

Environmental,
Social and
Governance
Report 2025



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Message from the CEO



At kdc/one, we take pride in being a trusted global partner for leading brands in beauty, personal care and home care categories.

Throughout FY25, we continued to strengthen collaborations with both established consumer goods companies and emerging brands, supporting them from concept to creation—covering formulation, design, packaging, and manufacturing.

Our foundation remains built on integrity, excellence, and respect, values that guide our diverse and talented organization. People are at the center of our success, and as we grow, we nurture a culture that reflects these principles. We are committed to generating a lasting, positive impact - socially and environmentally - through every action we take. Our Code of Ethics and Business Conduct continues to steer our decisions and behaviors. It reinforces our commitment to human rights, fair labor practices, environmental protection, anti-corruption standards, and transparent engagement with stakeholders.

In FY25, we strengthened training and awareness programs to ensure these principles are embedded across all operations.

This report illustrates the progress we have made and outlines the initiatives driving continuous improvement.

Regarding the social sphere, we expanded initiatives to promote wellbeing, inclusion, and safety, reinforcing our commitment to a fair and equitable workplace.

As concerns our environmental performance, during the year, we placed strong emphasis on reducing operational waste and improving resource efficiency, achieving tangible results - including a further decrease in water consumption - while maintaining high standards of performance. We advanced our climate roadmap, deepened Scope 3 emissions measurement and laid the groundwork for ambitious reduction targets aligned with global best practices. Furthermore, this year marked another step towards stronger engagement of our partners and suppliers. In fact, we strengthened our Responsible Sourcing Program, including due diligence activities and fostering collaboration throughout the value chain and we developed our very own Responsible Partners Policy. We remain proactive in addressing regulatory developments, taking new requirements as opportunities to improve transparency and reporting. By engaging in multistakeholder initiatives, we ensure our approach is aligned with evolving standards and industry expectations. Our journey is one of constant progress and ambition. I am proud of the milestones achieved in FY25 and look forward to building on this momentum in the years ahead.

Nick Whitley
CEO and President, kdc/one

Introduction to kdc/one

kdc/one is a trusted global partner to many of the world's leading brands in beauty, personal care, and home care, as well as fast-growing independent brands.

We act as a key enabler of their success through ideation, formulation, design, packaging, and manufacturing of products sold under more than 1,000 different brand names.

Over the past three years, we have co-developed more than 9,000 products across growing categories including skin care, body and hair care, soaps and sanitizers, cosmetics, deodorants, sun care, fragrances, air care, fabric care, pest control, and surface care.

These innovative products are distributed by our brand partners in over 70 countries worldwide.

During FY25, kdc/one underwent a strategic rebranding of its two core divisions to better reflect our vision and purpose:

- Home Care Division is now Scented & Living Solutions (SLS)
- Beauty and Personal Care Division is now Beauty & Body Solutions (BBS)



Our Innovative Edge – *Inspired Design, Flawless Execution and Exceptional Service*

Where We Play

Scented & Living Solutions (SLS)	Beauty and Body Solutions (BBS)	14	700+	200+	1,000+	9,000+
~50%	~50%	Product Categories	Customers	Independent / Emerging Customers	Different Brand Names Served	Products Co-Developed in the Past Three Years

How We Do It



Who We Are



We partner with brands to help them deliver innovative products globally across categories, channels and end-markets

- Global partner to established and emerging brands
- Key driver of new product development
- Diversity across segment, category, brand, channel, and geography
- Full-value chain, from ideation to product launch
- Key innovation partner
- World-class global execution and speed to market
- Values-based organization and culture
- A diverse and experienced team
- Dedicated to environmental and social responsibility

One Network. *Infinite Possibilities.*

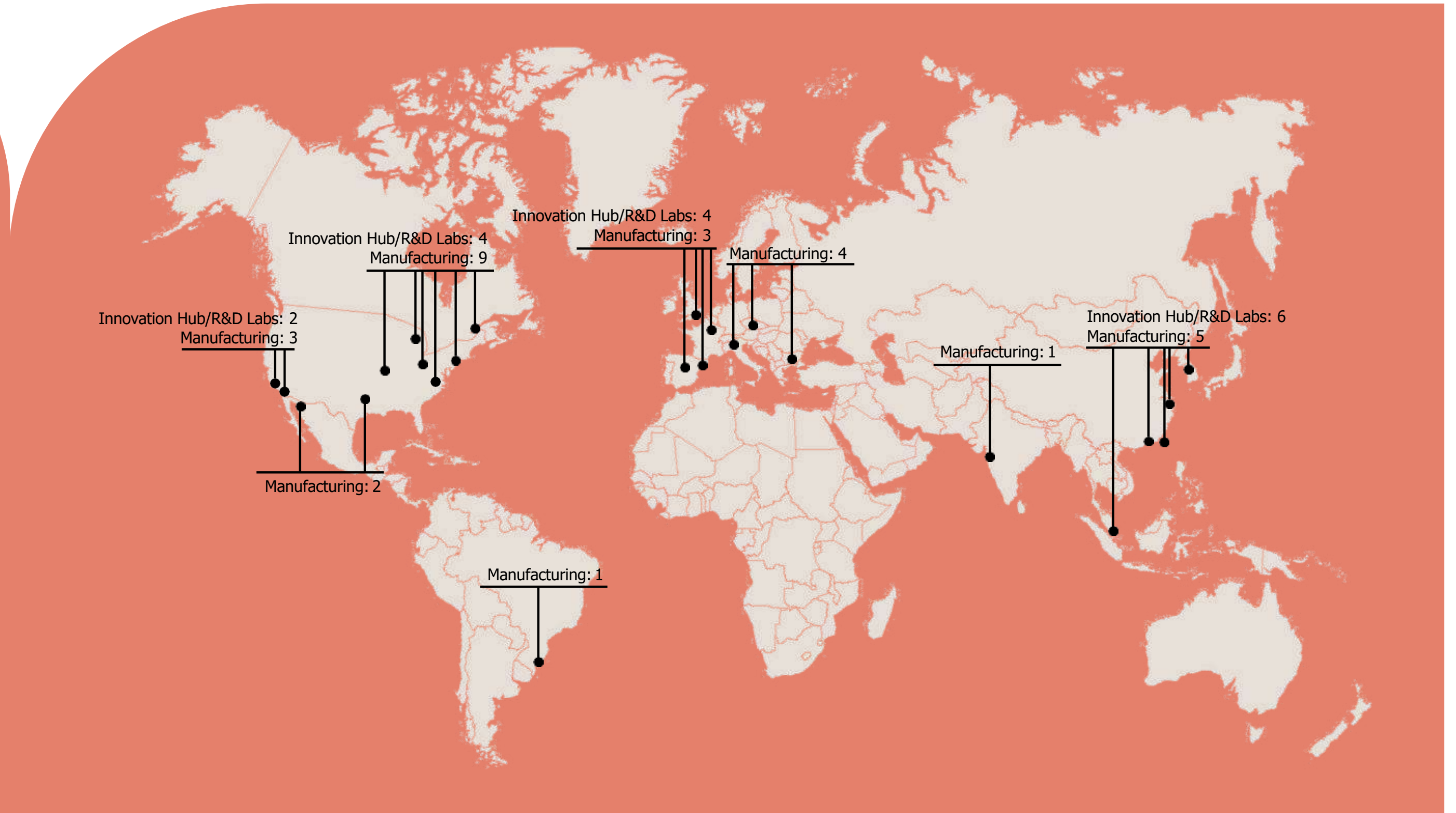
Strategically located to support our customers around the world

- Ability to support global launches
- Regional flexibility and responsiveness
- Consistent technologies across geographies
- Efficient logistics and a lower carbon footprint
- Highly talented workforce

By the Numbers

Manufacturing facilities	28
# of countries	14
Dedicated team members ¹	11,497
Total square footage	7.04 M
R&D, design & creative facilities, Innovation hubs	16

¹. Reflects full-time kdc/one employees



Impacts, Materiality, Risks, and Opportunities

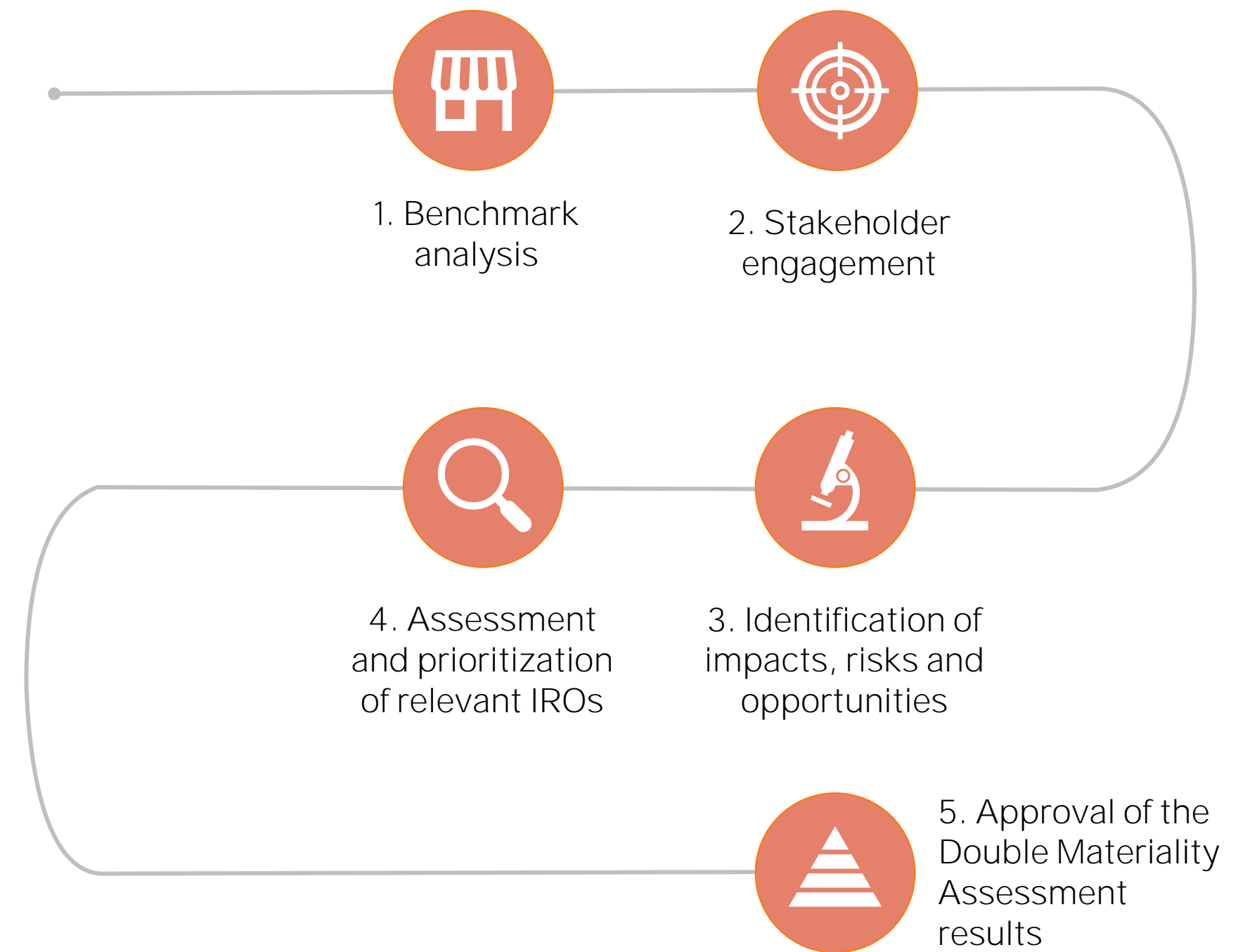
In FY25, kdc/one carried out a materiality assessment to identify the significant sustainability topics for the Group, both in terms of impacts on people, the environment and across its value chain and of risks and opportunities for the Group itself related to such matters.

Adopting a proactive approach and continuing on the path initiated in the previous year to gradually reference the standards, we have voluntarily developed a Double Materiality Assessment process. This methodology ensures that we identify and prioritize both the impacts of our activities on the environment and society, as well as the financial implications of sustainability-related risks and opportunities on our business. To guarantee alignment with evolving standards, the assessment integrates the European Sustainability Reporting Standards (ESRS) alongside the current Global Reporting Initiative (GRI) framework, providing a comprehensive and transparent basis for our sustainability strategy and disclosures. This initiative ensures continuity between the current year's voluntary, non-financial sustainability reporting and future regulatory developments.

The first exercise of Double Materiality assessment conducted by the Group for FY25 included the two following dimensions:

- Impact materiality: significant environmental and social impacts across operations and the value chain.
- Financial materiality: sustainability-related risks and opportunities assessed separately through internal risk management processes.

Materiality assessment process



Impacts, Materiality, Risks, and Opportunities (cont'd)

The analysis process was coordinated by key functional groups, involving top management and relevant corporate functions. Below the five main stages followed are described.



1. Benchmark Analysis

To identify significant impacts, risks and opportunities (IRO), an in-depth analysis of the business model and corporate structure was conducted, including relationships with partners along the value chain. The analysis includes the identification of external pressures together with the review of internal documents. Additionally, external sources such as research papers, publications, reporting standards and frameworks (such as Sustainability Accounting Board Standards - SASB, S&P, authoritative and institutional sites as LO, UN and government, the UNGC's ten principles, the UN's Sustainable development Goals - SDG) were consulted, together with rating agencies and industry associations, benchmark analyses with reference to peer companies and shared best practices. The benchmark also helped assess the Group's relative maturity and highlighted potential gaps or areas where further attention may be needed to align with best practice. This external perspective provided a solid foundation for the subsequent phases of the analysis.

