Americas investments totaled Euro 2,898 thousand, of which Euro 2,510 thousand in Intercos America Inc. and Euro 387 thousand in Intercos do Brasil Indústria and

Comércio de Produtos Cosméticos LTDA. By type, these investments mainly concern new plant and machinery (Euro 893 thousand), land and buildings (Euro 841 thousand) and new industrial equipment (Euro 806 thousand).

Investments in plant and machinery and industrial equipment were undertaken in order to upgrade, expand, renovate and automate production facilities as a whole.

The following table provides information on the carrying amounts of right-of-use assets and their movements during the year:

(Euro thousands)	January 1, 2025	Increases/ Deprec.	Currency changes/ Transfers	Decreases/ Early Term	December 31, 2025
Historic cost					
Industrial buildings	45,907	2,348	(2,369)	(1,479)	44,407
Plant & machinery	557	125	(51)	-	631
Industrial equipment	2,359	370	1	(534)	2,195
Office furniture and equipment	2,467	1,775	(35)	(492)	3,716
Transport vehicles	5,502	1,074	(55)	(256)	6,265
Total	56,792	5,693	(2,509)	(2,761)	57,214
Provisions					
Industrial buildings	10,099	6,671	(946)	(1,462)	14,363
Plant & machinery	356	147	(41)	-	463
Industrial equipment	1,085	422	-	(471)	1,037
Office furniture and equipment	1,699	458	(13)	(373)	1,771
Transport vehicles	3,474	912	(29)	(216)	4,141
Total	16,713	8,611	(1,029)	(2,522)	21,774
Net Value	40,079	(2,919)	(1,480)	(238)	35,440

In the year ending December 31, 2025, no indicators have emerged that would lead to the identification of a differing useful life. For further considerations on the recoverability of property, plant and equipment, reference should be made to paragraph “*Estimates and Assumptions*” of the Explanatory Notes.

For further details on financial leases for liabilities, reference should be made to paragraph “*Bank borrowings and other lenders*” of the Explanatory Notes.

Intangible assets

The account reports the following movements:

(Euro thousands)	January 1, 2025	Increases	Decreases/ Adjust./ Changes	Transfers	Amort	December 31, 2025
Development costs	27,191	7,477	69	6,716	(9,432)	32,021
Patents & software	17,137	6,377	(45)	3,084	(6,060)	20,493
Concessions, licenses	1,140	705	(43)	-	(332)	1,470
Assets-in-progress	14,435	7,899	2	(7,529)	-	14,807
Others	3,311	1,480	(53)	(1,453)	(18)	3,267
Total	63,214	23,938	(70)	818	(15,842)	72,058

Group investment in intangible assets in 2025 totaled Euro 23,938 thousand and mainly concerned:

- development activities for Euro 7,477 thousand, mainly by the parent company Intercos S.p.A. (Euro 3,575 thousand), by Vitalab S.r.l. (Euro 601 thousand) and by CRB S.A. (Euro 2,555 thousand);
- software and patent rights totaling Euro 6,377 thousand, of which Euro 3,187 thousand concerning the parent company and software mainly at the subsidiary Intercos Europe S.p.A. for Euro 1,938 thousand, Cosmint S.p.A. for Euro 510 thousand and CRB Sa. for Euro 109 thousand;
- investments for projects in progress amounting to Euro 7,899 thousand, mainly attributable to the Parent Company Intercos S.p.A., of which Euro 7,183 thousand for the development of new formulas and new products.

With regards to the “Development costs” item on the Intercos balance sheet, an investment project has been rolled out focused on the following:

- Development costs on projects to create entirely original products on the cosmetics market, particularly in terms of families of

New eco-sustainable cosmetic raw materials and dyes, while also for the application of alternative materials to plastics from fossil-origin and toward recovered plastics;

- Development costs on projects to build New Production Technologies, including the creation of innovative automatic packaging lines capable of significantly cutting production costs, as well as the development of new production techniques to be used in the cosmetics lines and the creation of new compounding platforms capable of performing specific analyses to satisfy market demands.

The following table presents by year the development projects ongoing at the end of 2025, reflected in the “Development costs” item of the company which contributes most to the impacts on the consolidated financial statements.





Project (Euro thousands)	Residual amortization (years)	Year of recognition	Historic cost	Acc. amort.	Net value
New Production Technologies	1	2021	999	(962)	38
New Raw Materials and New Formulas	1	2021	10,178	(8,646)	1,532
Sub-total			11,177	(9,608)	1,569
New Production Technologies	1.9	2022	773	(552)	221
New Raw Materials and New Formulas	1.9	2022	8,491	(5,680)	2,811
Sub-total			9,264	(6,233)	3,032
New Production Technologies	2.5	2023	514	(250)	265
New Raw Materials and New Formulas	2.5	2023	8,659	(3,721)	4,937
Sub-total			9,173	(3,971)	5,202
New Production Technologies	3.5	2024	841	(168)	673
New Raw Materials and New Formulas	3.9	2024	8,817	(2,247)	6,570
Sub-total			9,658	(2,414)	7,243
New Production Technologies	5	2025	1,351	(60)	1,291
New Raw Materials and New Formulas	5	2025	12,090	(1,109)	10,981
Sub-total			13,441	(1,169)	12,272
Total			52,714	(23,395)	29,318

The table below outlines in detail the ongoing projects at year-end, recorded under assets in progress and advances, which shall be completed over the coming years.

Project (Euro thousands)	Value
Assets in progress	
New Production Technologies	2,962
New Raw Materials and New Formulas	9,168
Total	12,140

In order to capitalize development projects, management carefully assesses the economic benefits expected from them and, during their useful life, checks for any impairment.

The amortization schedule, substantially in line with the profit forecasts guaranteed by the individual projects, is five years. It should be noted that the capitalization of development projects includes, in accordance with the provisions of IAS 23, a portion of interest; in fact, the above-mentioned standard provides for this possibility also for loans not specifically intended for the production or purchase of a specific asset, thanks to the application of a capitalization rate to the costs incurred. The rates used are 4.01% for 2016, 3.17% for 2017, 3.30% for 2018, 3.34% for 2019, 1.16% for 2020, 0.92% for December 2021, 0.92% for December 2022, 5.24% for December 2023,

4.55% for December 2024 and 3.52% for December 2025. In the year ending December 31, 2025, no indicators have emerged that would lead to the identification of a differing useful life.

On the basis of the Group's policy, impairment tests are periodically carried out on development projects to assess the effective recoverability of the new technologies and of the new formulas within the scheduled amortization period, and in line with the strategic development plans drawn up by management.

For further considerations on the recoverability of intangible assets, reference should be made to paragraph "Estimates and Assumptions" of the explanatory notes to the financial statements.

Goodwill

The Group's goodwill amounted to Euro 133,817 thousand at December 31, 2025, compared to Euro 133,737 thousand at December 31, 2024, an increase of Euro 80 thousand (+0.06%), attributable to the translation into Euro of the value of goodwill expressed in local currencies other than Euro.

(Euro thousands)	December 31, 2024	Increases	Decreases	Exchange adjustments	December 31, 2025
Goodwill	133,737	-	-	80	133,817

The objective is to provide information on the valuation process and the procedure for impairment testing of the goodwill recorded in the consolidated financial statements of the Intercos Group, in compliance with the requirements of IAS 36.

The Group specializes in the design, production and marketing of cosmetics and skincare and haircare products for both established and emerging leading domestic and international brands, in addition to domestic and international Color Cosmetics, Skincare and Haircare retailers.

With 12 research centers, 15 production facilities and 15 marketing offices on 3 continents, and with more than 5,000 employees, Intercos is a global business-to-business color cosmetics sector leader and is also a major player in the skincare and hair & body sector.

The Group's mission is to maintain and consolidate its position as a partner of the leading cosmetic market players, acting as a fashion innovator and providing an increasingly innovative and creative approach.

The search for innovation, in raw materials, formulas, technologies and packaging, means that Intercos is capable of renewing itself and of conceiving and supplying innovative products, making it a strategic partner for the development of companies engaged in the cosmetics sector and an outsourcer of innovation.

The Group's operations are therefore organized into three separate segments, identified as three Business Units, based on their respective product lines:

- **Make Up Business Unit** which operates in the design, research, development, production and marketing of powders, foundations, lipsticks, nail polishes and delivery systems, the latter used for the face, eyes and lips;
- **Skincare Business Unit**, engaged in the conception, research, development, production and marketing mainly of cosmetic and dermocosmetic creams
- **Hair & Body Business Unit**: introduced in 2018 and engaged in the B2B cosmetics sector and in the production of skin, hair and body care products.

For the purposes of the impairment test, it should be pointed out that, by definition, goodwill cannot be considered an individual asset because it is not capable of generating cash flows independently from other assets. Therefore, its carrying amount has been allocated to the Make Up CGU, Skincare CGU and Hair & Body CGU, which are expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired company are assigned to those units or groups of units.

The impairment test was carried out on the value of the Intercos Group's goodwill, amounting to Euro 133,817 thousand, including changes in exchange rates.





The value of goodwill as of December 31, 2025 was allocated as follows: to the Make-up CGU Euro 88,037 thousand, to the Skincare CGU Euro 28,240 thousand and to the Hair & Body CGU Euro 17,540 thousand.

The recoverable amount of the CGU's to which goodwill is allocated is defined through the value in use.

In particular, the value in use was determined by applying the "discounted cash flows" method, discounting the operating cash flows resulting from the plan approved by Group management; in particular, the operating, equity and financial plan prepared for the 2026-2030 five-year period was used, approved by the Board of Directors on February 25, 2026.

As indicated in paragraph "Estimates and assumptions", the assumptions for drafting the five-year plan 2026-2030 reflect Group management's realistic expectations of future developments and outline the strategic actions underlying the goal of creating shareholder value, including those related to climate change.

This approved plan was drawn up on the basis of the best information available to management, as always considering both factors internal and external to the Group and adjusting its estimates based on the results achieved in fiscal year 2025 against the targets set.

Cash flows were discounted at a WACC (weighted average cost of capital) rate of 8.5% for the Make Up CGU (8.7% at December 31, 2024), while for the Skincare CGU at 8.5% (8.5% at December 31, 2024), and for the Hair & Body CGU at 9.3% (9.9% as of December 31, 2024), in line with the geographic location of these businesses. Terminal value is determined by applying a perpetual growth factor of 1.9% for the Make Up CGU (2.0% in 2024), 2% for the Skincare CGU (2.1% in 2024) and 1.9% for the Hair & Body CGU (1.9% in 2024) to the operating cash flow for the final year of the plan appropriately adjusted.

The following are the usage values of the individual CGU's determined on the basis described above:

(Euro millions)	Value in use	Net capital employed	Headroom
Make up CGU	1,041.1	377.2	663.9
Skincare CGU	304.2	102.0	202.2
Hair & Body CGU	139.8	109.2	30.6
Total	1,485.10	588.40	896.70

The impairment tests carried out at December 31, 2025 did not reveal any impairment losses on the goodwill recorded, since the value in use determined for each CGU identified is higher than their relative carrying amount (net capital employed, including the portion of goodwill specifically allocated).

The sensitivity analyses carried out during the impairment test indicated:

- With reference to the Make Up CGU, with the same EBITDA, an impairment loss would occur at a WACC increased by 18.1%;

- With reference to the Make Up CGU, at the same WACC, an impairment loss would occur with a reduction in EBITDA in excess of 38.9%.
- With reference to the Skincare CGU, with the same EBITDA, an impairment loss would occur at a WACC increased by 18.6%;
- With reference to the Skincare CGU, at the same WACC, an impairment loss would occur with a reduction in EBITDA in excess of 44.9%

- With reference to the Hair & Body CGU, with the same EBITDA, an impairment loss would occur at a WACC increased by 11.6%
- With respect to the Hair & Body CGU, at the same WACC, an impairment loss would occur with a reduction in EBITDA in excess of 14.5%

For further considerations on the recoverability of goodwill, reference should be made to paragraph “*Estimates and Assumptions*” of the explanatory notes to the financial statements.