2. Stakeholder Engagement

To identify all potential significant impacts, risks and opportunities, a mapping of stakeholders was conducted. The Group maintains a clear understanding of the stakeholders it interacts with, recognizing mutual potential forms of economic, social, and environmental impact and influence. Different stakeholder categories were identified through interviews with the Leadership Team and by analyzing interactions with various parties involved in operations and activities. For each stakeholder, the main areas of impact and influence and the opportunities for value creation and engagement are reported in the table in the next section. The organization shares practices in water, energy and greenhouse gas (GHG) management with stakeholders. Collaboration with customers includes participation in ESG initiatives, regular follow-ups, audits, compliance with codes of conduct, and engagement in platforms, industry standards and schemes. These actions provide stakeholders with a clear understanding of the Group's position on various ESG issues.

Impacts, Materiality, Risks, and Opportunities (cont'd)

3. Identification of Impacts, risks and opportunities

Below the stakeholders identified and the corresponding engagement activities and processes are reported.

KEY STAKEHOLDERS	STAKEHOLDER DETAILS	AREAS OF IMPACT & INFLUENCE	VALUE CREATION & ENGAGEMENT
SHAREHOLDERS	Owners; investors	Capital allocations and investments, embedding ESG as a driver of value creation	Increase transparency and long-term profitability
CUSTOMER & PARTNERS	Direct customers – FMCG (Fast Moving Consumer Goods) leading companies, retailers, regional customers, Specialty/Elite Brands – SLS and BBS categories; Indirect customers – consumers; Consumers representatives associations	Key for company strategic directions and positioning; inspiring partners and learning from role models	Strategic partnership and industrial symbiosis, sharing investments, open innovation projects
EMPLOYEES	Employees – Factory employees, office employees, supply chain employees, R&D groups, and potential employees (e.g. talent to attract), and employees' families; Agency employees, contractors and labor union groups	Representing company values and sharing a common purpose	Invest in people's growth, foster well-being, health & safety, welfare: Encourage inclusion and participation
SUPPLIERS	Raw materials and components for products and packaging; Equipment molds and other tools; IT asset management services; Transport & logistics operators	Interdependent relationships, crucial to extend ESG best practices and integration along the value chain (e.g. code of conduct, industry program)	Supply chain resilience; Reliance on local supply chain: Building partnerships, sharing best practices
COMMUNITIES	Local communities – close to company sites, Academics & schools; Interest groups and organizations; Global communities and social media; Scientific community; Country, State and Local regulatory groups and community response teams (Fire, Police, Hospitals)	Can benefit from the company's presence in the region and be impacted by company operations	Fostering community well-being, local initiatives, public engagement, and advocacy for sustainability awareness
ENVIRONMENT	Natural resources and biosphere; NGOs (Non-Governmental Organizations)	Resource and energy consumption, waste, soil, air emissions	Reducing impacts and preserving nature
POLICYMAKERS, AUTHORITIES, AND INSTITUTIONS	Global, regional, and local policymakers and authorities; Industry associations; FMCG (Fast Moving Consumer Goods) industry associations	Industry association activities and adherence to industry programs	Standards setting and contributions to ESG challenges

Based on the combined findings from benchmarking, stakeholder engagement, and internal documentation review, the Group proceeded to identify its actual and potential sustainability impacts, risks and opportunities.

This mapping exercise considered environmental, social, and governance dimensions and examined where IROs occur across the value chain, both upstream and downstream. The analysis included short, medium and long-term impacts, risks and opportunities as well as the likelihood, scale, scope, and irremediability of potential negative effects. Positive impacts generated through the Group's activities, products, and initiatives were also identified. This process provided a structured overview of the areas where the Group contributes to or is affected by broader sustainability challenges.

In considering the risks for the Group, kdc/one carried out a dedicated evaluation of climate-related risks.

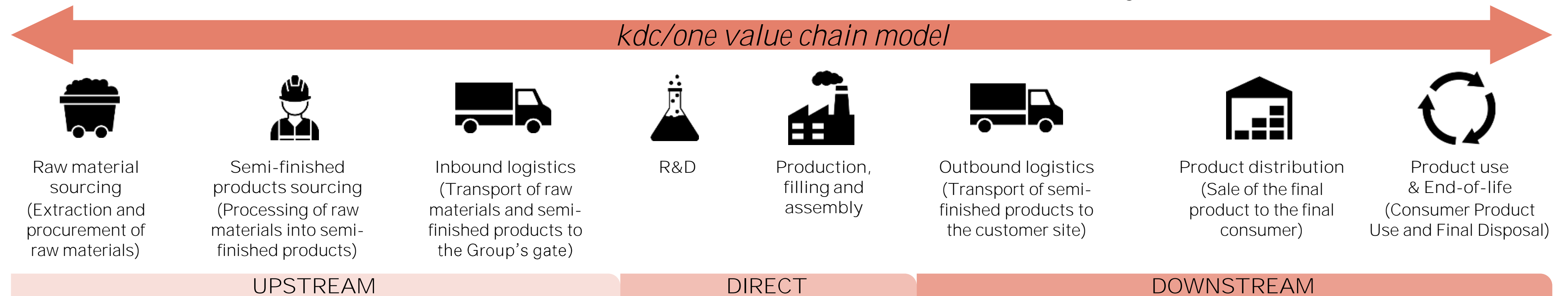
The analysis covered a full range of risk categories, including:

- Acute physical risks such as heat waves, flooding, heavy precipitation, wind events, severe storms and wildfires;
- Chronic physical risks including drought, sea level rise, rising mean temperatures and extreme cold;
- Transition risks linked to policy and legal changes, market dynamics, technological developments and reputational expectations.

These climate considerations, which will be further detailed in the next sections, were integrated into the overall Double Materiality process and analysed across the Group's value chain to determine where they may be most relevant.

Impacts, Materiality, Risks, and Opportunities (Value Chain)

The **definition and analysis of the Group's value chain** played a key role in the Double Materiality process. By mapping activities across upstream and downstream stages, the Group was able to pinpoint where its most significant sustainability matters arise and how they relate to different phases of its operations. This perspective also strengthened the understanding of where attention and action are most needed, helping to focus future initiatives in the areas with the greatest potential for improvement. Below is the illustration of the Group's value chain, which outlines the main stages of its activities.



4. Assessment and Prioritization of Relevant IROs

All identified impacts, risks, and opportunities were assessed and prioritized based on their overall significance for the kdc/one Group. For impacts, the evaluation focused on impact severity, considering magnitude, scope, and irremediability, to determine their relevance from an inside-out perspective.

For risks and opportunities, the assessment considered the potential influence of sustainability-related factors on the Group's business performance, resilience, and strategic outlook, reflecting an outside-in perspective.

The results obtained provided a short list of the most significant impacts, risks and opportunities which were categorized and prioritized by the working Group through the definition of appropriate thresholds. Significant impacts, risks and opportunities have been categorized as with medium and high relevance.

Impacts, Materiality, Risks, and Opportunities (cont'd)

5. Approval of the Double Materiality Assessment

The results obtained were presented to the ESG Governance Committee for its approval.





The table displays the main results of the Double Materiality Assessment. Topics were considered:

- relevant for impact materiality when kdc/one's activities were found to have significant actual or potential impacts on people and/or the environment;
- relevant for financial materiality when sustainability matters were assessed as reasonably likely to generate risks or opportunities that could affect kdc/one's financial position, performance, or future cash flows.













ESG Area	Sub-(sub)topic	Impact materiality	Financial materiality
Environment	Climate change adaptation	-	Relevant
	Climate change mitigation	Relevant	Relevant
	Energy	Relevant	Relevant
	Pollution of air	Relevant	-
	Pollution of water	Relevant	-
	Substance of concern/Substances of very high concern	Relevant	-
	Microplastics	Relevant	-
	Water consumption, Water withdrawals, Water discharge	Relevant	Relevant
	Direct impact drivers of biodiversity loss: land-use change, fresh water use change, climate change, Pollution	Relevant	-
	Resources inflows, Circularity enabler	Relevant	-
	Waste	Relevant	-
	Social	Working conditions - Collective bargaining, including rate of workers covered by collective agreements, Freedom of association	Relevant
Working conditions - Health and Safety		Relevant	-
Working conditions - working time, adequate wages, work-life balance, training and skills development		Relevant	-
Equal treatment and opportunities for all gender - equality and equal pay for work of equal value		Relevant	-
Other work-related rights - privacy		-	-
Training and skills development		Relevant	-
Human rights		Relevant	-
Working conditions - Health and Safety		Relevant	-
Working conditions - Freedom of association, the existence of works councils and the information, consultation and participation rights of workers, Collective bargaining,		Relevant	-
Working conditions - Working times, wages		Relevant	-
Equal treatment and opportunities for all		Relevant	-
Work-related rights - Child labour, Forced labour		Relevant	-
Communities' economic, social and cultural rights		Relevant	-
Personal safety of consumers and/or end-users - Health and safety		Relevant	Relevant
Social inclusion of consumers and/or endusers - Responsible marketing practices		Relevant	Relevant
Governance	Corporate culture	-	Relevant
	Information Protection and Security	Relevant	-
	Animal welfare	Relevant	-
	Management of relationship with suppliers	Relevant	-

Strategic *Performance* *Goals and Results*

In our pursuit of continuous improvement, we have established ambitious goals across our pillars: People, Planet, Product, and Partners. These goals, together with the progress we have made towards them during FY2025, are reported as follows:

	<i>Objective</i>	<i>2030 Goal</i>	<i>FY 2025 Results</i>	<i>Alignment with the UN's SDGs</i>	<i>GRI</i>
People	Injuries and Illness	Achieve zero serious incidents and continuously decrease recordable incidents.	1.00 recordable incidents per 100 employees (25% reduction vs FY24)		403-9, 403-10
	One Team – creating a more inclusive workplace	Foster an inclusive and diverse workplace where every employee is empowered to contribute to business growth and thrive	In FY25, we advanced our Diversity & Inclusion commitments through a range of initiatives. Examples include: <ul style="list-style-type: none"> strengthening our support for women’s empowerment through local partnership, as Thrive+ program; the rollout of structured interviewing training for leaders to reduce bias and promote inclusive hiring; the adoption of the UNGC Target Gender Equality initiative to enhance the assessment of gender-equality practices across our sites 		405-1, 405-2, 406-1
	Employee Engagement	Integrate and live an advanced ESG culture across all aspects of daily operations and decision-making	In FY25, we reinforced our Gallup priorities by sustaining meaningful conversations between employees and managers and taking action on engagement through survey accountability.		404-2, 404-3, 402-1
	kdc/one Culture	Elevate the employee experience and embed kdc/one culture across the organization by strengthening attraction, onboarding, and development processes	Each site enhances the employee experience by improving communication through storytelling across multiple channels, including LinkedIn, Internal Communication platform Yammer/Viva Engage, and by actively supporting local communities.		GRI 2, GRI 3

Strategic *Performance* Goals and Results (cont'd)

	Objective	2030 Goal	FY 2025 Results	Alignment with the UN's SDGs	GRI
Planet	Energy Reduction	Reduce energy intensity by 15% compared to FY25.	11% reduction vs FY24, 0.5% reduction vs FY19. The reduction has been led by an increasing focus on Scope 1-related consumption initiatives.	 	302-4:
	Climate Impact – GHG Emissions	Reduce GHG (Scope 1&2) by 21% vs FY25. Define a new emission reduction target, considering SBTi guidelines (FY25 goal) and enhance kdc/one climate strategy developing a decarbonization roadmap and a climate action plan (FY26 goal)	100% of Scope 2 emissions covered by renewable energy; Scope 1 reduction initiatives underway (3,6% reduction vs FY24 in scope 1); Scope 3 emissions actively tracked (3% reduction vs FY24 in Scope 3 intensity!)	   	305-5
	Water Reduction	Reduce water use intensity by 15% compared to FY25	28% reduction compared to FY19. We kept progressing, with organizational and cultural awareness. (6% vs FY24)	 	303-3, 303-4, 303-5
	Waste Reduction	Reduce total waste intensity by 15% compared to FY25	7% compared to FY24, 4% compared to FY19, mainly driven by campaigns implemented at sites to reduce overall waste and related costs. Recycling rate equaled 71% in FY2025, with an increased focus planned for FY26.	 	306-3, 306-4, 306-5
Product	Product-related Environmental Impact Reduction	Assess new products against ESG criteria, including packaging sustainability performance. Work with our partners to: <ul style="list-style-type: none"> Increase recycled content and sustainable - certified sourcing for ingredients, materials and components for products and packaging Reduce packaging weight per unit of product compared to baseline 	ESG criteria further embedded across product development. Process improvements implemented to reduce energy requirements and waste generation throughout manufacturing stages. Wider adoption of Life Cycle studies to assess product environmental performance and cooperate with customers on improved solutions. Upcycling initiatives introduced by integrating byproducts from other industries into product formulations. Development and use of UV filters that are reef-safe have been advanced, supporting lower environmental impact and enhancing product sustainability across our body and beauty portfolio. Responsible Raw Material sourcing strengthened, with increased adoption of plant-derived and more sustainable ingredients.	 	301-1, 301-2, 308-1, 308-2

¹ intensity is calculated using bulk production (in KG) as the denominator to ensure consistency across targets.