Deferred tax assets

Deferred tax assets at December 31, 2025 amount to Euro 34,659 thousand (Euro 38,733 thousand at December 31, 2024) and mainly comprise:

(Euro thousands)	December 31, 2025	December 31, 2024
Inventory obsolescence provision	9,501	10,023
Differences from currency adjustments	-	71
Fees and interest on royalties deductible on a cash basis and not paid	3,198	5,473
Doubtful debt provision	985	1,228
Provisions for risks	1,368	2,285
Losses carried forward	10,650	9,753
Derivatives	-	-
Temporary differences on fixed asset revaluations	1,624	2,013
Temporary differences from foreign tax regulations	915	970
Difference on revaluation of post-employment benefits	68	278
Deferred tax asset on intangible assets	4,056	4,372
Other minor differences (maintenance, representation expenses, etc.)	1,851	1,790
Tax effect of application of IFRS 15	443	461
Tax effect of application of IFRS 16	-	16
Total	34,659	38,733

The item decreased by Euro 4,074 thousand compared to December 31, 2024, mainly due to the releases of the items “Fees and interest on royalties deductible on a cash basis and not paid” and the “Inventory obsolescence provision”.

Specifically, the “Inventory obsolescence provision” amounted to Euro 9,501 thousand and “Losses carried forward” to Euro 10,650 thousand. The majority of the latter item refers to the subsidiary Intercos America Inc, which saw an increase in the year of Euro 897 thousand.

It is recalled that the recognition of the deferred tax assets as of December 31, 2025, with specific reference to those of Intercos America Inc. were made in view of the fact that the Group company is considered strategically important to the Group’s future development plans.

In this regard, the Group has put in place specific activities and projects to boost the subsidiary’s competitiveness and make the level of service offered to the existing customers base in the region more efficient.





The recovery of this asset recognized to the financial statements at December 31, 2025 is contingent on the availability during the next few years of a stream of taxable income sufficient to generate a theoretical tax liability sufficient to absorb past losses. It should be noted in this regard that no indication regarding the time span of the recovery period can be found in the applicable Accounting Standard, although an expected recovery timeframe is indicated.

For this reason, despite the initiatives put in place, the valuation of the deferred tax asset on past losses was undertaken using conservative recovery forecasts consistent with the Company's current tax loss increase expectations. This methodology is consistent with Group policy, which includes in the projections, the use of the five-year business plan and, for the next 10 years not covered by it, the expected taxable income of the fifth year, reduced by 3% per year.

Other non-current assets

Other non-current assets at December 31, 2025 are broken down as follows:

(Euro thousands)	December 31, 2025	December 31, 2024
VAT receivables	26	-
Guarantee deposits	759	1,129
Total	785	1,129

It should be noted that at December 31, 2025, other non-current assets amounted to Euro 785 thousand, compared to Euro 1,129 thousand at December 31, 2024, reporting a decrease of Euro 344 thousand (-30.5%)

Inventories

Inventories at year-end amounted to Euro 172,197 thousand, compared to Euro 193,292 at December 31, 2024, decreasing Euro 21,095 thousand (-10.9%). The decrease in inventories in fiscal year 2025 is mainly due to the reduction

in "raw materials, packaging, ancillaries and consumables" (by Euro 13,075 thousand compared to the previous year), also with reference to the category of packaging sold to customers.

(Euro thousands)	December 31, 2025	December 31, 2024
Raw materials, packaging, ancillaries and consumables	114,388	127,463
Semi-finished products	38,678	41,462
Finished products and goods	19,131	24,367
Total	172,197	193,292

Il Gruppo adotta uniformemente, quale metodologia di valutazione dell'obsolescenza di magazzino, l'approccio di svalutazione al 100% delle materie prime e del *packaging* che non si movimentano da più di 12 mesi e di svalutazione del 100% di prodotti finiti e semilavorati che non si movimentano da più di 180 giorni poiché al termine di tale periodo

hanno una limitata possibilità di riutilizzo per la commercializzazione e/o produzione data principalmente da analisi qualitative relative a difetti di non conformità.

Si riporta di seguito il saldo e la movimentazione del fondo obsolescenza magazzino al 31 dicembre 2025:

(Euro thousands)	December 31, 2025	December 31, 2024
Opening balance	43,642	40,144
Provisions in the year	23,058	25,203
Utilizations in the year	(24,570)	(20,717)
Other changes	-	(988)
Total	42,130	43,642

The inventory obsolescence provision December 31, 2025 amounted to Euro 42,130 thousand, decreasing Euro 1,512 thousand on December 31, 2024, with this movement due on the one hand to the increased utilization of the provision for Euro 3,853 thousand and on the other to reduced accruals for Euro 2,145 thousand, with both changes mainly concerning the semi-finished products category.

The provision for the year of Euro 23,058 thousand (-8.5% compared to the previous year) mainly refers to higher provisions made by Intercos Europe S.p.A. of Euro 11,946 thousand, by Intercos America Inc. of Euro 3,448 thousand, and finally by Cosmint S.p.A. of Euro 3,081 thousand.

Trade receivables

Trade receivables at December 31, 2025 totaled Euro 140,232 thousand, compared to Euro 160,562 thousand at December 31, 2024, with a net decrease of Euro 20,330 thousand (-12.7%).

(Euro thousands)	December 31, 2025	December 31, 2024
Receivables from third parties	141,665	163,878
Invoices to be issued	3,204	3,160
Doubtful debt provision	(4,637)	(6,476)
Total	140,232	160,562

Group trade receivables at December 31, 2025 by maturity and the relative doubtful debt provision are presented below:





(Euro thousands)	Trade Receivables	Not yet due	Overdue 0-60 Days	Overdue 60-90 Days	Overdue over 90 Days	Write-down provision
December 31, 2025	140,232	115,870	19,524	3,979	5,496	(4,637)
December 31, 2024	160,562	130,901	26,990	2,365	6,782	(6,476)
Change 2025-2024	(20,330)	(15,031)	(7,466)	1,614	(1,286)	1,839
Change % 2025-2024	-12.66%	-11.48%	-27.66%	68.25%	-18.96%	-28.40%

Reference should be made to paragraph “Risks and opportunities management” of the Directors’ Report for further details regarding the ageing of trade receivables.

The write-downs of receivables at December 31, 2025 are reported below:

(Euro thousands)	December 31, 2025	December 31, 2024
Opening balance	6,476	5,064
Provisions in the year	511	2,564
Utilizations in the year	(2,309)	(1,161)
Exchange differences	(41)	9
Total	4,637	6,476

Trade receivables are presented net of the doubtful debt provision. This provision was calculated in line with international accounting standard IFRS 9.

This provision has been calculated on an analytical basis, dividing receivables into classes according to their level of risk and applying to each class a percentage of expected loss based on historical experience.

The Group doubtful debt provision at December 31, 2025 amounts to Euro 4,637 thousand, compared to Euro 6,476 thousand at December 31, 2024, decreasing by Euro 1,839 thousand (-28.4%).

The “Provisions in the year”, amounting to Euro 511 thousand, mainly refers to the provisions of the subsidiaries Intercos Europe S.p.A. for Euro 179 thousand and CRB Sa. for Euro 176 thousand.

“Utilizations and releases in the year” of Euro 2,309 thousand mainly concern the release of the provision of the “The Body Shop” customer (Euro 259 thousand of Cosmint S.p.A. and Euro 379 thousand of Tatra Spring Polska SP. Z.O.O.) and of Euro 1,136 thousand regarding the subsidiaries Intercos Europe S.p.A. and CRB SA..

Other current assets

Other current assets are broken down as follows:

(Euro thousands)	December 31, 2025	December 31, 2024
Tax receivables	14,368	13,181
Other receivables	489	886
Advances to suppliers	1,656	1,795
Prepayments and accrued income	3,101	2,651
Total	19,614	18,513

Other current assets at December 31, 2025 amounted to Euro 19,614 thousand, compared to Euro 18,513 thousand at December 31, 2024, increasing by Euro 1,101 thousand (+5.9%). The movement is mainly attributable to an increase in tax receivables of Euro 1,187 thousand, primarily due to an increase in the VAT receivable for a total of Euro 2,177 thousand regarding the parent company Intercos S.p.A., offset by a reduction in IRES tax receivables for a total of Euro 1,119 thousand.

Cash and cash equivalents

Cash and cash equivalents are broken down as follows:

(Euro thousands)	December 31, 2025	December 31, 2024
Bank and postal deposits	152,184	189,981
Cash in hand and similar	33	40
Total	152,217	190,021

The decrease in the period totaled Euro 37,804 thousand, mainly due to the generation of cash from operating activities for Euro 118,562 thousand, offset by an absorption of cash from investment activities for Euro 67,418 thousand. In addition, cash flow from financing activities was absorbed of Euro 82,922 thousand, mainly due to the dividends disbursed and the early repayment of the loan with Cassa Depositi e Prestiti S.p.A., in addition to the outlay due to the launch of the buyback program.

The movement in cash and cash equivalent is presented in the Statement of Cash Flows above. There are no restrictions and/or constraints on cash held at December 31, 2025. Available liquidity is used to meet the normal core operating obligations and to implement the strategic guidelines.





Equity

Group's equity at December 31, 2025 amounts to Euro 487,927 thousand, compared to Euro 478,858 thousand at December 31, 2024, increasing by Euro 9,069 thousand (1.9%). This movement is mainly due to the net profit for the year (Euro 50,053 thousand), the increase in the consolidation reserve of Euro 2,163 thousand, the positive effect of the LTIP plans reserve (Euro 802 thousand) and of the actuarial re-

serve, net of the tax effect (Euro 239 thousand), the decrease in the translation reserve (Euro 12,062 thousand) and of the Buyback reserve (Euro 13,140 thousand) and finally the distribution of dividends (Euro 19,000 thousand).

Please see in this regard the consolidated statement of comprehensive income.

SHARE CAPITAL

On March 5, 2025, the Company enacted the capital increases to service the "2022-2024 Performance Shares Plan" incentive plan, issuing a total of 106,070 ordinary Intercos shares, with no indication of par value. Of these (i) 54,072 shares were issued in execution of the paid capital increase resolved to service the 2022-2024 Plan, and (ii) 51,998 shares were issued in execution of the paid capital increase resolved to service the same 2022-2024 Plan. Therefore, as at December 31, 2025, the share capital of Intercos S.p.A., fully subscribed and paid-in, amounts to Euro 11,313,514.75 and is divided into 96,364,020 ordinary shares,

without par value, corresponding, pursuant to Article 120, paragraph 1 of the CFA and Article 6 of the By-Laws, to 127,363,621 voting rights (each ordinary share grants the right to one vote, except for the 30,999,601 shares for which the multi-voting right has been achieved, in the ratio of two voting rights for each share). It should be noted that Intercos' By-Laws provide for the mechanism of multi-voting rights (Article 6 of the By-Laws).

The issue and circulation of ordinary shares is regulated by current legislation.

Intercos' share capital structure is detailed in the table below:

SHARE CAPITAL STRUCTURE

	No. of shares	No. of voting rights	Listed	Rights and obligations
Ordinary shares	96,364,020	127,363,621	Euronext - Milan	Rights and obligations as per law and By-Laws

OTHER RESERVES

The other reserves consisting of the share premium reserve of Euro 108,504 thousand remain unchanged on the previous year (Euro 108,504 thousand).

RETAINED EARNINGS AND GROUP RESULTS FOR THE YEAR

Group retained earnings totaled Euro 365,825 thousand in 2025, with the increase on the 2024 opening balance of Euro 356,918 thousand mainly relating to the profit for the year of Euro 49,826 thousand, the increase of the LTIP plans reserve of Euro 802 thousand, the decrease in the translation reserve of Euro 12,060 thousand, of the Buyback reserve (Euro 13,140 thousand) and finally the distribution to shareholders of dividends of Euro 19,000 thousand.

This item increased by a total of Euro 2,479 thousand, mainly due to: i) the increase in actuarial reserves, net of the related tax effect of Euro 225 thousand, ii) the increase in the consolidation reserve of Euro 2,254 thousand.

NON-CONTROLLING INTERESTS EQUITY

This item comprises the non-controlling interests share capital and profits for the year totaling Euro 2,284 thousand. Non-controlling interests equity increased due to the profit for 2025 of Euro 227 thousand, the increase of the actuarial reserves, net of the related tax effect amounting to Euro 14 thousand, and finally decreasing as a result of the translation reserve (Euro 2 thousand) and by Euro 91 thousand relating to the consolidation reserve, due to the distribution of dividends to non-controlling interests.

CAPITAL MANAGEMENT

The primary objective of capital management is to maximize shareholder value. The Group manages the capital structure and makes adjustments based on economic conditions and the requirements of financial covenants.

The Group capital management policies stipulate the maintenance of a high level of equity in order to maintain trust among investors, creditors and the market, allowing for future development.

The Group monitors the return on capital and seeks to maintain a balance between obtaining higher returns through the use of debt and the benefits and the advantages and security provided by a strong equity position.