Strategic *Performance* Goals and Results (cont'd)

	Objective	2030 Goal	FY 2025 Results	Alignment with the UN's SDGs	GRI
Partner	Transparency and ESG Dialogue	<ul style="list-style-type: none"> Improving transparency, communication and discussions on ESG performance 	<ul style="list-style-type: none"> Update of the ESG report Enhancement of our corporate website, with new Partners section Continuous development of our ESG communications on social media Ethics-Point communication for our employees and stakeholders 		2-9, 2-25, 2-26
	Continuous improvement of ESG practices cooperating with our external business partners	<ul style="list-style-type: none"> Suppliers Pre-qualification process review and improvement; Deployment and implementation of our pluri-years action plan to improve sustainable procurement Process ESG training packaging release for all group North America Transport consolidation to optimize transport routes and related emissions (6-10% reduction expected for logistics) Sustainable Procurement process maturity regular assessment 	<ul style="list-style-type: none"> New kdc/one Responsible Partner Policy public release; kdc/one Vendor Code of Conduct; ISO 20400 assessment completed for one pilot (Italy site), with the release of: SLS Sustainable Procurement Procedure, Stakeholder Report, Strategy; ESG Training packaging release focused on sustainable procurement and identification of ESG Ambassadors; Definition of pluri-years action plan to improve sustainable procurement Process according to ISO 20400 pillars; Supplier Risk Assessment Management Process implementation in place – technology and procedures; EcoVadis: + 50% new suppliers onboarded vs FY24; Joined latest edition of UNGC sustainable procurement roundtable SLS: 2 new sites added to digitalized logistic process Participation to CDP confirmed also this year, achieving a score B in climate change 		308-1, 308-2, 414-1, 414-2
	Stakeholder Engagement	<ul style="list-style-type: none"> Elevate suppliers, clients and investors relationships by strengthening engagement activities Supporting customer, investor and NGO ESG engagement Stakeholder report implementation 	<ul style="list-style-type: none"> Collaboration with our customers to accelerate ESG program implementation to have a stronger impact Completion of UN Business and Human Rights Accelerator and Climate Ambition Accelerator programs. Joined associations and observatories to feed ESG exchanges and updates. 		2-29, 2-30



1. Environmental

Energy Management

We have set an aggressive goal to reduce total energy consumption intensity by 15% by 2030, using 2025 as the baseline year.

In FY25, energy intensity has improved over FY24 (reduced by 11%), marking solid progress toward our multi-year goal.¹

In FY25, kdc/one consumed a total of **168,885,613 kWh** of electricity across its operations, reflecting a moderate year-on-year **increase of approximately 7%**. This rise is attributable to **higher production volumes** compared to FY24, which drove greater energy demand across manufacturing sites.

The Group's energy footprint is mainly driven by the use of electricity, which accounts for more than 50% of total energy needs across the Group's sites. Other energy sources consumed by the Group mainly include natural gas and, in lower quantities, diesel, gasoline, LPG and propane.

¹The goal for baseline FY19 did not include assets acquired later, including new sites – Groveport, HCT Dongguan, Paristy, Laffon, and SoCal labs. Furthermore, a few sites had just started reporting in FY19 (Dallas, Tutti Trucchi). These assets currently (FY25) represent 69,000,000 kWh, or about 25% of the FY25 total usage.

As energy consumption increases according to the higher volumes produced, improving energy efficiency and progressively reducing dependence on fossil fuels remain core priorities within our decarbonization strategy. To advance this commitment, in FY25 kdc/one implemented a series of initiatives, including:

- **Efficiency upgrades to core equipment and systems**, including the installation of a new high-efficiency air compressor, steam distribution optimization through reduced boiler pressure, and pump replacements with lower-power, higher-efficiency units.
- **Strengthening energy management and monitoring**, as conducting a comprehensive compressed-air circuit assessment to identify leaks and inefficiencies and implementing corrective actions to reduce overall energy demand.
- **Expanding low-carbon energy use**, including the continued purchase of zero-carbon renewable electricity for all key operations and the installation of LED lighting across multiple areas to cut electricity consumption and improve lighting quality.

The Group reports monthly performance, which supports structured energy management practices, continuous monitoring, and the implementation of initiatives aimed at improving environmental performance across all facilities.

Fuel type	Amount consumed in FY25 (KWh)	% on total consumption
Electricity	168,885,613	59%
Natural Gas	113,901,850	39.8%
Propane	1,538,935	0.5%
Diesel	1,463,452	0.5%
Gasoline	693,846	0.2%
LPG	8,614	0%
Total energy consumption	286,492,310	100%

Our Energy - Focused Environmental Initiatives Across the World

Manitowoc, Wisconsin (USA): In Northern Lab, 7% Energy Intensity improvement due to Efficient equipment upgrades, Insulating walls, Installation of make-up air unit to balance the air pressure

Port Jervis, New York (USA): In Port Jervis Labs, installation of a new high-efficiency air compressor (20% more efficient, ~350,000 kWh/year estimated savings)

Garland, Texas (USA): In Zobebe USA, a 7% improvement in energy intensity was achieved by checking for leaks in the compressed air circuit and improving the efficiency of the HVAC system using sensors that keep doors closed.

Hermosillo (Mexico): In Zobebe, 9% Energy Intensity improvement due to Wall insulation, Reduce energy waste with automatic equipment shut-off, Replacing old air conditioning units

Sullivan, Missouri (USA): In Aerofil, a 2% Natural Gas reduction, 9% Energy Intensity improvement through LED relamping initiatives

Wellington (UK): 3% Energy Intensity improvement was achieved with Organizational Improvements

Trento (Italy): Compressed air leak audit, Solar domes for lighting, Skylight domes in production area, Technical improvement of the cooling/heating system, Study for sensors to monitor energy consumption

Stryama (Bulgaria): In Zobebe 45% Natural Gas reduction (heat recovery from compressors, HVAC fixes, optimized heating/cooling controls), 16% Energy Intensity improvement due to the switching off unused AC units, special foil on windows, and use of new fast door

Jiangmen, Dongguan and Zhuhai (China): In HCT China, Energy improvements achieved: Geng Xian -15% electricity use; Manufacturing One +20% energy intensity; HCT Yaochang +58% energy intensity, driven by equipment upgrades, solar panels, efficient motors, smart lighting, and air pressure optimization.

Shenzhen (China): 15% Energy intensity reduction through machine heating system with quartz superconductivity and MC motors with energy-saving servomotors, exhaust gas purification system with UV rays and activated carbon and solar energy for outdoor use

Daman (India): In Zobebe, energy savings through pneumatic air-loss sensors, reduced live test sampling, line layout optimization, solar panel cleaning and installation, energy-saving servo motors, and timer-based exhaust and ventilation fans.







Managing Climate Change









kdc/one is actively deploying a comprehensive Climate Strategy to embed climate considerations into business planning and drive progress toward decarbonization. As one of the first steps, a climate risk assessment has been conducted to evaluate both physical and transitional risks, where:

- Physical risks: potential impacts of climate change on the Group’s operations, assets, and supply chain (e.g. extreme weather events, temperature rise).
- Transitional risks: potential financial and operational implications related to the transition toward a low-carbon economy (e.g. regulatory changes, market shifts, technological evolution).

In relation to transitional risks, kdc/one considered risks related potential shortages of natural resources, regulatory and policy pressures on chemical-free pesticides and sustainable sourcing (e.g. palm oil and soy), supply chain disruptions as well as shareholder and reputational pressures related to ESG performance. Additional risks involve shifts in consumer preferences and technology transitions toward low-carbon solutions, challenges in achieving Scope 3 decarbonization targets and market volatility linked to renewable energy sourcing and carbon pricing.

Considering physical risks, a detailed review of the locations of the Group's manufacturing plants, office and research facilities was conducted. Such process led to the identification of the following most common risks*:

Most common risks		
Geographical area	Risk	Potential impacts
Asia Pacific	  	<ul style="list-style-type: none"> - Delays in transportation and logistics - Infrastructural damages - Electricity and water supply blackout - Water supply shortage
Europe		<ul style="list-style-type: none"> - Infrastructural and production damages - Electricity supply blackout
North America		<ul style="list-style-type: none"> - Infrastructural and production damages - Electricity supply blackout
Latin America		<ul style="list-style-type: none"> - Water supply shortage

 Overall water risk	 Landslide	 Urban flood	 Extreme heat
 River flood	 Cyclone	 Coastal flood	 Wildfire

*Most common risks have been defined as those affecting >70% of the assets present in a given geographic area. Risks have been classified as very low, low, medium and high. Only those assessed as high have been included in the table.



In recent years, kdc/one has adopted CDP reporting, aligning with stakeholder expectations and strengthening its sustainability strategy through a structured improvement plan. In 2025, we achieved a B score in climate change, confirming our commitment to climate transparency and long-term sustainability goals.

Managing Climate Change (GHG Emissions)

In FY2025, kdc/one strengthened its climate strategy by refining its emission accounting methodology and broadening the collection and analysis of data across Scopes 1, 2 and 3.

For further details on methodology and standards applied, please refer to the Methodological Note.

The Group recognizes that tackling climate change requires a comprehensive understanding of its greenhouse gas emissions across the entire value chain. For this reason, last year the Group undertook a path of continuous implementation and improvement of its measurement, monitoring and reporting processes to ensure data accuracy and transparency.

Scope 1 – Direct Emissions

Since FY2019, kdc/one has been systematically monitoring its direct emissions and progressively implementing initiatives aimed at reducing its environmental impact. This long-term commitment has enabled the Group to identify key emission sources, optimize energy consumption, and introduce targeted efficiency measures across its operations. As a result of these efforts, in FY25 the Group achieved a 3.6% reduction in Scope 1 emissions compared to the previous year, reaching 24,831 tonsCO_{2e} of overall Scope 1 emissions. As natural gas remains the primary driver of Scope 1 emissions, the Group continued to purchase carbon offsets in FY25, consistent with the approach adopted in FY24, to compensate for the residual emissions associated with its consumption.

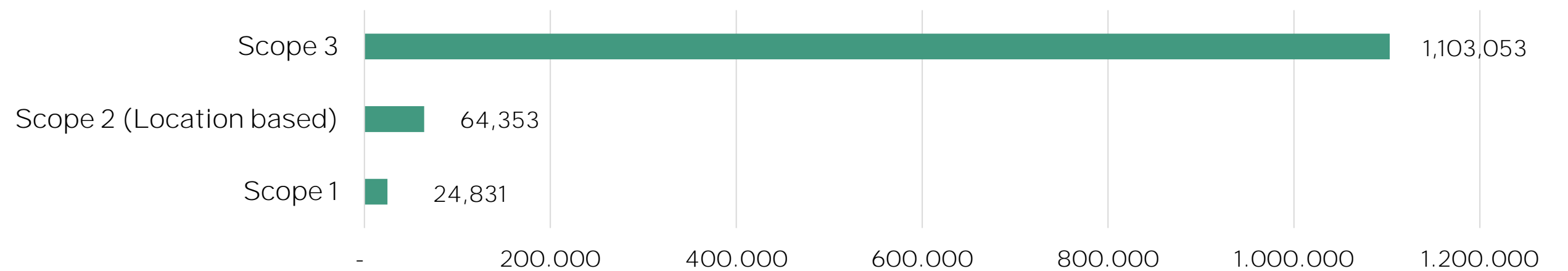
Scope 2 – Indirect Emissions from Electricity

Since FY2021, the electricity used across our manufacturing operations has been sourced exclusively from renewable energy or fully balanced through the purchase of Renewable Energy Credits (RECs), reinforcing the Group’s commitment to a low-carbon energy model. In FY25, combined Scope 1 and Scope 2 (Location-based) emissions amounted to 89,184 tons of CO_{2e}.

Finally, Market-based Scope 2 emissions decreased from 180 tonsCO_{2e} in FY24 to 137 tonsCO_{2e} in FY25, marking a 24% reduction and reflecting the Group’s growing commitment to sourcing renewable electricity across its operations.

Across our global footprint, we continued to roll out targeted energy-efficiency measures to further reduce the Group’s direct emissions and indirect emissions related to electricity consumption.

kdc/one GHG Inventory (TonsCO_{2e})



Managing Climate Change (GHG Emissions - Scope 3)

Scope 3 – Other Indirect Emissions

Proceeding on the path undertaken in FY24 for the completion of its first comprehensive Scope 3 GHG inventory, in FY25 the Group further enhanced its data collection, expanding both the breadth and coverage of the information captured.

The Group’s Scope 3 emissions are largely concentrated in a few categories that reflect the nature of its operations as a global manufacturer across the Beauty & Body and Scented & Living Solutions divisions.

Purchased goods and services represent the dominant share (70%), driven by the extensive purchase of raw materials, packaging components and third-party semi-manufactured goods. This pattern is typical of the cosmetics and household products industry, due to the complexity and scale of the supply base spanning chemicals, plastics, fragrances, aerosols and electronics.

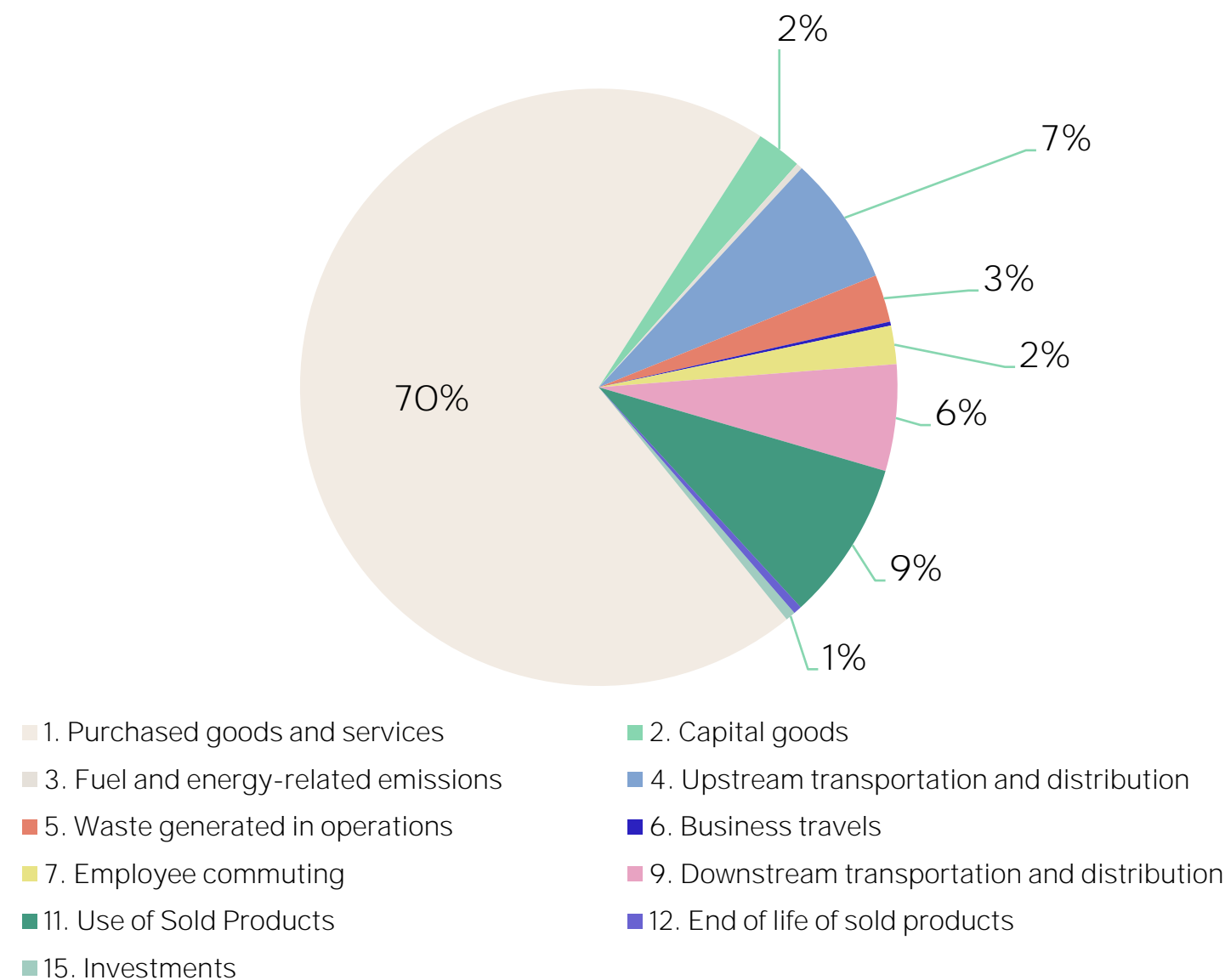
Upstream transportation and distribution (7%) also weighs significantly, as global logistics networks are required to move large volumes of materials and finished products across the globe. Downstream transportation and distribution (6%) reflects emissions associated with warehousing and distributing finished goods to retail networks and end customers.

Use of sold products (9%) contributes meaningfully due to kdc/one’s home care portfolio, particularly electric and battery-powered air fresheners, which consume energy throughout their use phase.

Waste generated in operations (3%) remains a smaller but relevant category, linked to production scrap, packaging residues and disposal practices across manufacturing sites. Meanwhile, capital goods (2%), employee commuting (2%) and investments (1%) represent lower shares but still contribute to the overall footprint due to ongoing infrastructure needs, workforce mobility and financed emissions.

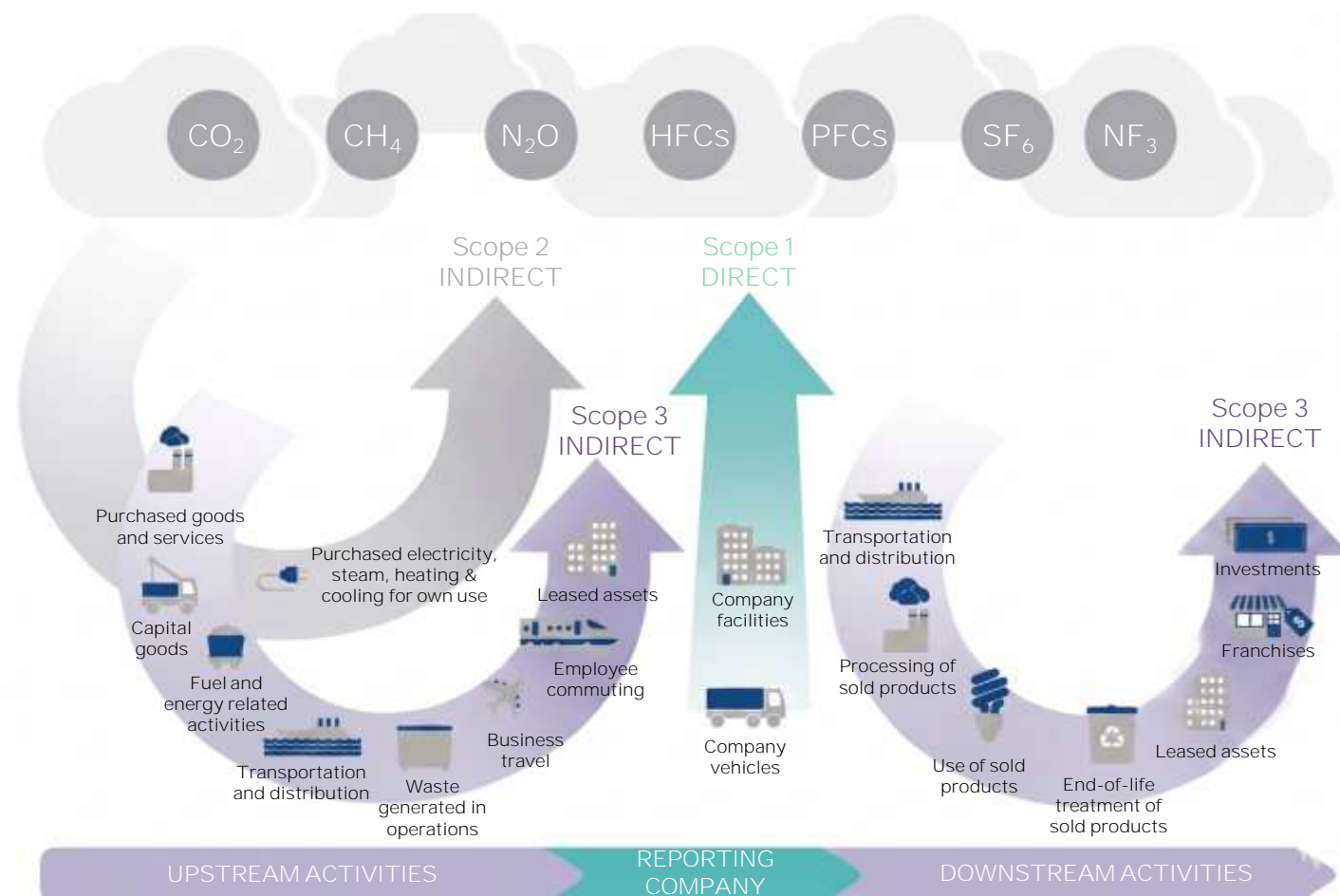
In FY2025, the Group’s total Scope 3 emissions reached 1,103,053 tonsCO_{2e}, marking an overall 11% increase compared to FY2024, in line with the increase in production volumes during the year. In fact, as output grows, so do value-chain emissions, underscoring the importance of intensifying efforts to mitigate indirect impacts. For this reason, moving forward kdc/one will continue to further engage suppliers and partners, with the goal of enhancing efficiency across operations and progressively reduce its Scope 3 footprint.

kdc/one - GHG Inventory 2025 - Scope 3



Managing Climate Change (GHG Emissions - Scope 3)

For Scope 3 emissions, the results for the categories identified as relevant are presented below. The table offers a detailed breakdown of FY25 Scope 3 GHG emissions across the various applicable categories.



Category	Calculation Approach	GHG Emissions (TonsCO _{2e})
1. Purchased goods and services	This category includes Greenhouse gas emissions from the purchasing of primary materials used in the production phases and its packaging (e.g. plastics, chemical materials electronic materials, cardboard, and metals).	771,420
2. Capital goods	This category includes Greenhouse gas emissions from the production of capital goods purchased in the reporting year. Emissions were quantified with a spend-based method.	27,091
3. Fuel and energy-related emissions	This category includes Greenhouse gas emissions from transmission and distribution (T&D) losses and upstream emissions for fuels and electricity. Same data collected for Scope 1 and 2 emissions were used as inputs.	3,664
4. Upstream transportation and distribution	This category includes Greenhouse gas emissions generated from the transportation and distribution of purchased goods and raw materials before they reach the Group's facilities. It covers third-party logistics activities such as freight, warehousing, and handling managed by suppliers or external providers. These emissions are influenced by transportation modes, distances travelled, and logistics efficiency.	77,289
5. Waste generated in operations	This category includes Greenhouse gas emissions from the disposal and treatment of waste generated by the Group's operations. Detailed data on waste categories and their final destination (landfill or recovery) have been collected for about half of the Group's entities. The calculation was performed using the approach recommended by the GHG Protocol (Waste-specific method).	28,370
6. Business travels	This category includes emissions generated from employees' business-related travel activities, such as flights, rail journeys, car rentals, and other transportation services paid for by the company. These emissions arise from third-party-operated vehicles and therefore fall outside the organization's direct operational control.	2,368
7. Employee commuting	This category includes Greenhouse gas emissions from employee transportation between their homes and workplaces when the transport is not organized by the Group. Data were collected through a survey distributed to all employees of the group, with a response rate of 47%. For the remaining part of workforce, proportional adjustments were made.	22,925
9. Downstream transportation and distribution	This category covers Greenhouse gas emissions associated with the transportation and distribution of products sold by the company after they leave its facilities. It includes third-party shipping, storage, and retail distribution activities occurring in the downstream value chain. These emissions depend on product volumes, delivery routes, transportation modes, and distribution network structure.	63,548
11. Use of sold products	This category includes Greenhouse gas emissions from the use of Plug-in Air fresheners and Plug-in Insecticides sold during FY25, taking into account their entire estimated lifetime electricity consumption.	95,520
12. End of life of sold products	This category includes Greenhouse gas emissions deriving from the treatment of products sold by the Group during FY25 at the end of their life cycle. According to a conservative approach, not knowing the specific disposal method of the Group's products, it was assumed that all of them end up in composting or landfill.	4,970
15. Investments	This category includes Greenhouse gas emissions associated with the Group's investments in the FY25, not already included in scope 1 or scope 2. Emissions from investments are allocated to kdc/one based on its proportional share of investment in the investee.	5,888
Total Scope 3		1,103,053

(1) Services are not considered for this reporting year.

Managing Climate Change (GHG Emissions - Actions)

kdc/one applies a structured approach to reducing direct and indirect emissions from its operations. By combining renewable energy sourcing, energy efficiency projects, and targeted carbon offsetting, we aim to progressively minimize our operational carbon footprint. Initiatives are implemented across manufacturing sites, R&D centers, and our offices, complemented by employee engagement programs and cross-functional collaboration to ensure continuous improvement and adoption of best practices.

GHG Inventory & Emission Tracking

In FY24 the first full Scope 3 GHG inventory was completed, covering all relevant upstream and downstream categories.

In FY25, the Group built on this foundation by further strengthening its emissions-reduction approach, utilizing insights from the inventory to define its preliminary emission-reduction trajectories, laying the foundation for setting future climate targets and shaping a comprehensive decarbonization strategy. The FY25 Scope 3 GHG inventory was verified by a 3rd party in accordance with ISO 14064-1:2018

Carbon Offsetting Strategy

To further mitigate the climate impact of natural gas consumption, kdc/one continued its commitment in FY25 to purchasing high-quality carbon offsets, complemented by the ongoing use of Renewable Energy Credits (RECs) to address electricity-related emissions. In FY25, we supported the Inner Mongolia Yihewusu Phase II 49.5 MW Wind Power Project (Ordos Wind). This project contributes to the decarbonization of China's regional grid by generating clean electricity from wind resources, displacing fossil-fuel-based power and avoiding significant CO₂ emissions each year. Beyond emission reductions, the project also promotes local economic development and supports the expansion of renewable energy infrastructure in Inner Mongolia.

Employee Engagement & Operational Excellence

Regular training programs, structured KPI reviews, and cross-functional workshops play a key role in strengthening internal capabilities in energy management and emissions reduction, while supporting consistent knowledge sharing across sites. In addition, employee engagement initiatives such as Kaizen Week and Plant Sustainability Week actively involve teams in identifying and implementing energy-saving and efficiency measures, contributing to the Group's broader decarbonization efforts.

In FY25, the Group continued to invest in its Plant Sustainability Hackathon as a key driver of innovation and grassroots environmental action, combining dedicated training sessions with collaborative ideation workshops and empowering teams across sites to propose sustainability solutions, and translate ideas into actionable projects. Beyond these global events, each site launched several local initiatives contributing to foster people engagement around climate; an example is the "At Work by Bike" initiative organized in Trento in collaboration with local partners.

Governance & External Benchmarking

Completion of the UN Climate Ambition Accelerator Program has further strengthened the Group's internal capabilities on climate strategy and action.



Decarbonization Strategy

kdc/one is developing a comprehensive decarbonization plan to strengthen its approach to climate action and to guide the definition of future emission-reduction targets aligned with leading industry standards. As part of this process, the option to seek external validation of these targets will be assessed once the supporting quantitative analyses are complete.

GHG Inventory – Scopes 1, 2, and 3

kdc/one has completed the calculations for a comprehensive greenhouse gas (GHG) emissions Inventory covering Scopes 1, 2, and 3 in relation to FY24 and FY25. This inventory provides a robust foundation for setting science-based targets and ensures full visibility of the company’s carbon footprint across direct operations and the value chain.

Business-as-Usual (BAU) Trajectory Calculation

Building on the results of the GHG emissions Inventory, the organization has assessed Business-as-Usual (BAU) emissions trajectories to understand projected trends of current business activities. This analysis serves as a benchmark for defining reduction pathways and evaluating the impact of future mitigation actions.

Boundary Definition and Base Year Selection

kdc/one is currently considering the definition of the boundaries for its targets, ensuring alignment with globally sustainability standards. In parallel, the company is evaluating the selection of a base year and target year for emissions reduction, which will serve as reference points for progress measurement. In fact, these targets aim to keep global temperature rise well below 2°C and ideally limit it to 1.5°C, in line with the Paris Agreement.