Bank borrowings and other lenders

At December 31, 2025, the Group's gross financial debt was Euro 252,966 thousand, mainly comprising the Senior Loan Agreement with the historical syndicate consisting of "Intesa Sanpaolo S.p.A.", "BNP Paribas, Italian Branch" and "UniCredit S.p.A.", which was signed on July 31, 2024.

At December 31, 2025, the Group therefore has total current and non-current debt of Euro 252,966 thousand, broken down into:

- a fixed-rate portion of Euro 46,897 thousand (19% of total debt), made up of (i) Euro 3,681 thousand relating to mortgages held by CRB S.A., (ii) Euro 38,286 thousand to payables for financial leases following the application of IFRS 16 and (iii) Euro 4,930 thousand to payables for financial leases;
- a variable-rate portion of Euro 206,069 thousand (81% of the total debt), comprising (i) Euro 168,647 thousand relating to the Senior Loan undertaken by the Parent Company, presented net of the effects of the application of the amortized cost method pursuant to IFRS 9, (ii) Euro 31,637 thousand relating to bilateral lines held by subsidiaries, and finally (iii) Euro 5,785 thousand relating to current bank borrowings.

The breakdown of the Group's financial debt at December 31, 2025 and December 31, 2024 is presented below, along with the relevant maturities:

(In Euro thousands)	December 31, 2025		
	current	non-current	total
Medium/long-term bank loan (CRB)	412	3,269	3,681
Long-term bank loan (Intercos S.p.A.)	9,551	159,096	168,647
Financial payables IFRS16	5,315	32,971	38,286
Finance leases	10	4,920	4,930
Long-term debt	15,288	200,256	215,544
Payables for subsidiary bilateral lines	31,637	-	31,637
Current bank borrowings	5,785	-	5,785
Short-term debt	37,422	-	37,422
Payables to factoring companies	-	-	-
Total financial debt	52,710	200,256	252,966

(In Euro thousands)	December 31, 2024		
	current	non-current	total
Medium/long-term loans (CRB)	408	3,642	4,050
Financial Payables IFRS 16	7,727	34,923	42,650
Finance leases	28	5,158	5,186
Long-term loan (Intercos S.p.A.)	11,485	193,769	205,254
Long-term debt	19,648	237,492	257,140
Other financial payables	200	-	200
Payables for subsidiary bilateral lines	24,941	-	24,941
Current bank borrowings	4,731	-	4,731
Short-term debt	29,872	-	29,872
Payables to factoring companies	1,005	-	1,005
Total financial debt	50,525	237,492	288,017

The breakdown of the Group's financial debt at December 31, 2025 and December 31, 2024 is presented below, along with the relevant maturities:

(In Euro thousands)	Dec 31, 24	Disbursements	Repayments	Leases Undertaken	Other*	Dec 31, 25
Medium/long-term bank loan (CRB)	4,050	-	(410)	-	41	3,681
Long-term bank loan (Intercos S.p.A.)	205,254	-	(35,000)	-	(1,607)	168,647
Financial payables IFRS16	42,650	-	(9,672)	5,693	(385)	38,286
<i>Finance leases</i>	5,186	-	(43)	-	(213)	4,930
Long-term debt	257,140	-	(45,125)	5,693	(2,164)	215,544
Other financial payables	200	-	(200)	-	-	-
Payables for subsidiary bilateral lines	24,941	8,927	(483)	-	(1,748)	31,637
Current bank borrowings	4,731	550	-	-	504	5,785
Payables to factoring companies	1,005	-	(1,005)	-	-	-
Short-term debt	30,877	9,477	(1,688)	-	(1,244)	37,422
Total financial debt	288,017	9,477	(46,813)	5,693	(3,408)	252,966

* The "Other" item includes currency differences, accrued interest not yet paid and the effects of the accounting treatment of the Cometa option right

It is noted that during 2025, the parent company repaid the capital portions on credit lines for Euro 10,000 thousand regarding the Line

A loan and the Cassa Depositi e Prestiti loan ("CDP Loan Contract") of Euro 25,000 thousand was repaid early.

Movements in bank borrowings and other lenders are presented below, broken down into cash and non-cash items:

(In Euro thousands)	
Opening Balance January 1, 2025	288,017
Non-cash changes	15,775
Cash changes	(50,826)
Closing Balance December 31, 2025	252,966
Opening Balance January 1, 2024	258,605
Non-cash changes	13,646
Cash changes	15,766
Closing Balance December 31, 2024	288,017





Information is provided below on the carrying amounts of liabilities for leases (included under financial payables) and their movements during the year:

(In Euro thousands)	2025	2024
At January 1, 2024		45,869
Increases		5,804
Increase in interest		1,616
Payments		(9,868)
Other		(771)
At December 31, 2024	42,650	42,650
Increases	5,693	
Increase in interest	1,489	
Payments	(9,672)	
Other	(1,874)	
At December 31, 2025	38,286	
Current	5,315	7,727
Non-Current	32,971	34,923

The leases recognized to the income statement are as follows:

(In Euro thousands)	2025	2024
Amortization costs for right-of-use	8,611	9,262
Financial expenses on leasing liabilities	1,489	1,616
Costs relating to short-term, low-value leases	2,437	2,509
Variable lease payments (included in cost of sales)	-	-
Total amount recognized to income statement	12,537	13,387

The covenants for the year ending December 31, 2025 were complied with.

It is noted that the Senior loan agreement provides for certain restrictions on the Group's operations, including, by way of example, limitations on the possibility of creating liens or guarantee instruments on all or part of the assets in order to guarantee any form of indebtedness ("negative pledge").

The following table breaks down net financial debt at December 31, 2025 and December 31, 2024, restated in accordance with paragraph 175 of ESMA Recommendation 32-382-1138 dated March 4, 2021:

(In Euro thousands)	December 31, 2025	December 31, 2024
A Cash and cash equivalents	152,217	190,021
B Other cash equivalents	-	-
C Other current financial assets	42	49
D LIQUIDITY (A+B+C)	152,259	190,070
E Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	42,748	38,633
F Current portion of non-current debt	9,963	11,892
G CURRENT FINANCIAL DEBT (E+F)	52,711	50,525
H NET CURRENT FINANCIAL DEBT (I-E-D)	(99,548)	(139,545)
I Non-current financial debt (excluding current portion and debt instruments)	200,037	237,252
J Debt instruments	-	-
K Trade payables and other non-current payables	261	215
L NON-CURRENT FINANCIAL DEBT (I+J+K)	200,298	237,467
M TOTAL FINANCIAL DEBT (H+L)	100,750	97,922

It should also be noted that the Group does not have any indirect debt or debt subject to conditions and that it has assessed that its trade payables overdue by more than 30 days do not have a significant financing component, also taking into account the provisions of paragraph 184 of the new ESMA guidelines 32-382-1138 of March 4, 2021.

It should be noted that during the year the Group did not renegotiate any contractual maturities with its suppliers and that there are no disputes with the Group's creditors.

The fair value measurements of the Group's financial instruments have been classified into the three levels required by IFRS 7.

Specifically, the fair value hierarchy consists of the following levels:

- Level 1: corresponds to prices listed on active markets;
- Level 2: corresponds to prices calculated through elements inferred from observable market data;
- Level 3: corresponds to prices calculated through other elements than observable market data

Financial instruments belonging to fair value hierarchy level 3 are represented by "Other equity investments" under Non-current assets for which no directly or indirectly observable market prices are available.

The following table presents the fair values of the financial instruments in portfolio:

HIERARCHY FAIR VALUE AT REPORTING DATE

In Euro thousands	December 31, 2025 Level 3	December 31, 2025 Level 2	December 31, 2024 Level 3	December 31, 2024 Level 2
Assets				
Equity investments	1,498		1,498	





The Group's assets and liabilities at December 31, 2025 and December 31, 2024 are presented below, and their exposure. Financial assets and liabilities are primarily valued at cost and amortized cost. Trade receivables and cash and cash equivalents mainly comprise the former, while financial payables and trade payables mainly comprise the latter.

DECEMBER 31, 2025

(In Euro thousands)	Amortized cost	Fair Value with changes to P&L	Fair Value with changes to OCI	Derivatives as a hedging instrument	Total FA/FL within IFRS7	A/L not within IFRS7	Total book value
Assets							
Fixed assets	-	-	-	-	-	324,195	324,195
Goodwill	-	-	-	-	-	133,817	133,817
Equity Investments	-	1,498	-	-	1,498	-	1,498
Deferred tax assets	-	-	-	-	-	34,659	34,659
Other assets	-	-	-	-	-	20,399	20,399
Current financial receivables	-	-	-	-	-	42	42
Other non-current financial assets	-	-	-	-	-	218	218
Inventories	-	-	-	-	-	172,197	172,197
Trade receivables	140,232	-	-	-	140,232	-	140,232
Cash and cash equivalents	152,217	-	-	-	152,217	-	152,217
TOTAL ASSETS	292,449	1,498	-	-	293,947	685,527	979,474
Liabilities							
Equity	-	-	-	-	-	487,927	487,927
Financial payables	209,750	-	-	-	209,750	43,216	252,966
Trade payables	165,171	-	-	-	165,171	-	165,171
Provisions for risks and charges	-	-	-	-	-	893	893
Deferred tax liabilities	-	-	-	-	-	8,516	8,516
Other liabilities	-	-	-	-	-	54,376	54,376
Employee benefits	-	-	-	-	-	9,625	9,625
TOTAL LIABILITIES	374,921	-	-	-	374,921	604,553	979,474

DECEMBER 31, 2024

(In Euro thousands)	Amortized cost	Fair Value with changes to P&L	Fair Value with changes to OCI	Derivatives as a hedging instrument	Total FA/FL within IFRS7	A/L not within IFRS7	Total book value
Assets							
Fixed assets	-	-	-	-	-	311,752	311,752
Goodwill	-	-	-	-	-	133,737	133,737
Equity Investments	-	1,498	-	-	1,498	-	1,498
Deferred tax assets	-	-	-	-	-	38,733	38,733
Other assets	-	-	-	-	-	19,643	19,643
Current financial receivables	-	-	-	-	-	49	49
Other non-current financial assets	-	-	-	-	-	240	240
Inventories	-	-	-	-	-	193,292	193,292
Trade receivables	160,562	-	-	-	160,562	-	160,562
Cash and cash equivalents	190,021	-	-	-	190,021	-	190,021
TOTAL ASSETS	350,583	1,498	-	-	352,081	697,446	1,049,527
Liabilities							
Equity	-	-	-	-	-	478,858	478,858
Financial payables	239,177	-	-	-	239,177	48,840	288,017
Trade payables	202,236	-	-	-	202,236	-	202,236
Provisions for risks and charges	-	-	-	-	-	1,713	1,713
Deferred tax liabilities	-	-	-	-	-	9,412	9,412
Other liabilities	-	-	-	-	-	58,273	58,273
Employee benefits	-	-	-	-	-	11,018	11,018
TOTAL LIABILITIES	441,413	-	-	-	441,413	608,114	1,049,527





Provisions for risks and charges (non-current)

Provisions for risks and charges (non-current) at December 31, 2025 amounted to Euro 893 thousand, decreasing by Euro 820 thousand compared to the previous year (Euro 1,713 thousand at December 31, 2024). The changes in the item are shown below:

(In Euro thousands)	December 31, 2025	December 31, 2024
Opening balance	1,713	1,852
Provisions in the year	609	1,454
Utilizations in the year	(1,046)	(1,425)
Exchange differences	(64)	(47)
Other changes	(319)	(121)
Total	893	1,713

At December 31, 2025, the provision for risks and charges decreased by a total of Euro 820 thousand, due on the one hand to releases and utilizations of Euro 1,046 thousand, mainly regarding the closure of the subcontractor case of the subsidiary Intercos Europe S.p.A. for Euro 503 thousand, and on the other hand to provisions totaling Euro 609 thousand related to conformity claims of certain products for Euro 332 thousand of the subsidiary Intercos Korea Inc., and to disputes and legal proceedings of the subsidiary Intercos America Inc. for Euro 243 thousand.

Deferred tax liabilities

Deferred tax liabilities amounted to Euro 8,516 thousand at December 31, 2025.

For a better understanding, details of temporary differences by nature are provided below:

(In Euro thousands)	December 31, 2025	December 31, 2024
Gains on land and buildings IAS16	5,188	5,434
Consolidated adjustments for First Time Adoption	-	-
Difference on provision to doubtful debt provision Receivables	109	188
Currency gains	-	500
Differences with tax assets (reversal legal revaluations)	2,665	2,560
Consolidated inventory adjustments i/c	208	247
Consolidated adjustments to assets (capital gains)	45	45
Difference on post-employ. bens. as per IAS 19	133	117
Derivatives	-	-
Other minor differences	168	321
Total	8,516	9,412

The item decreased by Euro 896 thousand on December 31, 2024, mainly as a result of the deferred tax liabilities generated by the land and buildings gains as per IAS16. The decrease was offset by the increase due to the deferred tax liabilities generated mainly by Differences with tax assets.

Personnel provisions

Personnel provisions totaled Euro 9,625 thousand and for Euro 6,931 thousand concern employee benefits and for Euro 2,694 thousand other employee liabilities.

The movements in employee benefits to December 31, 2025 were as follows:

(Euro thousands)	December 31, 2025	December 31, 2024
Opening balance	8,089	7,396
Service Cost	1,188	746
Utilizations	(2,283)	(1,385)
Interest Cost	149	175
Exchange differences	81	44
Actuarial gains / losses	(293)	1,113
Total	6,931	8,089

The following table shows the major parameters used in determining the actuarial cost to be accrued to the Personnel provisions for 2025 and 2024.

ITALIAN SUBSIDIARIES OF THE INTERCOS GROUP

	December 31, 2025	December 31, 2024
Discount rate	3.94%	3.12%
Annual inflation rate	2.00%	2.00%
Annual increase in employee benefit obligation	3.00%	3.00%
Annual rate of salary increases	3.50%	3.50%

CRB S.A.

	December 31, 2025	December 31, 2024
Discount rate	1.30%	0.95%
Annual inflation rate	0.90%	1.00%
Annual rate of salary increases	1.50%	1.50%
Annual increase in employee benefit obligation	0.90%	1.00%

INTERCOS KOREA INC.

	December 31, 2025	December 31, 2024
Discount rate	4.03%	3.95%
Annual inflation rate	1.73%	1.64%
Annual rate of salary increases	1.73%	1.64%





The sensitivity analysis of the principal parameters used to determine the actuarial cost for the Italian subsidiaries of the Intercos Group, for the subsidiary CRB S.A. and for the subsidiary Intercos Korea Inc. is provided below.

ITALIAN SUBSIDIARIES OF THE INTERCOS GROUP

(Euro thousands)	December 31, 2025
Discount rate +0.25%	4,231
Discount rate -0.25%	4,350
Annual inflation rate +0.25%	4,331
Annual inflation rate -0.25%	4,249
Turnover rate +1.00%	4,300
Turnover rate -1.00%	4,279

CRB S.A.

(Euro thousands)	December 31, 2025
Discount rate +0.5%	11,089
Discount rate -0.5%	12,997
Annual rate of salary increases + 0.5%	12,030
Annual rate of salary increases - 0.5%	11,918

INTERCOS KOREA INC.

	December 31, 2025
Discount rate +1%	5.03%
Discount rate -1%	3.03%
Annual rate of salary increases +1%	2.73%
Annual rate of salary increases -1%	0.73%

Trade payables

Trade payables at December 31, 2025 amounted to Euro 165,171 thousand, compared to Euro 202,236 thousand at December 31, 2024, decreasing by Euro 37,065 thousand (-18.3%).

Trade payables are all related to transactions with suppliers in the normal course of production and investment activities and have a duration of less than twelve months. It should also be noted that the Group has assessed that its trade payables overdue by more than 60 days

do not have a significant financing component, also taking into account the provisions of paragraph 184 of the new ESMA guidelines 32-382-1138 of March 4, 2021.

The measurement of trade and other payables at fair value does not produce significant effects given the short period of time elapsing between the arising of the debt and its maturity.

The ageing of the Group's trade payables at December 31, 2025 is shown below:

AT DECEMBER 31, 2025

(In Euro thousands)	Trade payables	Not yet due	Overdue between 0 - 60 days	Overdue between 61 - 90 days	Overdue between over 90 days
Total trade payables	165,171	134,588	27,137	929	2,517

At December 31, 2025, there are no outstanding injunctions or suspension of supply actions taken by the Group's suppliers.

During the period under review, the Group did not renegotiate contractual maturities with its suppliers, nor are there any disputes with the Group's creditors or any enforcement actions taken by the latter.

The average payment days terms reduced from the previous year.





Other current liabilities

Other current liabilities at December 31, 2025 totaled Euro 54,115 thousand, decreasing by Euro 3,942 thousand (Euro 58,057 thousand at December 31, 2024).

(In Euro thousands)	December 31, 2025	December 31, 2024
Employee payables	24,834	25,318
Social security payables	4,045	3,617
Tax payables	6,911	4,901
Customer advances	11,694	16,710
Accrued liabilities	4,830	5,634
Other payables	1,801	1,877
Total	54,115	58,057

The movement is mainly related to the decrease in the “Customers advances” item for a total of Euro 5,016 thousand, offset by the increase in tax payables for Euro 2,010 thousand, in part concerning Intercos S.p.A. as a result of the lower IRES payable transferred by the subsidiaries under the tax consolidation agreements, and in part regarding Intercos Europe for the higher IRAP payable due to an increase in its value of production.

Revenues from sales and services

(In Euro thousands)	December 31, 2025	December 31, 2024
Revenues from sales and services	1,047,233	1,064,904

Group sales in 2025 totaled Euro 1,047,233 thousand, up +0.3% on 2024 at constant exchange rates, while contracting -1.7% at reported exchange rates. The strengthening of the Euro against all of the overseas currencies with which the Group operates therefore had a negative impact of more than Euro 21 million.

We underline the improved sales mix: sales with higher value added, without the packaging component, (i.e. Free-issue), while contributing less to sales, drove the marked increase in margins at consolidated level.

The breakdown of each segment for 2025 and 2024 is presented below (sales revenues are recognized by the Group “at point in time”).

SALES ANALYSIS BY BUSINESS UNIT

(In Euro thousands)	December 31, 2025	December 31, 2024
Make up	655,182	619,836
Skin care	160,998	167,090
Hair and Body	231,053	277,978
Total	1,047,233	1,064,904

SALES ANALYSIS BY REGION

Revenues by region are broken down below, based on the location of the invoiced customer's Headquarters..

(In Euro thousands)	December 31, 2025	December 31, 2024
Americas	290,043	293,397
EMEA	531,690	559,477
Asia	225,500	212,030
Total	1,047,233	1,064,904

SALES ANALYSIS BY CUSTOMER

(In Euro thousands)	December 31, 2025	December 31, 2024
Multinational Brands	510,930	468,878
Emerging Brands	465,558	526,564
Retailers	70,745	69,468
Total	1,047,233	1,064,904

For further details on revenues by region, by business activity and by customer (compared with the previous year), reference should be to paragraph "segment reporting" of the Explanatory Notes.

For further information on the presentation of the individual consolidated income statement items by type and the reclassified consolidated income statement, reference should be made to the reconciliation by type in the consolidated tables to these Explanatory Notes.

Cost of sales

The account breaks down as follows:

(In Euro thousands)	Period	
	December 31, 2025	December 31, 2024
Personnel expenses	173,453	168,503
Raw Materials, ancillary, consumables and goods	482,812	501,528
Outsourcing	81,800	89,288
Transport costs	21,789	24,112
Amortization, depreciation and write-downs	29,645	30,186
Utilities	12,203	11,925
Maintenance services	9,584	9,979
Other costs of sales	16,528	22,349
Total	827,814	857,870





The Group cost of sales was Euro 827,814 thousand in 2025, compared to Euro 857,870 thousand in 2024, decreasing Euro 30,056 thousand (-3.5%).

The cost of sales on revenues in 2025 decreased on the previous year, from 80.6% in 2024 to 79.0% in 2025.

The main decrease of this item, also in percentage terms, concerns the “raw materials, ancillary, consumables and goods” item, with a decrease of Euro 18,716 thousand on the previous year, particularly with reference to the category of packaging sold to customers.

The industrial gross profit margin in 2025 was 21% (19.4% in the previous year).

Research, Development and Innovation costs

Research, development and innovation costs in 2025 amounted to Euro 40,993 thousand.

The account breaks down as follows:

(In Euro thousands)	Period	
	December 31, 2025	December 31, 2024
Personnel expenses	30,612	30,371
Raw Materials, ancillary, consumables and goods	1,972	2,701
Consultancy costs	3,229	3,212
Travel expenses	2,019	1,950
Amortization, depreciation and write-downs	11,493	10,504
Utilities	762	756
Costs capitalized for internal construction	(12,235)	(12,038)
Other general expenses	3,141	2,946
Total	40,993	40,402

Group research and development and innovation expenses amounted to Euro 40,993 thousand in 2025, compared to Euro 40,402 thousand in 2024, increasing Euro 591 thousand (+1.5%).

In 2025, the percentage of capitalized innovation costs on revenues net of the packaging component remained substantially unchanged on 2024 (5%), as the Group within a long-term vision consolidated the level of product and process innovation.

The percentage of capitalized R&D costs on revenues was stable on the previous year (1.2% in 2025 and 1.1% in 2024), as was to-

tal research and development and innovation spend on revenues at 3.9% in 2025 (same as the previous year).

In particular, the overall increase outlined above was mainly due to increased amortization and depreciation of Euro 989 thousand (+9.4%), which was partially offset by the development costs capitalized in the year of Euro 197 thousand (+1.6%).

For further details on the costs capitalized for internal requirements, reference should be made to paragraph “Intangible assets” of the Explanatory Notes

Sales expenses

Sales expenses in 2025 amounted to Euro 25,923 thousand.

The account breaks down as follows:

(Euro thousands)	Period	
	December 31, 2025	December 31, 2024
Personnel expenses	18,728	20,493
Commercial expenses	427	501
Transport costs	869	909
Consultancy costs	1,248	1,219
Amortization, depreciation and write-downs	1,307	1,546
Utilities	748	764
(Accruals) util. write-down provision Receivables	(162)	759
Other general expenses	2,758	3,409
Total	25,923	29,600

Sales expenses totaled Euro 25,923 thousand in 2025, compared to Euro 29,600 thousand in 2024, decreasing Euro 3,677 thousand (-12.4%). This decrease is mainly due to the combined effect of a decrease in personnel expenses of Euro 1,765 thousand on 2024, related

to a different mix of personnel involved, and the reduced accrual to the doubtful debt provision for Euro 921 thousand. The percentage of selling expenses as a percentage of revenues is broadly in line with FY2024 (2.5% in FY2025 to 2.8% in FY2024).

General and Administrative Expenses

In 2025, general and administrative expenses amounted to Euro 55,856 thousand.

The account breaks down as follows:

(Euro thousands)	Period	
	December 31, 2025	December 31, 2024
Personnel expenses	25,916	22,545
IT systems services	7,555	7,306
Employee training and hiring	2,082	2,282
Consultancy costs	5,535	5,138
Amortization, depreciation and write-downs	9,096	7,409
Utilities	955	951
Rental charges	225	714
Other general expenses	4,492	5,493
Total	55,856	51,838

Group general and administrative expenses totaled Euro 55,856 thousand in 2025, compared to Euro 51,838 thousand in 2024, increasing Euro 4,018 thousand (+7.8%).





This increase is mainly attributable to (i) an increase in amortization, depreciation and write-downs of Euro 1,687 thousand, mainly attributable to IT investments, (ii) an increase in personnel expense of Euro 3,371 thousand compared to 2024, specifically due to a reclassification of Directors' compensation from the

“Research and Development and Innovation Costs” item.

General and administrative expenses on revenues were in line with the previous year (5.3% in 2025 and 4.9% in 2024).

Other charges and income

Other charges and income in 2025 report net charges of Euro 667 thousand. The account breaks down as follows:

(Euro thousands)	Period	
	December 31, 2025	December 31, 2024
Other operating income	10,057	10,723
Other operating charges	(3,542)	(2,213)
Net non-recurring charges	(7,182)	(9,577)
Other charges and income	(667)	(1,067)

“Other charges and income” reported a net charge of Euro 667 thousand and mainly comprise operating income and charges and non-recurring income and charges.

Other charges and income overall decreased on the previous year by Euro 400 thousand and principally concern (i) the increase of Euro 1,329 thousand in other operating charges, mainly due to the write-down of prior year capitalizations for Euro 1,163 thousand (ii) the decrease of net non-recurring charges of Euro 2,395 thousand (-25.0%), as broken down below.