Calculation of Required Emission Reductions

Using SBTi or other global sustainability standards and tools, kdc/one is calculating the volume of emissions that shall be abated to meet its targets. This step is critical to establish credible, measurable goals that align with the latest climate science and the Paris Agreement objectives. By exploring this approach, kdc/one signals its intention to strengthen climate responsibility and contribute to global efforts to mitigate climate change

Waste Management and Recycling

We are committed to minimizing waste throughout our processes and operations. Our approach focuses on reducing landfill impact by embracing circular economy principles and promoting resource reduction, reuse, and recycling across all activities. We have set a goal to reduce the total amount of waste generated per units of production by 15% by 2030 compared to 2025.

In FY25, we reinforced our commitment to sustainable waste management, implementing targeted initiatives to reduce environmental impact and drive continuous improvement. Recycling remains our most significant and impactful practice, underscoring our focus on circular solutions and minimizing landfill use. At the same time, we continue to invest in innovative processes and strategic partnerships to enhance resource recovery and support our long-term sustainability goals.

We monitor our waste categories including hazardous, non-hazardous, recycled and waste to energy. We keep improving our reporting and have the ambition to include also waste in our revised metrics starting from next fiscal. We track both hazardous and non-hazardous waste generated by our manufacturing operations and ensure that regulated waste is responsibly managed by our operations.

Indeed, total waste intensity was reduced by 7% compared to 2024, thanks to numerous campaigns implemented across our sites to reduce overall waste and associated costs.

Waste management

Our waste management practices comply with applicable regulations and waste recovery practices. Some of our key initiatives include:

- Company-wide recycling initiatives – e.g., collecting and recycling PET bottles and cans; corrugated cardboard baled and recycled (Bulgaria; Northern Labs).
- Circular solutions for materials – reusing HDPE drums (return to vendor), blister trays for internal transport, and wooden pallets (China; India; Mexico).
- Optimization of production processes – cutting cleaning frequency on glue machines and other measures to minimize material waste.
- Packaging reduction – eliminating EPE foam, reducing cardboard use, and switching from disposable rags/paper towels to reusable alternatives.
- Zero waste to landfill – In Mexico, the goal of sending all hazardous and non-hazardous waste for recycling or cogeneration has been achieved.
- Digitalization to reduce paper use – Deployment of digital solutions for production documentation, enabling a progressive reduction of printed materials across sites.

Water Management

Our ambition was to reduce our water intensity usage by 25% by FY25 compared to 2019. In 2025 we achieved a 28% reduction compared to FY19, surpassing our original target, and have now set a new goal of a 15% further reduction by 2030 compared to FY25.

In FY25, we reinforced our commitment to monitoring and managing water responsibly across all operations, with total consumption amounting to 1,529,637 m3. Considering the water intensity index, water use increased in proportion to higher bulk production volumes, which also grew during the year. However, water intensity decreased (-6% vs 2024), demonstrating improved efficiency and progress toward sustainable resource management.

Many of the products we manufacture have high water content, therefore our efforts to grant responsible water consumption are extremely important, even more in areas subject to water scarcity risks. Most of our water is sourced from third-party suppliers. Less than 5% of water is sourced from onsite wells.

Water initiatives:

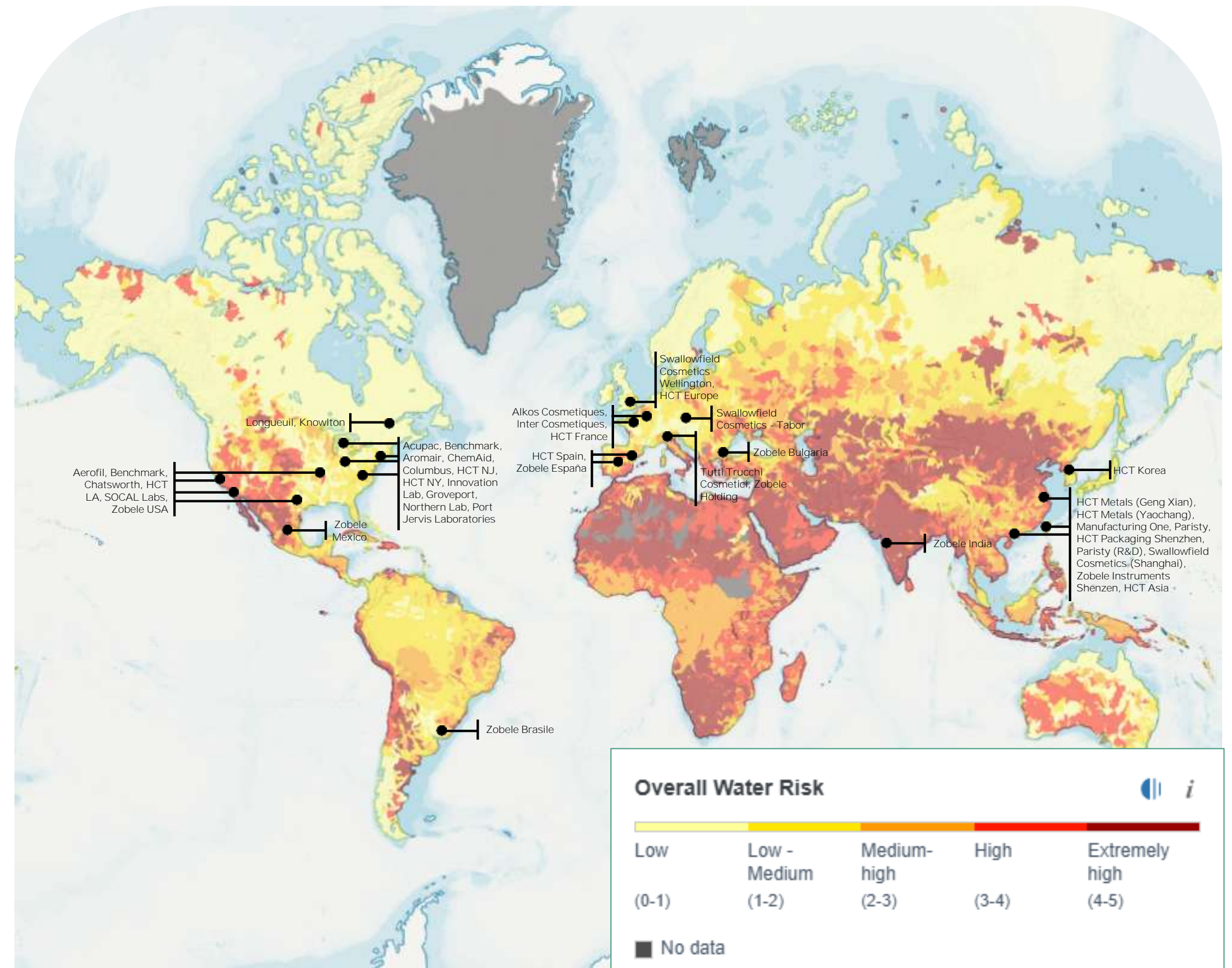
In order to achieve the results recorded this year, we implemented several activities to monitor and manage water consumption across all our sites, including:

- People awareness campaigns – e.g., Water Sustainability Workshops to promote responsible usage (India)
- Production efficiency and technology improvements – applying reverse osmosis systems to reduce water usage and installing flow meters on wastewater lines for better consumption balance (China; Monterrey)
- Water diagnosis and audits – conducting water balance studies and leak detection audits to identify inefficiencies (Brazil; India)
- Reduction of water use in cleaning operations – optimizing cleaning processes and introducing high-pressure washing systems for controlled water use (India)
- Installation of low-flow equipment – installing water-saving taps, air retention valves, and waterless urinals to minimize consumption (Bulgaria; India)
- Collection of rainwater – implementing rainwater harvesting systems to recharge groundwater and support irrigation (India; Brazil)
- Water recycling – recovering condensation water from air conditioning systems reducing consumption by up to 80% in Italy and reusing treated wastewater in toilets and urinals (Mexico)



Water Management (Water risk assessment)

kdc/one conducts a water risk assessment of its operational sites using the Aqueduct tool, which enables the analysis of overall water risk at a geographic level. The assessment integrates multiple risk factors related to water availability, water quality, and the regulatory context, allowing the global mapping of sites and the identification of areas exposed to higher water-related risks. The results support the definition of priorities and targeted water management strategies.



Pollution Management

kdc/one consistently monitors permitted air emissions and wastewater discharges across all operating sites to ensure full compliance with local regulatory requirements. Both air emissions and water effluents remain well within the limits established by applicable permits and regulations.



Volatile Organic Carbon Emissions

Our volatile organic carbon emissions are well within applicable allowable limits established by local operating permits and regulations.

Nitrogen Oxide (NOx) Emissions

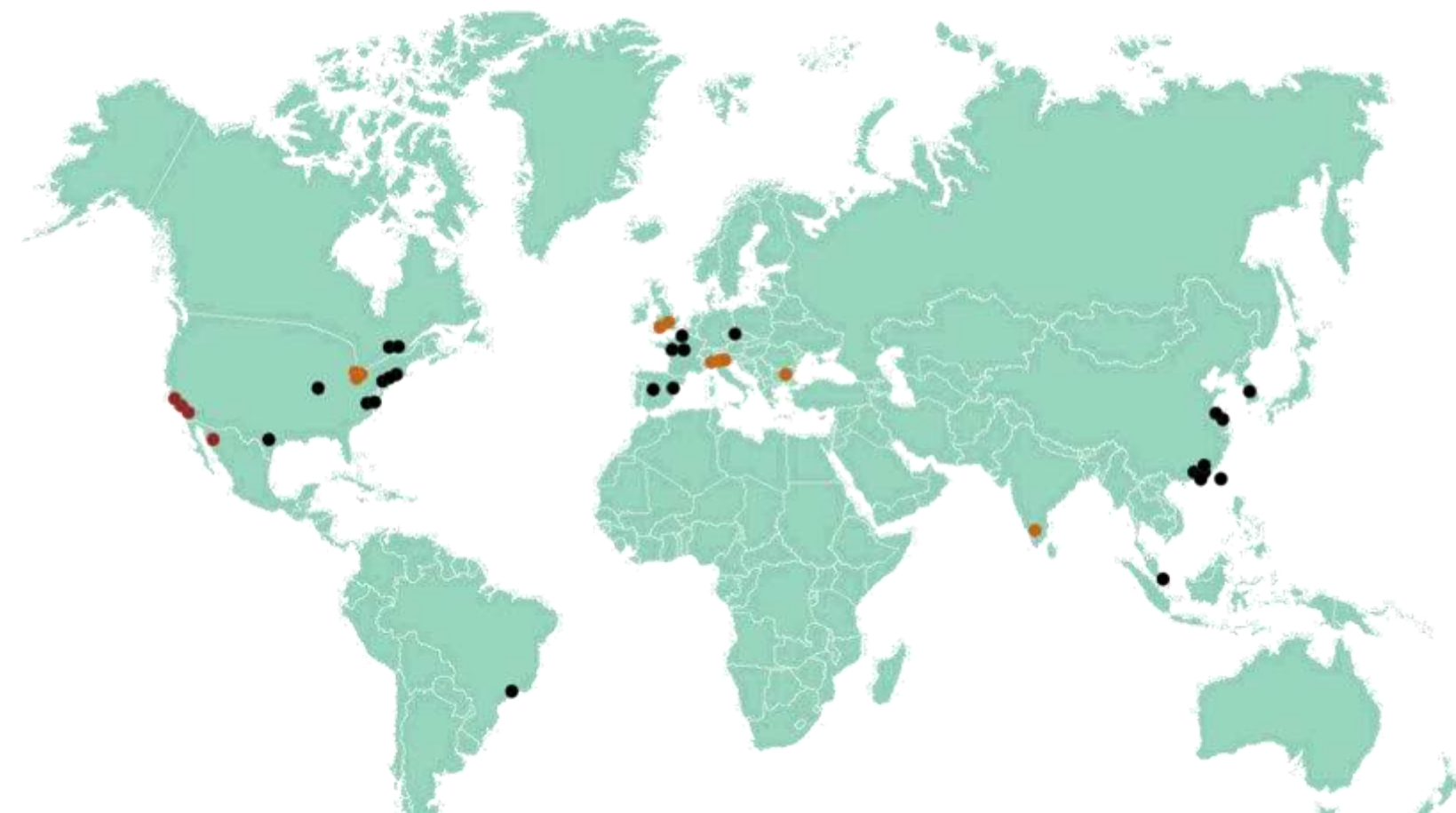
We have negligible nitrogen oxide emissions from our facilities. These emissions are primarily associated with fuel combustion for boiler operations and are unregulated at most of our locations due to the low levels of these emissions.

Sulfur Oxide (SOx) Emissions

We have negligible sulfur oxide emissions from our facilities. These emissions are primarily associated with fuel combustion for our steam boiler operations and are unregulated at most of the locations due to the low levels of these emissions.

Biodiversity

kdc/one operates across both major urban centers and rural areas. We are committed to identifying and mitigating risks related to land use, operational activities, and biodiversity impact, ensuring compliance with all applicable guidelines for biodiversity protection and conservation.



- kdc/one sites
- kdc/one sites located near biodiversity areas

Given the nature of its business, the Group relies significantly on natural raw materials, making responsible sourcing and ecosystem protection critical to long-term resilience. The Group has established a Responsible Partner Policy and a Responsible Sourcing Policy that set clear expectations for suppliers and business partners.

The policies support the achievement of global sustainability goals and require compliance with environmental regulations, including the prevention of banned or restricted substances, the maintenance of environmental permits, and robust environmental reporting. They also promote the responsible management and reduction of hazardous materials, encourage the responsible sourcing of natural raw materials, and explicitly commit to protecting biodiversity and ecological processes throughout the supply chain.

kdc/one is also a participant in the United Nations Global Compact, reinforcing its commitment to environmental stewardship and biodiversity protection in line with internationally recognized principles and global sustainability frameworks.

Moreover, we align with the principles of the UN Convention on Biodiversity and strive to meet these principles through proactive actions. As part of our commitment, we conduct assessments to determine whether our sites are located near biodiversity-sensitive areas and implement appropriate mitigation measures.

We actively support programs that protect cultural and natural resources, such as FAI in Italy and MUSE's biodiversity projects. In collaboration with MUSE, a dedicated event called "A Touch of Nature" was organized in Trento.

Furthermore, given the growing importance of deforestation prevention, we acknowledge the relevance of the EU Deforestation Regulation (EUDR), which addresses key issues such as traceability, sustainable sourcing, and the protection of ecosystems. Our approach is aligned with these principles to ensure responsible practices throughout our supply chain.

As UN Global Compact members, we follow related working groups and monitor their activities. Our teams perform training relying upon UNGC Academy. We continue to evaluate our existing practices against current state-of-the-art practices.

FOCUS: "A touch of nature" in Trento

From March 11th to 15th, Zobelet's headquarters in Trento, Italy, hosted the exhibition "A Touch of Nature," organized in collaboration with MUSE – the Science Museum of Trento. This initiative is the result of a long-standing partnership and reflects our commitment to creating value for the local community and promoting inclusion, accessibility, and scientific dialogue.

Focused on animal adaptation and evolution, the exhibition was designed to be accessible to everyone, featuring simplified texts and Augmentative and Alternative Communication, tactile panels and Braille writing, videos with Italian Sign Language translation and explanatory audio content. Throughout the week, employees were able to visit the exhibition during working hours, and on the final day, the event was opened to families, with guided tours led by the curators.

The experience offered the opportunity to explore how species adapt to ecosystems, through concrete examples such as egg shapes, bird plumage, and the evolution of animal limbs. To complement the journey, a video was shown about the Ecological Monitoring Centre we support in Tanzania, located in the Udzungwa Mountains—one of Africa's most important biodiversity hotspots.

This initiative helped create a workplace that fosters well-being, culture, and environmental awareness, reinforcing our commitment to nature conservation and the promotion of inclusion. We hope this will be the first of many opportunities to continue generating a positive impact for people and society.



Product, Packaging and *Formulation Development*

Innovation is at the heart of our value proposition.

We combine expertise in product development, packaging innovation, and manufacturing to deliver solutions that reflect each brand's vision. Our services span formula and product design, testing, packaging engineering, and tooling. Technology drives sustainability: from 3D printing and rapid prototyping for faster collaboration to low-MOO sustainable options, smart designs that reduce resources, and cold-process manufacturing to cut energy use. We also pioneer new materials and formats—such as biodegradable fragrances, plant-based plastics, and waterless technologies—helping customers bring innovative, responsible products to market.

Additionally, part of our sites are ISO 9001 certified, ensuring that the Group maintains a robust quality management system focused on consistent product standards, process efficiency, and ongoing improvement.

Our innovation program

Our product innovation programs tackle key sustainability topics in our industry: sustainability certification, sustainable formulations, use of recycled plastic, reduction of single-use plastic, and other waste reduction measures and funnel internal expertise across our teams.

We embed sustainability into our innovation process by leveraging our global network of experts, including the new Global Green Team, piloted at one of our sites, a cross-functional group aligning sustainability KPIs across operations, product design, and workplace practices. This collaborative approach allows us to identify and address key challenges early, while ongoing training ensures teams are equipped to deliver best-in-class sustainable solutions for our customers.

By engaging internal and external stakeholders and raising awareness around sustainability, we have been able to successfully incorporate employee's valuable inputs into the organization (new projects, technologies, etc.) while supporting the constant growth of our capabilities and the know-how that we ultimately put at the service of our clients.

Examples of successful activities are:

- IdeaOne platform – launch of a digital challenge-based crowdsourcing platform to foster employee's engagement in sustainability
- kdc/one Innovation Roundtable – hosted by internal innovation key stakeholders to increase internal awareness and dialogue around sustainability
- Open innovation projects with universities and start-ups
- Connected Innovation programs with external partners and suppliers to scout and identify unique technologies with a strong focus on natural formulations and packaging sustainability
- Evolved By Nature partnership – leveraging upcycled silk cocoons to purify peptides, reducing reliance on solvent-intensive processes and promoting sustainable ingredient sourcing

Product, Packaging and *Formulation Development* (cont'd)

In FY25, kdc/one reinforced its commitment to responsible sourcing and sustainable procurement practices for the materials and products purchased. Our approach is focused on selecting materials that align with our quality and safety standards while reducing overall impact on natural resources. Throughout the year, we worked to integrate sustainability principles into our supply chain, emphasizing transparency, compliance and collaboration with partners who share our values.

Our formulations

Our R&D and Innovation teams develop formulas that meet the highest industry standards, ensuring they align with the latest market demands and brand expectations:

- Our formulas comply with Industry retailer Clean standards, ISO regulations, and global marketplace requirements.
- We prioritize ethically sourced and RSPO-certified ingredients whenever possible while increasing the use of naturally derived components.
- We integrate upcycled ingredients to minimize environmental impact and reduce our global footprint.
- We leverage bioreaction processes for debut molecules, replacing traditional cultivation and extraction methods for flavonoids, reducing resource intensity and environmental impact.

In partnership with our customers, we co-develop high-performance formulations across a broad range of products. Our capabilities include creams, lotions, solid sticks, loose and pressed powder, hot fills and gels, oils, scrubs, aerosols, thin films, and more. Our expansive library contains over 24,000 formulations.

In addition, broadening sustainability to disinfection segment, we study formulations solutions with vegetable-based lactic acid as a biocide and relying on vegetable sourcing instead of synthetic components.

REDUCE

Designing out waste in the first place by reducing the number of components and empty space and reducing the use of petroleum based virgin materials by using post consumer recycled plastics

REUSE

Keeping products in circulation at their highest value, through refillable systems and reusable components designs

REPLACE

Replacing Petroleum based materials with other materials that have better end of life viability.

RECYCLE

Designing for compatibility with existing recycling systems, by developing mono-material solutions, designing for disassembly and using materials with an established market demand

Our responsible approach for ingredients and raw materials

We are dedicated to delivering safe, environmentally conscious and sustainable formulations to our customers. Our two-tier formulation guideline approach allows proactive and innovative developments to be at the forefront of ingredient stewardship, ensuring we develop compliant formulas that deliver all the benefits consumers want while freeing them of materials that may be harsh, controversial or detrimental to our environment, with increased transparency.

“Clean at kdc/one” and “kdc/one Responsible Guidelines” offer transparent ingredient positioning and inspire more informed product choices with recognizable ingredients, providing clear communication on formula expectations. kdc/one’s formulation and manufacturing capabilities support sustainability with ingredients, processing and unique delivery forms to help minimize the ecological and global footprint.

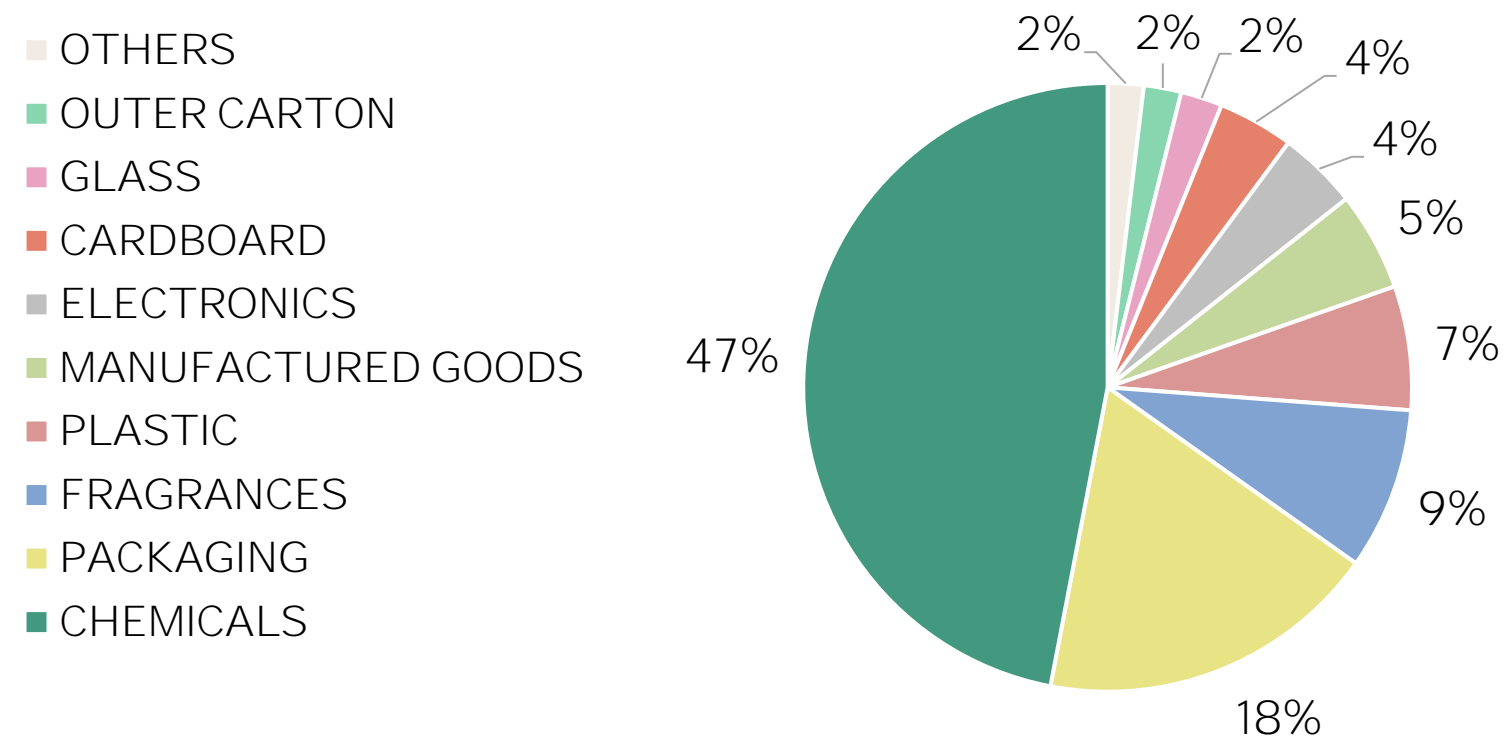
As part of our Purpose-Driven Partnerships (PDP) initiative, we development of a centralized Sustainable Materials Library to support future innovation, sourcing and testing over 10 bio-material options to replace virgin petroleum-based materials. This library acts as a decision-making and education tool for design, engineering, and commercial teams, ensuring sustainability benefits are documented and integrated into product development.

Examples include using biotech-fermented ceramides instead of petro-based alternatives, sourcing hyaluronic acid through fermentation rather than animal-derived methods, and selecting TSA- or PFA-free peptides. We also prioritize plant-derived ingredients with regeneration cycles, upcycling byproducts from other industries such as fruit seed oils and silk cocoons, and ensuring UV filters comply with reef protection legislation.

Product, Packaging and Formulation Development (cont'd)

While our operations continued to rely on essential materials such as raw materials, packaging materials and other semi-manufactured goods, we actively pursued opportunities to optimize usage, increase recycled content and explore innovative alternatives that support circularity. These efforts are part of a broader strategy to minimize waste, improve resource efficiency, and contribute to our long-term sustainability goals. By combining material stewardship with technological development, we aim to deliver products that meet the highest standards of performance and responsibility.

Sum of Yearly value



Our Packaging solutions

Our collections include high-performance concentrated formats, solid shampoos and body washes, deodorants and lotion bars paired with sustainable packaging to help preserve natural resources while reducing the environmental impact. We are specialized in the design and manufacturing of innovative, high-quality packaging solutions and handle virtually all packaging formats and substrates.

Examples of application include mono-material packaging designs with minimum number of components and limitation of the decoration processes, in line with Association of Plastic Recyclers Guidelines, to maintain recyclability of the pack at the end of life, as well as packaging optimization proposals to reduce materials and improve sustainability impact on logistics.

Our packaging is compliant with applicable regulations, looking at cutting edge industry trends and sustainability certifications. Customers have the option to choose from our comprehensive library of stock ranges, including over 700 options, or create completely custom designs and personalize specifications for all packaging solutions.

Packaging Innovation

Our Scented & Living Solutions operations have developed multipurpose cleaning solutions for hard surfaces in a compact and concentrated format that is rehydrated by the end user. This technology saves plastic by relying on the reuse of the same dispenser and provides the increased benefits of a compact solution, making the product easier to store and transport.

Our California team participated in visits to Material Recovery Facilities (MRFs) to gain firsthand insights into real-world recycling systems, helping us design packaging that is truly recyclable and aligned with operational realities. We are also proud members of Pact Collective, an industry-wide alliance that unites brands, manufacturers, suppliers, and retailers to advance packaging circularity and reduce waste across the value chain. In addition, we continuously monitor global sustainability trends, retail roadmaps, and key regulations, including California's SB 54 and the EU Packaging and Packaging Waste Regulation (PPWR), to ensure our packaging solutions meet evolving standards and drive innovation toward a more circular future.

Finally, to further embed sustainability into our daily operations, we are leveraging technology through the HCT Sustainability Assistant Bot, currently in beta. This AI-powered tool centralizes sustainability knowledge, provides real-time guidance, and ensures compliance with environmental standards. By reducing misinformation, streamlining decision-making, and validating marketing claims against regulatory requirements, the bot strengthens governance and empowers employees to act confidently and responsibly. This innovation supports our ESG objectives and accelerates the integration of Life Cycle Thinking across all processes.

Product, Packaging and Formulation Development (cont'd)

Integrating Life Cycle Thinking in our processes

As we are introducing 4R's design framework, in FY24, 100% of new stock innovations align with at least one of the 4 R's principles and we are retrofitting our stock library to meet our sustainability goals, focusing on circular plastics, compliant with upcoming regulations. In addition, our Body and Beauty Solutions team has counted 37% of launches to meet the least one of the 4R's of our internal criteria framework.