“Net non-recurring charges” in 2025 amounted to Euro 7,182 thousand and mainly include (i) provisions for the internal reorganization of personnel for Euro 3,848 thousand, (ii) the

costs incurred for general and legal consultancy, mainly in Italy and the United States for Euro 5,739 thousand and (iii) provisions of Euro 802 thousand following the setting of the new targets for the latest performance shares plans drawn up from 2022 (iv) provisions of non-recurring income totaling Euro 3,207 thousand, mainly concerning the insurance reimbursement collected following the Cyber Attack for Euro 2,500 thousand and the release of the doubtful debt provision for the trade receivable of the customer “The Body Shop” for Euro 637 thousand (Euro 259 thousand of Cosmint S.p.A. and Euro 378 thousand of Tatra Spring Polska SP. Z.O.O).

“Other operating income” however remains largely unchanged from the previous year (Euro 10,057 thousand in 2025, compared

to Euro 10,723 thousand in 2024) and mainly concerned the revenue received from customers for the molds and equipment required to develop and manufacture the new product lines ordered.

For further details on the Performance shares plans, reference should be made to paragraph “Share-based payment plans” of the Explanatory Notes.

The amalgamation of the items “Non-recurring income and expenses” and “Other operating income and expenses”, under the item “Other income and expenses” in the consolidated income statement for 2025 and 2024, has been made in order to ensure greater clarity of presentation, consistent with the format adopted by the Group for the preparation of the interim financial statements at December 31, 2024.

Financial income and expenses

Net financial expense of Euro 21,878 thousand in 2025 increased Euro 11,784 thousand on 2024. The changes in the account were as follows:

(Euro thousands)	Period	
	December 31, 2025	December 31, 2024
Interest on bank deposits	1,257	1,137
Other financial income	1	-
Realized exchange gains	8,915	10,056
Dividends	75	59
Derivatives	-	5,813
Finance income	10,248	17,065
Interest expense on payables	(9,601)	(13,274)
Interest discounting in application of IAS 19	(149)	(175)
Losses on eq. investment disposals	(1,798)	-
Interest in application of IFRS9	(674)	-
Interest charges in application of IFRS 16	(1,686)	(1,843)
Bank charges	(1,123)	(1,061)
Exchange losses	(17,095)	(10,806)
Financial charges	(32,126)	(27,159)
Total net financial expenses	(21,878)	(10,094)

The increase totaling Euro 11,784 thousand in the year is mainly attributable to the increase in exchange losses of Euro 6,289 thousand, concerning both realized and unrealized exchange movements, offset by reductions in interest expense on short- and medium-/long-term payables of Euro 3,673 thousand.

The movement in exchange differences is mainly due to the strengthening of the Euro against the U.S. Dollar, the Renminbi and the Korean Won during fiscal year 2025.

In addition, it should be noted that “Financial expenses” were impacted for Euro 1,798 thousand by the capital loss realized from the





sale of the equity investment following the dissolution and voluntary liquidation of the subsidiary Intercos Concept S.r.l., which took place on September 30, 2025.

Finally, it should be noted that Euro 123 thousand was charged to the income statement for the early closure of Facility A amounting to Euro 25,000 thousand.

For further details in relation to the management of the risks deriving from interest rate volatility and currency volatility, reference should be made to paragraph “*Risks and opportunities management*”, within the “Interest rate risk” and “Currency risk” sections of the Directors' Report.

Income taxes

Income taxes break down as follows:

(Euro thousands)	Period	
	December 31, 2025	December 31, 2024
Current income taxes	22,903	24,194
Deferred tax assets/liabilities	491	(1,262)
Prior year taxes	655	2,325
Total	24,049	25,257

Group income taxes totaled Euro 24,049 thousand in 2025, compared to Euro 25,257 thousand in 2024, decreasing Euro 1,208 thousand. The decrease is mainly as a combined effect of the decrease in the Group's 2025 pre-tax result with regards to “Current taxes” and the decrease of Euro 1,753 thousand of the “Deferred tax assets/liabilities” account. The latter is mainly attributable to both the release of deferred tax assets allocated in previous years on past tax losses of the subsidiary Intercos Korea Inc. and on the Inventory obsolescence provisions of Intercos Europe S.p.A., and from the recognition of deferred tax assets related to losses accrued in the present year at the U.S. subsidiary.

“Prior year taxes” of Euro 655 thousand mainly concerned the overseas withholdings not recoverable for Italian tax purposes.

For further details regarding the provision of deferred tax assets, please refer to paragraph “Deferred tax assets” of the notes to the financial statements.

The tax rate in 2025 was 32.5%, compared to 34.1% in the previous year, decreasing by 1.6 percentage points, mainly due to the decrease in the consolidated level result, to non-deductible costs on the subsidiary Intercos S.p.A. and due to the change in deferred taxes by the Korean and U.S. companies for the reasons outlined above.

The reconciliation between the tax charge recorded in the Consolidated Financial Statements for the year ended December 31, 2025 and the theoretical tax charge, determined on the basis of the theoretical tax rates in force, is as follows (amounts in Euro thousands):

(Euro thousands)	2025	
	Amount	Rate
Profit before taxes	74,102	
Theoretical income taxes	17,784	24%
IRAP	3,109	4.19%
Effect of permanent tax increases Italy	2,143	2.89%
Effect of permanent tax reductions Italy	(931)	-1.26%
Effect of other tax changes on overseas companies	986	1.18%
Effect difference of rate Foreign Company	831	1.12%
Taxes from previous years	127	0.17%
Income taxes recorded to Income Statement	24,049	32.5%

The item “*Effect of permanent tax increases Italy*” is mainly attributable to the tax effect of non-deductible costs for Euro 1,798 thousand concerning the loss from exiting the equity investment in Concept Srl and Euro 289 thousand for dividends received in 2025 by the parent company Intercos S.p.A..

The item “*Effect of permanent tax reductions Italy*” includes the benefits deriving from the fifth portion of recognition of the tax amortization of goodwill subject to the realignment of civil and fiscal values, as permitted by Article 110 of Law Decree No. 104 of August 14, 2020.

The Pillar Two rules have been adopted by several jurisdictions in which the Group operates and have been applied by the Group for the fiscal year 2024 and fiscal year 2025 consolidated financial statements.

The analysis of exposure to Pillar Two rules was carried out based on the reporting data of the Group companies. The data indicates that in most of the jurisdictions in which the Group operates, no tax payments from the application of Pillar Two are expected as the Transitional CBCR Safe Harbours tests required by the regulations have been satisfied. Only in Switzerland, the Group will not benefit from the exemption of full Pillar Two calculations provided by the Transitional CBCR Safe Harbours, generating for 2025 a Domestic Minimum Top up tax due of Euro 144 thousand





Related Party Transactions

In accordance with IAS 24, the Group's related parties are determined as entities and persons capable of exercising control, joint control or significant influence over the Group and its subsidiaries. "Related parties" include companies belonging to Mr. Dario Gianandrea Ferrari, who holds - as sole shareholder of Dafe 5000 S.r.l., which in turn is sole shareholder of Dafe 4000 S.r.l., as well as sole shareholder and through Dafe 5000 S.r.l. - an interest in Intercos S.p.A. equal to 48.679% of the total voting rights. As a result of that outlined above, Mr. Dario Gianandrea Ferrari effectively controls Intercos S.p.A., through a shareholding (indirect) that enables him to exercise a dominant influence at the ordinary shareholders' meeting of Intercos S.p.A.,

as also reflected in the declarations made by him pursuant to Article 120 of Legislative Decree No. 58/1998. Related party transactions, as per IAS 24, are limited to those regarding the commercial, administrative and financial services undertaken by the parent company and by the subsidiaries with other related parties and are therefore net of transactions between the company and its subsidiaries.

These transactions are within the scope of ordinary management, the core operations of each party and the parent company considers them to be carried out at market conditions.

The Group in 2025 undertook the following transactions with Related Parties:

(K€)	Revenues	Other operating income	Material costs & services costs & rent, lease & similar costs	Other operating charges	Trade Receivables	Trade Payables	Financial Payables
Dafe International Srl	14	13	(144)	-	48	15	-
Sci Maragia	-	-	(52)	-	-	19	-
Je m'en Fous Srl	-	-	-	-	-	-	-
Arterra Bioscience S.p.A.	8	3	(4,039)	-	7	1,678	-
My beauty Brand	-	-	-	-	-	-	-
My Style	-	-	(12)	(131)	-	80	-
Interior	-	-	-	-	-	-	-
Catterton	-	-	-	-	-	-	-
Vault	-	-	-	-	-	-	-
Maragia USA Inc	-	-	(26)	-	-	26	-
Cornelli Gabelli e Associati	-	-	(155)	-	-	65	-
Azienda agricola Tommaso Bellora	-	-	-	-	-	-	-
MTA Tech S.r.l	-	-	(931)	-	-	158	-
OTTO S.R.L.	-	-	-	-	-	-	-
Piccola immob. Brianza SAS Boracchi	-	-	(45)	(3)	-	-	-
Avvale S.p.A.	-	-	(151)	-	-	345	-
Family members and relatives of Dario Ferrari	-	-	-	(120)	-	-	-
Total	21	16	(5,554)	(254)	55	2,386	-

The total remuneration of the Board of Directors was Euro 3,703 thousand in 2025 (Euro 3,638 thousand in 2024).

In addition, the total amount of remuneration of the top senior executives was Euro 2,429 thousand in 2025.

Pursuant to Consob Motion No. 17221 of March 12, 2010, it is reported that in 2025 the Group did not conclude any significant transactions or transactions with related parties that had a significant effect on the Group's financial position or operating result for the year.

Earning per share (EPS)

Earnings per share (EPS) is calculated:

- dividing the net result attributable to holders of ordinary shares by the number of average ordinary shares in the period, net of treasury shares (basic EPS);
- dividing the net result by the average number of the ordinary shares and the potential number deriving from the exercise of all of the rights options from stock option plans, net of treasury shares (diluted EPS), taking into consideration any dilutive effects as per IAS 33.

EPS

(Euro thousands)	2025	2024
Average number of shares during the period	96,364,020	96,257,950
Net result (Euro thousands)	50,053	48,776
Basic EPS (in Euro)	0.52	0.51
Diluted EPS (in Euro)	0.51	0.50

Board of Directors' and Board of Statutory Auditors' fees

The following table presents the corporate board fees for the year 2025:

(Euro thousands)	Amount
Board of Directors	3,703
Board of Statutory Auditors	96
Total	3,799

These fees include the emoluments due for serving as a director or statutory auditor of Intercos S.p.A.

For further details on the remuneration of Directors, Statutory Auditors and Senior Executives, reference should be made to the 2025 Remuneration Report, which can be consulted on the Company's website www.intercos-investor.com in the "Governance" section.





Independent auditors' fees

The following table presents the fees related to the independent audit firm for the year ended December 31, 2025:

(Euro thousands) Type of service	Service provider	Recipient	Note	2025 Fees
Audit	EY S.p.A.	Parent Company	(1)	289
Sustainability Report Audit	EY S.p.A.	Parent Company		135
Audit	EY S.p.A.	Subsidiaries		347
	EY Network	Subsidiaries	(2)	260
Other assets	EY S.p.A.	Parent Company	(3)	25
Total				1,057

(1) Includes fees for the legally-required audit of the separate and consolidated financial statements and half-year financial statements

(2) Includes fees for the audit of the Chinese, Swiss, Polish and Korean subsidiaries.

(3) Includes fees related to the audit of the statement of research and development costs regarding the tax credit.

It should be noted that there are no non-audit services of the parent company.

Commitments and guarantees

The guarantees given at December 31, 2025 concern sureties, guarantees and commitments in favor of third parties issued by the Parent Company, on behalf of its subsidiaries totaling Euro 31,360 thousand and by subsidiaries totaling Euro 7,977 thousand. The guarantees issued during the present period are detailed below:

ON BEHALF OF THE PARENT COMPANY INTERCOS S.P.A

- On behalf of Intercos America for a bank credit line through Intesa Italy in favor of Intesa NY (Intesa branch in America) amounting to USD 3,000 thousand, corresponding to Euro 2,553 thousand;
- On behalf of Intercos America for a bank credit line through BNP Heq Milan in favor of Bank of Canada (previously Bank of The West before the merger with Bank of Canada) amounting to USD 5,000 thousand corresponding to Euro 4,255 thousand;
- On behalf of Intercos Korea a guarantee in favor of BNP Seoul Branch (Korea) for a value of Korean Won 35,000 thousand, corresponding to Euro 20,625 thousand;
- On behalf of Intercos do Brasil, a guarantee in favor of Banco Bradesco amounting to Brazilian Real 1,200,000 thousand, corresponding to Euro 186 thousand;

DIRECTLY BY THE SUBSIDIARIES

The Subsidiary CRB Sa issued a pledge on the property where the headquarters of the company is based for a total amount of Swiss Francs 6,920 (corresponding to Euro 7,430 thousand), in favor of Banca BCV in guarantee of the mortgage granted on the incorporation of the company and renegotiated on 06/09/2016.

The subsidiary Intercos Europe S.p.A. has issued three guarantees to protect rental contracts for a similar number of leased real estate units and one to the Municipality of Caponago relating to urbanization and another in favor of Brescia Customs for temporary packaging import charges for a customer in the M/East totaling Euro 643 thousand.

The following table details the list of guarantees given:

Guarantor	Beneficiary	Guarantee type	Description	In Euro	Date of Issue	Maturity
INTERCOS SPA	Intesa BCI	credit mandate	Credit Mandate issued on behalf of Intercos America for bank overdraft facility USD 3,000,000 now fully available for cash requirements (following revocation of USD 300,000 as guarantee for letters of credit under the former IDA Bond)	€ 2,553,191.49	25/07/2000	Until revocation
INTERCOS SPA	BNP Italy -> Bank of West	Stand-by Letter of Credit	Stand by Letter of Credit in favor of Bank of West (NY) securing the USD 3M Credit Facility issued on 07.07.2020 in favor of Legal Intercos America. On 01/02/2021 BNL confirmed that the line was increased by an additional USD 2 M to support the V-Payo program (virtual credit card payment to pay a number of selected vendors). It is renewed from year to year	€ 4,255,319.15	07/07/2020	Until revocation





Guarantor	Beneficiary	Guarantee type	Description	In Euro	Date of Issue	Maturity
INTERCOS SPA	BNP Seoul (via BNP Italy)	Corporate Guarantee	Corporate Guarantee in favor of BNP Seoul Branch (Korea) to guarantee the Credit Facility of 20B KRW issued on October 27, 2020 in favor of Legal Intercos Korea (to replace existing credit lines with Hana Bank, which is being divested). Guarantee fixed at 25BKrw and subsequently increased to 35M KRW on 19/04/2021 following the increase in the credit line to 30M KRW, to cover any interest accrued. New credit line confirmed 11/05/21. on 27/10/25 the guarantee was updated, following modification of contractual agreements allowing I.Korea to allocate part of the liquidity to reduce the utilization of the credit facility (no change in the text of the guarantee). It is renewed from year to year	€ 20,625,360.94	27/10/2025	Until revocation
INTERCOS SPA	Banco Bradesco x warranty release to XP Industrial Fundo de Inv. Imobiliario	Corporate Guarantee	Corporate Guarantee in favor of Banco Bradesco as guarantee for the Credit Facility issued on 12/06/2023 to allow for the provision of a direct guarantee in favor of the lessee of the property occupied by Legal Entity Intercos Do Brasil Guarantee fixed at 1.2 MBRL to cover any accrued interest. Issued materially on 06/07/2023, confirmed by Bradesco	€ 186,439.62	06/07/2023	31/03/2026
INTERCOS EUROPE SPA	Lunabra	Surety	to guarantee warehouse lease contract Via Gerole 13, Caponago (MB)	€ 78,044.50	13/10/2021	31/10/2022 + Tacit annual renewal
INTERCOS EUROPE SPA	Project 81	Surety	to guarantee warehouse lease contract Via Gerole 17, Caponago (MB)	€ 6,250.00	11/02/2016	01/02/2023 + Tacit annual renewal until 01/02/2028
INTERCOS EUROPE SPA	La Cometa	Surety	to guarantee warehouse lease contract Cometa Via Marconi 74, Agrate	€ 100,000.00	23/05/2017	31/05/2018 + Tacit annual renewal

Guarantor	Beneficiary	Guarantee type	Description	In Euro	Date of Issue	Maturity
INTERCOS EUROPE SPA	Municipality of Caponago	Surety	to guarantee urbanization charges arising from the construction of the new Factory to be built in Caponago, to guarantee the lease contract Capannone Via Gerole 13, Caponago (MB)	€ 390,124.64	07/03/2024	Valid until completion of works
INTERCOS EUROPE SPA	Brescia Customs	Surety	to guarantee temporary import charges packaging account work client Sarah Mohammad	€ 68,185.00	16/10/2025	Valid until 30/11/2026
CRB Sa	BCV Bank	Mortgage on buildings	Mortgage on the Puidoux property in favor of BVC Bank to guarantee the 2 mortgages issued by the bank, as detailed below: 1) BCV Mortgage No. 5354.39.77 totaling CHF 5,094,696, 55 dated 06.09.2016 2) BCV Mortgage No. 0997.24.18. totaling CHF 1,500,000 dated 06.09.2016	€ 7,429,675.76	06/09/2016	30/06/2031
CRB Sa	Banca Intesa	Surety	Surety # 1092888488000 issued in favor of Banca Intesa Monza Branch to guarantee the line of credit for cash overdraft issued in favor of Vitalab	€ 50,000.00	18/07/2011	Until revocation





Contingent liabilities

At December 31, 2025, the company has not recognized any contingent liabilities that have not already been estimated and accrued to the provision for risks.

For further details, reference should be made to paragraph “*Non-current provisions for risks and charges*” of the Explanatory Notes.

Share-based payment plans

In 2021, due to the Listing of the Parent Company's shares, the Board of Directors approved a performance share plan, effective as of the Listing Date, designed to incentivize and retain key Group resources identified by the Board of Directors (both employees and directors) to be implemented through the grant of up to a total of 1,190,000 shares of Intercos S.p.A.'s ordinary shares upon the achievement of specified targets.

On July 20, 2021, the Shareholders' Meeting of Intercos S.p.A. approved, subject to the Listing, the “2022-2024 Performance Shares Plan” (the “**2022-2024 Plan**”) and the Extraordinary Shareholders' Meeting resolved, among other matters, to increase the share capital to service the implementation of the 2022-2024 Plan by the date of approval of the financial statements at December 31, 2024.

On February 25, 2025, the Company's Board of Directors, subject to the favorable opinion of the ARC, reviewed and approved the achievement of the performance and sustainability objectives underlying the 2022-2024 Plan and, on March 4, 2025, resolved (i) that the beneficiaries of the 2022-2024 Plan have accrued the right to receive a total of 106,070 ordinary shares of the Company, (ii) that such shares be allotted to the

beneficiaries of the 2022-2024 Plan on March 5, 2025, and (iii) to execute the capital increases to serve the 2022-2024 Plan for a total amount of Euro 13,258.75 and, accordingly, to issue, effective March 5, 2025, 106,070 shares to service such, of which 54,072 shares bonus shares and 51,998 shares for payment at a nominal price per share of Euro 0.125.

On April 28, 2023, the Shareholders' Meeting approved, pursuant to Article 114-bis of the CFA, the setting up of a new incentive plan called the “2023-2025 Performance Shares Plan” (the “**2023-2025 Plan**”) for the Chief Executive Officer of Intercos and the managers of Intercos or its direct and indirect subsidiaries, and based on the granting (free of charge) of rights to receive, again free of charge, ordinary Intercos shares, subject to the satisfaction of certain performance and sustainability objectives, assigning the Board of Directors, with the faculty to sub-delegate, any power necessary or appropriate to execute this plan.

The 2023-2025 Performance Shares Plan is part of the broader equity-based long-term incentive plan, divided into three rolling cycles, each lasting three years (2023-2025, 2024-2026, 2025-2027), that was adopted by the Company's Board of Directors on March 14, 2023, having

received the favorable opinion of the Appointments and Remuneration Committee on March 7, 2023. The purpose of the Plan is to: (i) reward the achievement of the targets of the 2024-2028 business plan, according to which the performance targets were drawn up, in addition to the achievement of the sustainability objective for 2025; (ii) to develop a medium-long term variable incentive policy in line with market practices, in order to retain key figures; (iii) to ensure the sustainability of the Company's medium to long-term performance by ensuring loyal conduct to increase its overall value; (iv) to incentivize the alignment of management's interests with those of shareholders with a view to value creation.

The plan shall be serviced by: (i) with respect to beneficiaries who are Directors of Intercos or its subsidiaries, Intercos ordinary treasury shares subject to purchase pursuant to the authorization as per Article 2357 of the Civil Code, as granted by the Company's Shareholders' Meeting; and (ii) with respect to beneficiaries who are employees of Intercos or its subsidiaries, shares arising from the capital increase pursuant to Article 2349 of the Civil Code approved by the Shareholders' Meeting. In this regard, on April 28, 2023, the Shareholders' Meeting, in extraordinary session, approved the capital increase, free of charge and also in several tranches, pursuant to Article 2349 of the Civil Code, to be carried out by the closing date of December 31, 2026, for a maximum amount of Euro 34,782 thousand, through the issue of a maximum of 289,850 ordinary shares of the Company, with no express par value and with the same features as those in circulation and full rights, in favor of Intercos Group employees who are beneficiaries of the "2023-2025 Performance Shares Plan" incentive plan approved by the

same Shareholders' Meeting of April 28, 2023. In application of the 2023-2025 Performance Shares Plan, in 2023 and subject to the setting and communication of the new targets and duration of the plan, non-recurring income of Euro 936 thousand were provisioned, while the LTIP reserve was moved to equity for a similar amount.

For the income statement impacts of the 2023-2025 Performance Shares Plan, reference should be made to paragraph "Equity" of the Explanatory Notes.

On April 11, 2024, the Shareholders' Meeting approved, pursuant to Article 114-bis of the CFA, the setting up of a new incentive plan called the "2024-2026 Performance Shares Plan" (the "**2024-2026 Plan**"), within the wider context of the equity-based long-term incentive plan, broken down into three three-year rolling cycles (2023-2025, 2024-2026, 2025-2027), adopted by the Board of Directors of the company on March 14, 2023), and addressed to the Chief Executive Officer of Intercos and the managers of Intercos or its direct or indirect subsidiaries who are employees and/or collaborators (or who however have a similar relationship as per the applicable rules) and/or members of the corporate boards of the Company or of the subsidiaries.

The "2024-2026 Performance Shares Plan" is based on the granting (free of charge) of rights to receive, again free of charge, ordinary Intercos shares, subject to the satisfaction of certain performance and sustainability objectives, assigning the Board of Directors, with the faculty to sub-delegate, any power necessary or appropriate to execute this plan.

Intercos' treasury shares purchased under the authorizations granted as per Article 2357 of the





Civil Code by the various Company Shareholders' Meetings will be used to service the Plan. With respect to beneficiaries who are employees of Intercos or the Subsidiaries, alternatively or in combination, shares will be used from the share capital increase pursuant to Article 2349 of the Civil Code, approved by the Shareholders' Meeting. In this regard we note that on April 11, 2024, the Shareholders' Meeting, in extraordinary session, approved the capital increase, free of charge and also in several tranches, pursuant to Article 2349 of the Civil Code, to be carried out by the closing date of December 31, 2027, for a maximum nominal amount of Euro 40,800 thousand, through the issue of a maximum of 340,000 ordinary shares of the Company, with no express par value and with the same features as those in circulation and full rights, in favor of Intercos Group employees who are beneficiaries of the "2024-2026 Performance Shares Plan" incentive plan approved by the same Shareholders' Meeting of April 11, 2024. In application of the 2024-2026 Performance Shares Plan, in 2024 and subject to the setting and communication of the new targets and duration of the plan, net non-recurring charges of Euro 748 thousand were provisioned, while the LTIP reserve was moved to equity for a similar amount.

For the income statement impacts of the 2024-2026 Performance Shares Plan, reference should be made to paragraph "Equity" of the Explanatory Notes.

On March 4, 2025, the Board of Directors of the Company approved the submission to the Shareholders' Meeting to be called for the approval of the financial statements at December 31, 2025 of the following proposals: (i) the proposal for the adoption of the "2025-2027 Per-

formance Shares Plan" (the "2025-2027 Plan"), as per Article 114-bis of Legislative Decree No. 58/1998 and the relative enacting provisions. It is recalled that the "2025-2027 Performance Shares Plan" is part of the wider equity-based long-term incentive plan broken down into three rolling cycles (2023-2025, 2024-2026, 2025-2027), adopted by the Board of Directors of the Company on March 14, 2023; (ii) the proposal for the purchase and disposal of ordinary treasury shares as per Articles 2357 and 2357-ter of the Civil Code, in addition to Article 132 of Legislative Decree No. 58/1998 and the relative enacting provisions (iii) and finally the proposal for the share capital increase as per Article 2349 of the Civil Code to service the "2025-2027 Performance Shares Plan".