We also launched 30 new stock components year-to-date, all assessed and tagged against the 4R framework within their sales and technical documentation. To ensure consistency, a standardized process is now in place to identify and communicate 4R alignment across sales sheets and internal tools. Additionally, a new Product Launch Tracker was implemented to improve data accuracy and monitor how each packaging innovation fits into the 4R's framework. Looking ahead, 2026 forecast innovations are already in development and will follow the same methodology, reinforcing our commitment to sustainable design and regulatory compliance.

In FY25, we continued to strengthen the integration of LCA criteria within our product development process, as started in Scented and Living Solutions with the appointment of a qualified Life Cycle Assessment Technician in 2024, we focused on working more closely with customers to support product impact reduction and on delivering LCA studies to inform improvement opportunities. We also advanced internal capability building through targeted training across relevant teams, ensuring consistent application of impact assessment within design and development workflows. In parallel, we maintained a standardized process to benchmark stock products and innovations, supporting the development of more sustainable offerings. Our long-term objective is to implement a comprehensive LCA tool to benchmark products and innovations, quantify environmental impacts, and inform future material and design decisions. This will enable us to increase the share of sustainable packaging supported by measurable data.



As part of these initiatives, we have expanded our local manufacturing footprint across Europe, the United States, and Canada to shorten supply routes and reduce transportation-related emissions. This regionalization strengthens supply-chain resilience and improves responsiveness to local regulatory requirements, enabling faster, compliant launches while minimizing environmental impact.

Other examples include optimizing manufacturing practices by striving for single-pot processes where relevant, minimizing energy-intensive side phases, and adopting ambient temperature production methods whenever possible.

Animal Testing

kdc/one's commitment to minimize harm to our environment includes our commitment to work with our customers and partners to avoid animal testing for our products unless specifically required by law. We are required by law to perform efficacy tests in support of certain pest control product registrations, which are performed on insects. As part of industry associations and programs (e.g., International Association for Soaps, Detergents and Maintenance Products (A.I.S.E.)), we contribute to progress and innovation at the service of the health and wellbeing of communities we serve, including by promoting the research into alternative testing methodologies to minimize or replace animal testing.

Product *Quality*

We maintain superior standards of product quality and regulatory compliance, in line with all applicable law requirements and our customers' highest expectations. We do implement strict policies and procedures across all our manufacturing facilities, keeping as reference the most demanding internationally recognized industry standards. Our comprehensive Quality Assurance program includes product and process risk-based assessments and compliance monitoring throughout our processes to ensure operational and quality excellence.



The quality assurance organizations at our development and manufacturing facilities leverage on the highest levels of know-how and technologies to ensure the compliance of our manufacturing, packaging and testing processes with our standard operating procedures. Audits are conducted regularly by many customers and/or third-party auditors.

Our standard operating procedures ensure the safety, compliance and effectiveness of the products, from the development to the delivery, in accordance with customer specifications and industry standards.

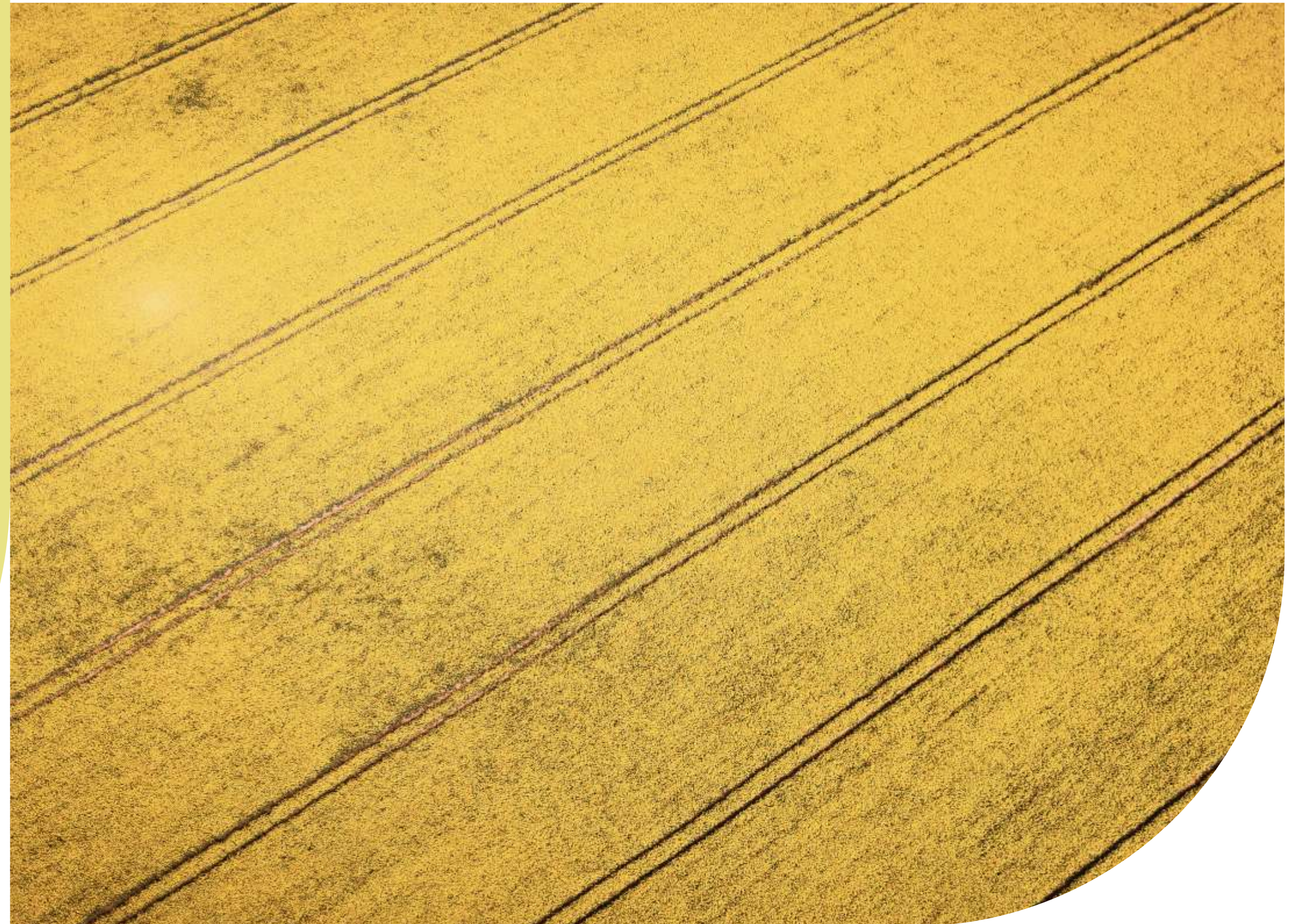
Any deviations from these established procedures are investigated immediately to determine the root cause of the deviation so that corrective and preventive action can be taken to avoid a recurrence and are subjected to a documented assessment that evaluates the potential impact of the deviation on product quality and safety.

Beside implementing systematic processes to assess consumer health and safety for our products, we have increased awareness around consumer health and safety by facilitating internal information sessions and working groups. Topics discussed include product innovation, risk prevention and management, and regulatory trends.

Furthermore, we provide our consumers with all the information for a safe and correct utilization of our products and services on our webpages, including material safety data sheets.

Consistent with our long-standing commitment to people's health and well-being, we cooperate with institutions and category associations to be at the forefront of the fast-evolving regulatory landscape. In this context, we continue our collaboration with the Green Economy Observatory by Bocconi University in Italy and with the American Cleaning Institute.

2. *Social*



People *Strategy*

Our values of well-being, compassion, and inclusion continue to drive our commitment to fostering a thriving workplace culture, where people feel supported, respected, and empowered to contribute their best. These principles guide our daily actions and long-term initiatives, helping us nurture an environment in which every employee can grow, feel safe, and find a genuine sense of belonging.

Building and nurturing a culture that empowers and engages employees, while attracting, developing and retaining talent, is at the core of our People Strategy. We recognize the value of diversity, invest in the tools and capabilities our teams need to excel, and promote a motivating work environment where performance is supported and rewarded.

Throughout the year, we also strengthened our culture through active local community initiatives across all plants, reflecting a high level of engagement and shared commitment. The rebranding completed in June further reinforced our cultural alignment, supported by internal focus groups that helped clarify and embed the principles of the new identity.

We successfully maintained all existing certifications and further strengthened our compliance efforts. Our commitment to maintaining high standards of workplace well-being has also been demonstrated by the achievement of ISO 45001 certification at some of our sites, with the possibility of extending this to other sites in the future.

kdc/one People Strategy

1. Culture

We strength a cohesive, inclusive, and engaging culture across all locations.

2. Talent Management

Create an environment that attracts and retains talent by expanding managerial guidelines across all plants, strengthening internal mobility and development through e-learning.

3. Inclusion

Foster an inclusive culture by strengthening our D&I framework, promoting equitable opportunities across all locations, and advancing strategies that ensure our teams reflect the diversity of the communities in which we operate

We aim to build and sustain a unified Group culture that aligns our vision, goals, and resources with the business strategy, creating a forward-thinking and rewarding experience for employees while driving superior results.

4. Rewards & Recognition

Offer competitive rewards and benefits that attract, attract, engage, and retain top talent while supporting employee well-being.

5. Human Capital & Expertise

Accelerate global HR capabilities by strengthening our data-driven approach, enhancing policy frameworks, and leveraging optimized tools to support consistent and effective people processes.

6. Organizational Development

Build and maintain the organizational capabilities and structures needed to sustain long-term business development and support strategic growth.

Keeping our *Focus on Safety*

Safety is a core value embedded in everything we do. Protecting the health and well-being of our people is essential to the success of our business. We are committed to ensuring the safety, wellness, and care of our employees and the communities we serve worldwide.

Our commitment

We are committed to supporting the health, safety and overall wellbeing of our employees and their families through dedicated programs and a range of flexible, innovative initiatives. Engagement plays a central role in reinforcing our health and safety culture: employees at all levels are actively involved in order to set the example by promoting safe behaviors and fostering a supportive, prevention-oriented work environment.

In line with this commitment, employees participate in training and awareness programs, complemented by our Good Observation Program, which encourages reporting of improvement opportunities and ensures timely follow-up actions. To reinforce this approach, we designed our EHS Management System (EHSMS) in collaboration with internal and external specialists, endorsed by senior leadership. The system is aligned with international best practices, incorporates a comprehensive ESG policy, and sets out the essential requirements to be implemented consistently across the organization.

Furthermore, we have implemented systems to ensure our operations comply with all applicable EHS regulatory requirements and have emergency response plans in all our sites, describing the identification of emergency scenarios, emergency response teams, evacuation plans, employee training, and the completion of emergency drills.

FY25 Safety Achievements and Initiatives for Continuous Improvement

In FY25, we recorded a total of 23,252 Safety Observations (SO), which corresponds to an average of two observations per employee. These insights played a key role in identifying risks, informing corrective actions, and strengthening operational safety practices across all sites. As a result, the Group achieved a Total Recordable Incident Rate (TRI*) of 1.00 per 100 employees, reflecting ongoing efforts to enhance workplace safety and embed a proactive safety culture.

Driving a Safer Workplace

To strengthen our health and safety culture and ensure continuous improvement, the Group has implemented a set of initiatives aimed at promoting responsible behaviours and continuous performance improvement across all sites:

- Health & Safety recognition programs: Initiatives designed to recognize and reward employees' and sites' performance, encouraging responsible behaviours and proactive engagement in health and safety.
- Digital health & safety systems: Web-based tools that support real-time incident reporting and management, enhancing responsiveness, transparency, and continuous monitoring.
- Safety weeks: Group-wide events held across our sites to promote awareness and reinforce a strong safety culture at work.
- Gemba walks: Regular plant tours conducted across all sites, during which teams identify improvement opportunities and define sound action plans to continuously enhance health and safety performance.

* Total Recordable Incident Rate (TRI) is calculated as the total number of OSHA-recordable workplace injuries and illnesses multiplied by 200,000 and divided by the total hours worked. It includes incidents requiring medical treatment beyond first aid, such as lost-time cases, restricted work, and other recordable events.

FOCUS: *Safety Week*

kdc/one organizes dedicated Safety Weeks, during which our sites further reinforce Health & Safety initiatives and strengthen our commitment to workplace well-being. These updates reflect our proactive approach to creating a safer work environment, fostering a culture of prevention, and ensuring that every employee feels supported and protected in daily operations.

Safety Kaizen Week Americas

In November, our Hermosillo site hosted the Safety Kaizen Week, engaging around 50 participants from all departments and EHS leaders from other North American sites. The four-day event focused on strengthening safety culture and operational excellence through brainstorming sessions, targeted training, and direct engagement on the shop floor.

Teams worked collaboratively to identify improvement opportunities, resulting in quick wins that eliminated numerous potential risks and the development of a structured action plan for long-term enhancements. Initiatives included visual safety aids, machine guarding improvements, implementation of 6S principles, and tools to foster dialogue and engagement on safety topics.

The event also explored innovative approaches such as the Safety Dojo concept, aimed at supporting continuous learning and training across our Scented & Living Solutions plants. This initiative reflects our commitment to embedding Health & Safety into our Operational Excellence journey and driving sustainable improvements.

Thanks to the dedication of all participants, Safety Kaizen Week delivered tangible results and reinforced our shared responsibility to keep our people safe every day.