The Board of Directors in addition approved the relative Illustrative Reports and the disclosure document on the "2025-2027 Performance Shares Plan", drawn up as per Article 84-bis of Consob Regulation No. 11971/1999, available on the company website www.intercos-investor.com in the "Governance / Shareholders' Meeting" section.

For the income statement impacts of the 2025-2027 Plan, reference should be made to paragraph "Equity" of the Explanatory Notes.

On April 16, 2025, the Shareholders' Meeting approved, pursuant to Article 114-bis of the CFA, the setting up of the 2025-2027 Plan for the Chief Executive Officer of Intercos and the managers of Intercos or its direct and indirect subsidiaries, and based on the granting (free of charge) of rights to receive, again free of charge, ordinary Intercos shares, subject to the satisfaction of certain performance and sustainability objectives, assigning the Board of Directors,

with the faculty to sub-delegate, any power necessary or appropriate to execute this plan. The 2025-2027 Plan is based on the granting (free of charge) of rights to receive, again free of charge, ordinary Intercos shares, subject to the satisfaction of certain performance and sustainability objectives, assigning the Board of Directors, with the faculty to sub-delegate, any power necessary or appropriate to execute this plan.

Intercos' treasury shares purchased under the authorizations granted as per Article 2357 of the Civil Code by the various Company Shareholders' Meetings will be used to service the 2025-2027 Plan. With respect to beneficiaries who are employees of Intercos or the subsidiaries, alternatively or in combination, shares will be used from the share capital increase pursuant to Article 2349 of the Civil Code, approved by the Shareholders' Meeting. In this regard we note that on April 16, 2025, the Shareholders' Meeting, in extraordinary session, approved the capital increase, free of charge and also in several tranches, pursuant to Article 2349 of the Civil Code, to be carried out by the closing date of December 31, 2028, for a maximum nominal amount of Euro 43,350 thousand, through the issue of a maximum of 346,800 ordinary shares of the Company, with no express par value and with the same features as those in circulation and full rights, in favor of Intercos Group employees who are beneficiaries of the 2025-2027 incentive Plan approved by the same Shareholders' Meeting of April 16, 2025.

In application of the 2025-2027 Plan, in 2025 and subject to the setting and communication of the new targets and duration of the plan, non-recurring charges of Euro 989 thousand were provisioned, while the LTIP reserve was moved to equity for a similar amount.

For the income statement impacts of the 2025-2027 Plan, reference should be made to paragraph "Equity" of the Explanatory Notes.

On March 4, 2026, the Board of Directors of the Company approved the submission to the Shareholders' Meeting to be called for the approval of the financial statements at December 31, 2025 of the following proposals: (i) the proposal for the adoption of the "2026-2028 Performance Shares Plan" (the "2026-2028 Plan"), as per Article 114-bis of Legislative Decree No. 58/1998 and the relative enacting provisions. This plan is part of the wider equity-based long-term incentive plan broken down into three rolling cycles (2026-2028, 2027-2029, 2028-2030), adopted by the Board of Directors of the Company on March 4, 2025; (ii) the proposal for the purchase and disposal of ordinary treasury shares as per Articles 2357 and 2357-ter of the Civil Code, in addition to Article 132 of Legislative Decree No. 58/1998 and the relative enacting provisions (iii) and finally the proposal for the share capital increase as per Article 2349 of the Civil Code to service the 2026-2028 Plan.

The 2026-2028 Plan shall be served by: (i) with reference to the Beneficiaries who are Directors of Intercos or of the Subsidiaries, a maximum 112,200 treasury shares of Intercos purchased under the authorizations granted as per Article 2357 of the Civil Code (and the authorization as per the provision under Article 2357-ter of the Civil Code), by the various Company Shareholders' Meetings; and (ii) with reference to the Beneficiaries who are employees of Intercos or the Subsidiaries, shares stemming from the capital increase pursuant to Article 2349 of the Civil Code, which will be submitted for the approval to the Shareholders' Meeting - as the first item on the Extraordinary Shareholders' Meeting agenda - of April 16, 2026, for a maximum nominal amount of Euro 6,300,574.00 and for a maximum of 547,400 shares.





The Board of Directors in addition approved the relative Illustrative Reports and the disclosure document on the 2026-2028 Plan, drawn up as per Article 84-bis of Consob Regulation No. 11971/1999, available on the company website www.intercos-investor.com in the "Governance / Shareholders' Meeting" section.

For the income statement impacts of the 2026-2028 Plan, reference should be made to paragraph "Equity" of the Explanatory Notes.

With regards, however, to the inclusion of ESG objectives within the Performance Shares Plans, we highlight that:

- in the 2022-2024 Plan, a target was included for an increase in purchased and/or self-produced electricity coming from renewable sources, the performance indicator of which is the percentage of electricity consumption from renewable sources compared to the total electricity consumption of the Group in the year 2024, based on the data published in the Consolidated Non-Financial Statement for the same year;
- in the 2023-2025 Plan a target has been included for a 20% reduction in greenhouse gas emissions by 2025, compared to 2019 values, the performance indicator of which is the percentage reduction in Scope 1 and 2 emissions (according to the market-based approach) per million pieces produced at Group production sites in the year 2025, compared to the year 2019, based on the data published in the Non-Financial Statement for the year 2025;
- in line with the 2023-2025 Plan, the goal to reduce greenhouse gases by 26% by 2026 (using 2019 as a benchmark) was incorporated into the 2024-2026 Plan. The performance indicator used remains consistent with the one specified in the 2023-2025 plan;
- in line with the previous Plans, the 2025-2027 Plan contains a target to reduce greenhouse gases by 34% by 2027 (using 2019 as a

benchmark). The performance indicator used remains consistent with the one specified in the 2023-2025 plan;

The new 2026-2028 Plan, which is part of the broader equity-based long-term incentive plan, divided into three rolling cycles, each lasting three years (2026-2028, 2027-2029, 2028-2030), adopted by the Company's Board of Directors on March 4, 2026, having received the favorable opinion of the Appointments and Remuneration Committee on March 2, 2026, included a target to cut Scope 1 and Scope 2 CO2 equivalent emissions as per SBTi.

Other information

It is communicated that Intercos S.p.A. has complied with the simplified regime as per Articles 70, paragraph 8 and 71, paragraph 1-bis, of CONSOB Regulation on Issuers No. 11971/1999, as subsequently amended, thereby availing of the right to waive the disclosure requirements provided for in Articles 70, paragraph 6 and 71, paragraph 1, of the aforementioned Regulation for significant mergers, spin-offs, share capital increases by contributions in kind, acquisitions and disposals.

MARKETS REGULATION ARTICLE 15 (PREVIOUSLY ARTICLE 36) OF CONSOB MARKETS REGULATION (ADOPTED WITH CONSOB MOTION NO. 20249)

In relation to the regulations concerning the conditions for the listing of companies that control companies constituted and regulated according to laws outside of the European Union and of significant importance for the purposes of the consolidated financial statements, the Intercos Group has identified 4 subsidiaries, with headquarters in 4 countries not belonging to the European Union, which are considered significant in accordance with the regulation.

With regards to that outlined above, the current administrative-accounting and reporting systems of the Intercos Group are considered appropriate to provide regular reporting to management and the Auditor of the Parent Company of the income statement, balance sheet and financial data necessary for the preparation of the Consolidated Financial Statements and to ensure compliance with the above regulation.

Milan, March 4, 2026

INTERCOS S.p.A.
for the Board of Directors





Declaration of the Consolidated Financial Statements as per Article 154- bis of Legislative Decree No. 58/98

The undersigned Renato Semerari, as Chief Executive Officer, and Paola Agasso, as Executive Officer for Financial Reporting of Intercos S.p.A., affirm, and also in consideration of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:

- the adequacy considering the company's characteristics and
- the effective application of the administrative and accounting procedures for the compilation of the consolidated financial statements for 2025.

We also declare that:

1. the Consolidated Financial Statements at December 31, 2025:
 - a. were prepared in accordance with international accounting standards, endorsed by the European Union pursuant to EU regulation No. 1606/2002 of the European Parliament and Council, of July 19, 2002;
 - b. correspond to the underlying accounting documents and records; and
 - c. provide a true and fair view of the financial position, balance sheet and operating results of the issuer and of the companies included in the consolidation.
2. the Directors' Report includes a reliable analysis on the performance and operating result as well as the situation of the issuer and of the companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

Chief Executive Officer
Renato Semerari

Executive Officer for Financial
Reporting
Paola Agasso

Milan, March 4, 2026

Declaration of the sustainability statement as per article 81 -ter, paragraph 1 of Consob Regulation No. 11971 of May 14, 1999 and subsequent amendments and supplements

The undersigned Renato Semerari, as Chief Executive Officer and Paola Agasso as Executive Officer for Financial Reporting of Intercos S.p.A. declare, pursuant to Article 154-bis, paragraph 5-ter, of Legislative Decree No. 58 of February 24, 1998, that the sustainability statement included in the Directors' Report has been prepared:

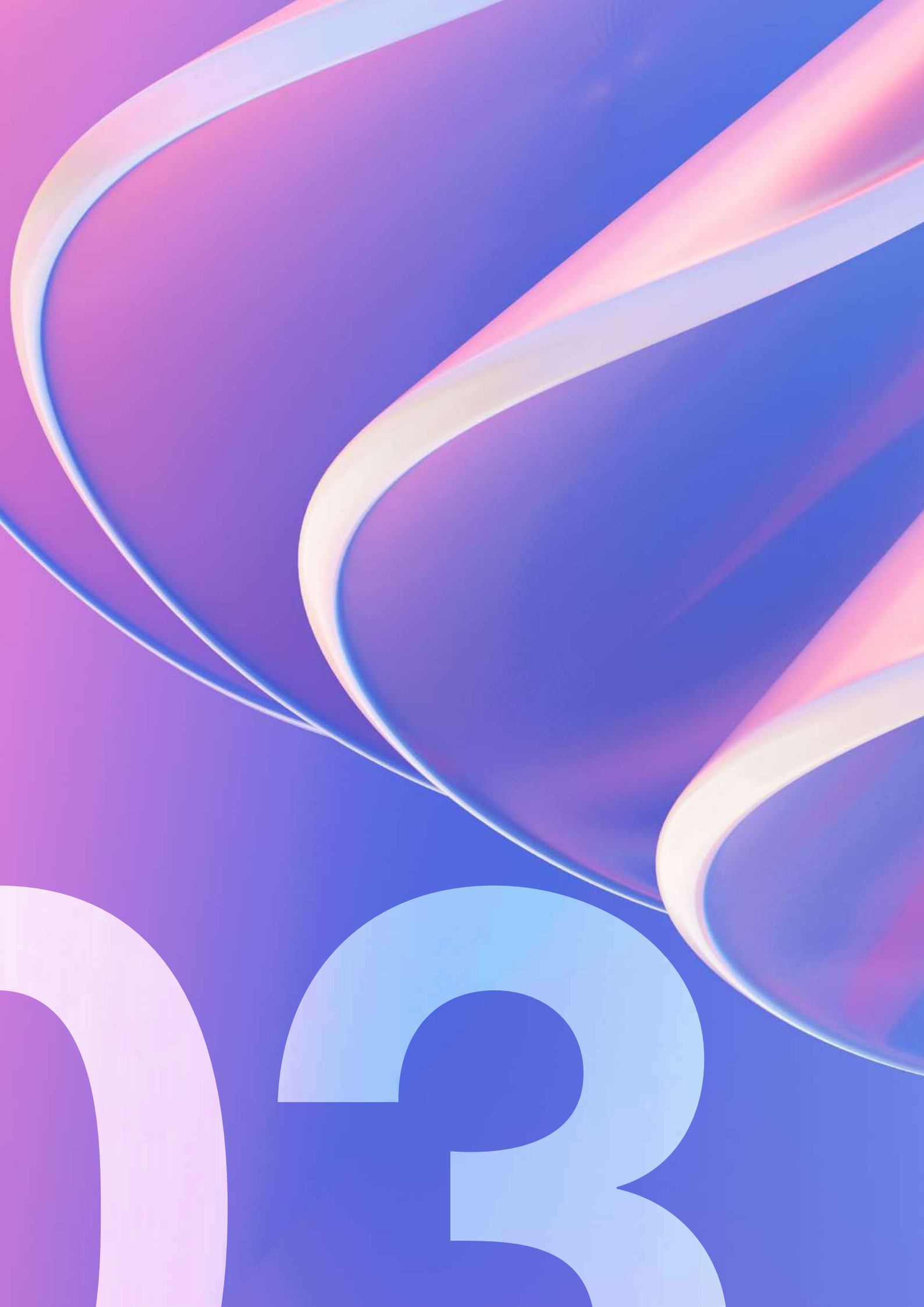
- a. in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of June 26, 2013, and Legislative Decree No. 125 of September 6, 2024; and
- b. with the specifications adopted under Article 8, paragraph 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020.

March 4, 2026

Chief Executive Officer
Renato Semerari

Executive Officer for Financial Reporting
Paola Agasso





The background features several thick, flowing, ribbon-like shapes in shades of blue and purple, creating a sense of movement and depth. The ribbons overlap and curve across the frame, with a soft, ethereal glow. The colors transition from a deep blue on the left to a vibrant purple on the right, with a bright, almost white highlight where the ribbons appear to meet or overlap.

INDEPENDENT AUDITORS' REPORT



Intercos S.p.A.

Independent auditor's report on the limited assurance of the Consolidated Sustainability Statement in accordance with Article 14-bis of Legislative Decree n. 39, dated 27 January 2010





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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Intercos S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Intercos Group (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of income, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Intercos S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

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Key Audit Matter	Audit Response
<p>Revenue recognition: terms and conditions of product sales</p> <p>Product sale agreements are based upon different shipping terms that include, in certain instances, the transfer of control to the buyer prior to the actual delivery of the product.</p> <p>Recognition of revenues from such transactions requires the assessment of sales' contractual terms and the fulfillment of relevant obligations for revenue recognition purposes.</p> <p>The assessment of sale transactions' terms and conditions and their application within the revenue recognition criteria has been deemed a key audit matter, considering the differences in certain contractual terms applied to sale transactions.</p> <p>The Group provided disclosures on the revenue recognition criteria for product sales in note 2 "Basis of presentation of the Consolidated Financial Statements", paragraph "Revenues and costs", to the consolidated financial statement.</p>	<p>Our audit procedures in response to this key audit matter included, among others:</p> <ul style="list-style-type: none"> • gaining an understanding of the revenue recognition process adopted by the Group; • performing test of key controls, including those related to the application of contractual terms; • performing substantive procedures to address revenue recognition criteria at or near period end, where the risks of ownership are transferred to the buyer prior to the actual delivery of the product. <p>Lastly, we reviewed the adequacy of the disclosure made in the notes to the consolidated financial statements related to revenue recognition.</p>
<p>Valuation of goodwill</p> <p>At December 31, 2025, the carrying amount of goodwill was € 133,8 million, and was allocated to the Cash Generating Units (CGUs) "Make-up", "Skin-care" and "Hair&Body".</p> <p>The processes and methodologies to evaluate and determine the recoverable amount for each CGU, in terms of value in use, are based on assumptions that are in certain circumstances complex and that, due to their nature, imply the use of judgement by Management, in particular with reference to the cash flow forecasts, the normalized cash flows used to estimate terminal value, and the long term growth and discount rates applied to such cash flow forecasts.</p>	<p>Our audit procedures relating to this key audit matter included, among others:</p> <ul style="list-style-type: none"> • assessing the process implemented by the Group for evaluating goodwill; • assessing the report prepared by the expert appointed by the Management that led the Group in the impairment test, as well as the assessment of their competence, ability and objectivity; • validating the CGUs perimeter and the allocation of the carrying value of assets and liabilities to each CGU; • assessing cash flows projections, also considering industry data and forecasts; • verifying the consistency of the forecast of future cash flows for each CGU with the





Considering the level of judgement and complexity of the assumptions applied in estimating the recoverable amount of goodwill, we have determined that this area constitutes a key audit matter.

The Group included disclosures related to the valuation of goodwill in note 2 "Basis of presentation of the Consolidated Financial Statements", paragraph "Intangible assets", in note 3 "Estimates and assumptions" and in note 9 "Goodwill", to the consolidated financial statements.

- group business plan for the period 2026-2030;
- assessing the accuracy of cash flows forecasts by comparing forecasted data to actual result;
- assessing the long-term growth and discount rates.

In performing our audit procedures, we also involved our valuation specialists who independently performed their own calculations and sensitivity analyses of key assumptions, in order to assess any changes in assumptions that could significantly impact the determination of the recoverable amount.

Lastly, we reviewed the adequacy of the disclosures made in the notes to the consolidated financial statements related to evaluation of goodwill.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Intercos S.p.A. or to cease operations or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from



fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.





Intercos S.p.A.

Independent auditor's report on the limited assurance of the Consolidated Sustainability Statement in accordance with Article 14-bis of Legislative Decree n. 39, dated 27 January 2010



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Independent auditor's report on the limited assurance of the Consolidated Sustainability Statement in accordance with Article 14-bis of Legislative Decree n. 39, dated 27 January 2010 (Translation from the original Italian text)

To the Shareholders of
Intercos S.p.A.

Conclusions

We have been appointed to perform a limited assurance engagement pursuant to Articles 8 and 18, paragraph 1, of Legislative Decree n. 125 dated 6 September 2024 (hereinafter "Decree") on the Consolidated Sustainability Statement of Intercos S.p.A. and its subsidiaries (hereinafter "Group") for the year ended on 31 December 2025, prepared in accordance with Article 4 of the Decree, included in the specific section of the Management Report.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the Intercos Group Consolidated Sustainability Statement for the year ended on 31 December 2025, has not been prepared, in all material aspects, in accordance with the reporting principles adopted by the European Commission pursuant to European Directive 2013/34/EU (European Sustainability Reporting Standards, hereinafter "ESRS");
- the information included in the paragraph "European Taxonomy" of the Consolidated Sustainability Statement has not been prepared, in all material aspects, in accordance with Article 8 of European Regulation n. 852 dated 18 June 2020 (hereinafter "Taxonomy Regulation").

Elements underlying the conclusions

We have performed a limited assurance engagement in accordance with the Sustainability Reporting Assurance Standard ("Principio di Attestazione della Rendicontazione di sostenibilità") – SSAFE (Italy). The procedures performed in this type of engagement vary in nature and timing compared to those necessary for conducting an engagement aimed at obtaining a reasonable level of assurance and are also less extensive. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained if the engagement aimed to acquire a reasonable level of assurance. Our responsibilities under this Standard are further described in the section "Auditor's responsibility for the Assurance on the Consolidated Sustainability Statement" of this report.

We are independent in accordance with the standards and principles regarding ethics and independence applicable to the assurance engagement of the Consolidated Sustainability Statement according to Italian law.

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Our audit firm applies the International Standard on Quality Control (ISQM Italy) 1, under which it is required to establish, implement, and operate a quality management system that includes instructions and procedures on compliance with ethical principles, professional principles, and applicable legal and regulatory provisions.

We believe we have obtained sufficient and appropriate evidence on which to base our conclusions.

Responsibility of the directors and Board of Statutory Auditors of Intercos S.p.A. for the Consolidated Sustainability Statement

The directors are responsible for the development and implementation of procedures used to identify the information included in the Consolidated Sustainability Statement in accordance with the requirements of the ESRS (hereinafter the "Materiality assessment process") and for the description of such procedures in the paragraph "Material impacts, risks and opportunities" of the Consolidated Sustainability Statement.

The directors are also responsible for the preparation of the Consolidated Sustainability Statement, which contains the information identified through the Materiality assessment process, in accordance with the requirements of Article 4 of the Decree, including compliance with:

- the ESRS;
- article 8 of the EU Taxonomy Regulation regarding the information contained in the paragraph "European Taxonomy".

This responsibility entails the establishment, implementation, and maintenance, as required by law, for that part of internal control that they consider necessary in order to allow the preparation of the Consolidated Sustainability Statement in accordance with the requirements of Article 4 of the Decree, free from material misstatements caused by fraud or not intentional behaviors or events. This responsibility also includes the selection and application of appropriate methods for processing the information as well as the development of assumptions and estimates regarding specific sustainability information that are reasonable under the circumstances.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

Inherent limitations in the preparation of the Consolidated Sustainability Statement

As indicated in paragraph "Introduction" for the purpose of reporting prospective information in accordance with the ESRS, the directors are required to prepare such information based on assumptions, described in the Consolidated Sustainability Statement, regarding events that may occur in the future and possible future actions by the Group. Due to the uncertainty associated with the realization of any future events, both concerning the occurrence itself and regarding the extent and timing of its occurrence, the variations between actual values and prospective information could be significant.

As indicated in the paragraph "Introduction", the information related to Scope 3 greenhouse gas emissions is subject to greater intrinsic limitations compared to Scope 1 and 2, due to the limited availability and accuracy of the data used to define such information, both quantitative and qualitative, related to value chain.

Auditor's responsibility for the Assurance of the Consolidated Sustainability Statement

Our objectives are to plan and perform procedures to obtain a limited level of assurance that the Consolidated Sustainability Statement is free from material misstatements, due to fraud or not intentional behaviors or events, and to issue a report containing our conclusions. Errors may arise from fraud or not intentional behaviors or events and are considered significant if it can be reasonably expected that they, individually or in the aggregate, could influence the decisions made by users based on the Consolidated Sustainability Statement.

In the context of the engagement aimed at obtaining a limited level of assurance in accordance with the Sustainability Reporting Assurance Standard ("Principio di Attestazione della Rendicontazione di Sostenibilità") – SSAE (Italy), we exercised professional judgment and maintained professional skepticism throughout the duration of the engagement.

Our responsibilities include:

- considering the risks to identify the information in which a significant error is likely to occur, whether due to fraud or not intentional behaviors or events;
- defining and performing procedures to verify the information in which a significant error is likely to occur. The risk of not detecting a significant error due to fraud is higher than the risk of not detecting a significant error arising from not intentional behaviors or events, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or manipulation of internal controls;
- directing, supervising, and conducting the limited assurance of the Consolidated Sustainability Statement and assuming full responsibility for the conclusions regarding the Consolidated Sustainability Statement.

Summary of the work performed

An engagement aimed at obtaining a limited level of assurance involves performing procedures to obtain evidence as a basis for formulating our conclusions.

The procedures performed on the Consolidated Sustainability Statement were based on our professional judgment and included interviews, primarily with the Intercos S.p.A. personnel responsible for preparing the information included in the Consolidated Sustainability Statement, as well as documents analysis, recalculations and other procedures aimed to obtain evidence considered appropriate.

In particular, we performed the following procedures, partly in a preliminary phase before the end of the year and subsequently in a final phase up to the date of issuance of this report:

- understanding the business model, the Group's strategies, and the context in which it operates concerning sustainability issues;
- understanding the processes underlying the generation, detection, and management of the qualitative and quantitative information included in the Consolidated Sustainability Statement, including the analysis of the reporting perimeter;
- understanding the process implemented by the Group for identifying and assessing relevant impacts, risks, and opportunities based on the principle of Double Materiality concerning





- sustainability issues and verifying the related information included in the Consolidated Sustainability Statement;
- identifying the information for which there is a likelihood of a significant error risk;
 - defining and performing analytical and substantive procedures, based on our professional judgment, to address the identified significant error risks, including:
 - for the information collected at the Group level:
 - carrying out inquiries and document analysis regarding qualitative information, particularly policies, actions, and targets on sustainability issues, to verify consistency with the evidence collected;
 - performing analytical procedures and limited assurance procedures on a sample basis regarding quantitative information;
 - for the production sites of Intercos S.p.A. (Dovera, Italy) and Intercos India Private Limited (Dehradun, India), that we have selected based on their activities and on their contribution to the Consolidated Sustainability Statement metrics, we have carried out site visits during which we have had discussions with management and have obtained documentary regarding the metrics determination;
 - regarding the requirements of Article 8 of the EU Taxonomy Regulation, understanding the process implemented by the Group to identify eligible economic activities and determine their aligned nature based on the provisions of the EU Taxonomy Regulation, and verifying the related information included in the Consolidated Sustainability Statement;
 - cross-checking the information reported in the Consolidated Sustainability Statement with the information contained in the consolidated financial statements in accordance with the applicable financial reporting framework or with the accounting data used for the preparation of the consolidated financial statements or with the management data of an accounting nature;
 - verifying the structure and presentation of the information included in the Consolidated Sustainability Statement in accordance with the ESRS;
 - obtaining the representation letter.

Milan, 25 March 2026

EY S.p.A.
Signed by: Agostino Longobucco, Auditor

This report has been translated into the English language solely for the convenience of international readers.

03

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design and editing

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