Safety Week event – Garland, Texas

In line with our ongoing commitment to health and safety, last March our Garland (Texas) site organized a dedicated Safety Week involving all employees. The initiative aimed to strengthen safety culture and promote proactive behaviors through training sessions, interactive activities, and open dialogue. Throughout the week, employees participated in workshops on key topics such as leadership commitment, hazard awareness, emergency preparedness, and proper use of protective equipment. Engagement was further encouraged through safety interviews, hazard identification walks, and personal pledges to reinforce individual responsibility. The event also featured external contributions, including sessions led by local authorities on community safety and environmental responsibility. This collaborative approach fostered awareness beyond the workplace and highlighted the importance of shared accountability. Safety Week generated valuable insights, resulting in numerous improvement actions that will support long-term enhancements in processes, equipment, and employee engagement. Initiatives like this reflect our belief that everyone can be a changemaker, working together to ensure a safer and healthier environment.

Training at kdc/one

We strive to provide enriching training and on-the-job development opportunities for all employees, ensuring they have the tools and knowledge to thrive in a dynamic work environment.

Our approach to talent management is holistic, encompassing career development, succession planning, and internal mobility. By combining structured programs with personalized growth paths, we aim to empower individuals and strengthen organizational capabilities.

We focus on building leadership capabilities, fostering engagement, and supporting well-being. Initiatives such as Leadership Development Training at Northern Labs and the Caring to Lead Program in Brazil exemplify our commitment to shaping future leaders. These programs combine coaching, team-building activities, and recognition practices to create a culture of trust and collaboration.

Training and Development: Building Skills and Engagement

Our programs are designed to empower employees and create a safe, collaborative, and inclusive workplace. Key focus areas include:

- **Enhancing Awareness and Security** - Regular training ensures employees understand cybersecurity risks and best practices. Specialized modules for IT professionals and courses such as Cyber Security, Psychological Distress Training, Fire Safety, and First Aid and CPR reinforce our commitment to safety and preparedness.
- **Building Skills for Everyday Excellence** - We offer targeted programs to improve communication and efficiency, including Effective Email and Time Management workshops, Soft Skills Development, and language and software training to support global collaboration.
- **Listening and Engaging** - Engagement is central to our learning culture. We conduct surveys and encourage feedback through initiatives like Employee Suggestion Boxes and Potluck Celebrations fostering team spirit and inclusivity alongside professional growth. Moreover, initiatives such as Spirit Day and Drumming in Unity have been held and Team Building Events have been organized.

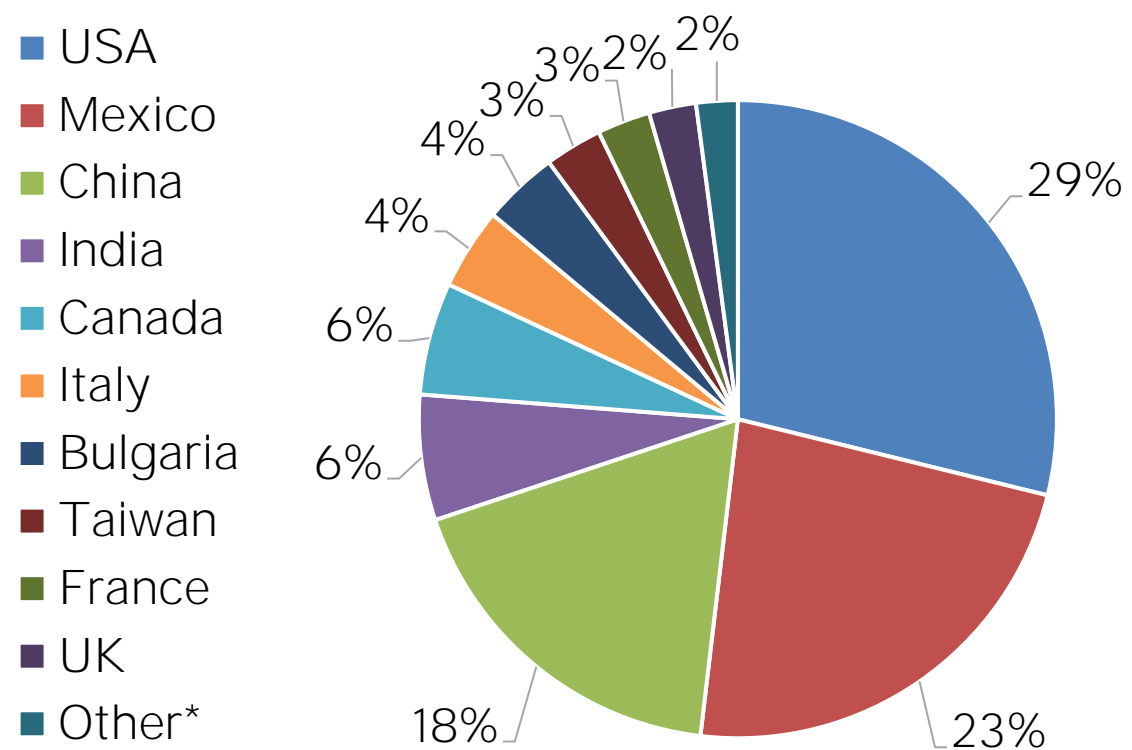
Performance Review Process

The performance review process is a key pillar of our management policy, designed to ensure transparency, fairness and strategic alignment. Each person is assessed through structured frameworks that integrate the corporate values and objectives assigned, ensuring consistency with the role, contract and responsibilities held. This approach is not limited to measuring results, but it also aims at promoting a culture oriented towards growth and continuous improvement, encouraging active involvement and the enhancement of individual contribution within the organization.

ONE Team – *Creating a more inclusive workplace*

As of the end of fiscal year 2025, we employed 11,497 employees across our global operations. Of these, 59% is engaged in our Scented & Living segment and the other 41% operates within our Beauty & Body Solutions segment. Our Global Presence includes North America, South America, Europe and Asia.

Geographical distribution of our people



* The 'Others' category was calculated by grouping together all countries with a percentage of people below 1%, namely Spain, Korea, Brazil, and the Czech Republic



For fiscal year 2025, we reaffirm that the diversity of cultures and backgrounds within KDC continues to be a source of strength and innovation. This diversity reflects our global footprint and serves as a strategic advantage, enabling us to create value for our stakeholders and adapt to an increasingly competitive market. We maintain constructive and transparent relationships with our employees and have never experienced a strike or significant work stoppage, demonstrating our commitment to dialogue and engagement. Our people are at the heart of our success.

We invest in attracting, retaining, and developing talent through structured programs, competitive benefits, and clear objectives supported by measurable metrics. These initiatives help us remain competitive in a challenging labor market while fostering a workplace built on equity, integrity, and respect. Diversity and inclusion are integral to our corporate values and embedded in every stage of our recruitment and career development processes.

We actively promote collaboration, continuous learning, and ethical conduct, guided by our Code of Business and Ethics. By leveraging the unique perspectives of our global workforce, we aim to strengthen innovation, enhance operational excellence, and build a positive, rewarding culture. Our commitment to fairness and transparency ensures that all employees feel valued and empowered, reinforcing kdc/one's reputation as a responsible employer and a trusted partner in the beauty, personal care, and home fragrance sectors.

Creating a more inclusive workplace (cont'd)

Our One-Team Diversity & Inclusion Ambition

Inclusion, non-discrimination, and respect are fundamental principles that guide our interactions with employees, customers, consumers, and communities. We collaborate with key stakeholders to advance these values and implement meaningful initiatives that foster progress both within our organization and across the communities where we operate.

We conduct organization-wide assessments to shape a comprehensive strategy that promotes data sharing and best practices. Our executive leadership actively sponsors key focus areas, supporting training programs and improvement initiatives across hiring practices, equitable pay, career advancement, and actions to strengthen employee engagement and belonging. We are committed to fostering open dialogue through regular town halls, dedicated tools for sharing best practices, and newsletters that contribute to building a strong internal community.

We recognize the value of a diverse Board of Directors and senior management team, composed of highly skilled and experienced individuals who champion global diversity. We believe that diversity at the highest levels brings a breadth of perspectives that enhances decision-making and overall performance.

Compensation and Pay Equity

The philosophy behind our compensation program is to provide an attractive, flexible, and market-based total compensation program that is tied to performance and aligned with shareholder interests. Our goal is to be competitive in recruiting and retaining talent through high-quality compensation practices. Our compensation guiding principles are to invest in talent and potential and reward strong performance. We are committed to fair pay and strive to be externally competitive while ensuring internal equity across our organization. We have an industry-leading compensation policy that includes (1) direct monetary compensation aimed at attracting, retaining and rewarding talent composed of a base salary and an annual performance bonus; (2) indirect monetary compensation aimed at employee satisfaction, composed of group benefits, paid time off and retirement savings plans; and (3) indirect non-monetary compensation aimed at creating an engaged workforce, composed of a recognition program and career development and advancement opportunities. We are conducting global pay equity assessments and compensation reviews, and we are actively working to improve our hiring practices, performance reviews, and career development opportunities to eliminate unconscious bias that could contribute to pay inequities.

Our initiatives to support Inclusion

As a participant in the United Nations Global Compact, we engage in Accelerator Programs and multistakeholder roundtables, such as the **Observatory on “Diversity and Inclusion in the Workplace,”** leveraging these platforms to benchmark and learn from leading companies and associations, including the International Labour Organization (ILO).

This year, we completed the application for the Target Gender Equality Accelerator, a six-month program developed in collaboration with UN Women. The program helps companies set ambitious targets for women’s representation, equal pay, and leadership. It includes performance analysis, capacity-building workshops, peer learning, and expert support to develop actionable plans aligned with the Women’s Empowerment Principles (WEPs) and the Sustainable Development Goals (SDG 5 and SDG 8).

In line with this commitment, we also participated in the Thrive Event – The Power of Language, organized to promote the use of fair and inclusive language. The initiative featured a panel of experts and individuals from diverse backgrounds in a “Walk the Talk” format, encouraging practical reflections on how language can influence thoughts and behaviors.

In addition to these engagements, we also implemented dedicated training programs. The first focused on interviewing guidelines for managers, providing clear instructions and best practices to ensure fair, structured, and inclusive recruitment processes, avoiding bias and promoting equal opportunities. The second was a specialized course on Gender Equity based on UNI/PdR 125:2022, to strengthen awareness and compliance with national guidelines on gender equality.

Philanthropy and Citizenship

As a global company operating across diverse regions, we understand the vital role of the communities where we live and work. Our commitment is to create a positive impact for our people, the environment, and society. We empower local sites to leverage their knowledge of community needs, ensuring that support is delivered effectively and where it matters most—making a lasting difference.

Empowering Communities Through Compassionate Action

In recent years, our sites have supported local communities through hundreds of initiatives, often involving direct employee participation. These efforts not only strengthen team spirit but also reflect our core value of compassion.

Our values guide and empower employees to act with compassion. We remain committed to following their example and to enhancing the quality of life in the communities where we operate.

Commitment to Wellbeing and Engagement

Our employees contribute in diverse ways, from providing financial support through donations to charitable organizations to volunteering their time for community initiatives.

We are staunch supporters of first responders, youth, and those in need, our efforts are designed to foster wellbeing, team building, engagement, sustainability, compassion, recognition, and training & development across our communities.



Some of our Group-wide engagement initiatives

Across all our sites, we regularly organize a series of Group-wide activities designed to foster engagement, wellbeing, and a sense of community among employees. These recurring initiatives include different events, stretching from employee engagement activities, such as Seniority Recognition parties, monthly birthday celebrations, team building exercises and Town Halls or Employee of the Month recognition, to holiday celebrations and events, as the Women Day Festival, Family Open Days, Christmas events and Open House days. We try to use these moments also to create stronger relationships with the people we work with every day, by planning and organizing events for employees to discuss about their work life and any other matters that may be related to their employment. Events as internal communication meetings, monthly personal wellness talks and soft skills training are usually set up.

By coordinating these activities across all locations, we ensure that every employee can participate in shared moments that promote inclusion, recognition, and personal development, reinforcing our commitment to a positive and supportive workplace culture.

Our Social Initiatives across the world

Sullivan, Missouri (USA): In Aerofil, Food truck day, Ice Cream Social, Charity Golf Tournament, Kaizen events, Employee suggestion boxes

Port Jervis, New York (USA): On-site dental services, Salvation Army – Angel Tree (sponsor a child for Christmas)

Chatsworth, California (USA): Donation to California Wild Fire Victims, food, drinks donation, Pet Shelter donation, Cancer 5K walk, Onsite health fair.

Garland, Texas (USA): Breast Cancer Awareness Walk, donation drives for local organizations, 2 Kaizen Events for Continuous Improvement, 4th of July Cookout, 5 de Mayo Karaoke, Food Drive - Minnies Pantry, Gratitude Tree – Thanksgiving Scarf, Gloves and Hat Drive for a local organization, Service Project - The Good Samaritan Food Pantry

Hermosillo (Mexico): Bowling Tournament for a Cause, Teleton Donation, Emerging Leaders, Zobe Academy, Health campaign, Monthly Personal Wellness Talks, Green initiatives – reutilization of paper glasses and water cones

New Albany, Ohio (USA): Volunteer event “Columbus Meal Pack preparing 25 boxes with 36 meals each—totaling 900 meals, Ronald McDonald House Support.

Manitowoc, Wisconsin (USA): In Northern Labs, Special Olympics called Walking a Fair, Gumby Run (proceeds go to cancer research), Hot Chocolate Warming and Ice cream social, Mother's Day Flower & Father's Day Donuts, On Site Dental Clinic, Team Building Exercises

Wellington (UK): Coffee morning in support of Macmillan Cancer Support – Colleagues baked and sold a variety of treats, raising valuable funds for Macmillan’s vital work, Food Bank Drive, Women’s Aid Handbag & Hygiene Drive, The Night Before Christmas Toy Drive, Easter Egg Donation (for local Children’s Hospital Ward), Mental Health Charity Partnership.

Hesdin l’Abbe (France): In Alkos, Safety Achievement and Employee Recognition, Cancer Pink October (proceeds donated to breast cancer charities), Fund raise run/walk

Trento (Italy): Business and Pajama Run, Christmas and Easter gifts supporting local company focusing on people with disabilities, Training personal development (one-to-one coaching).

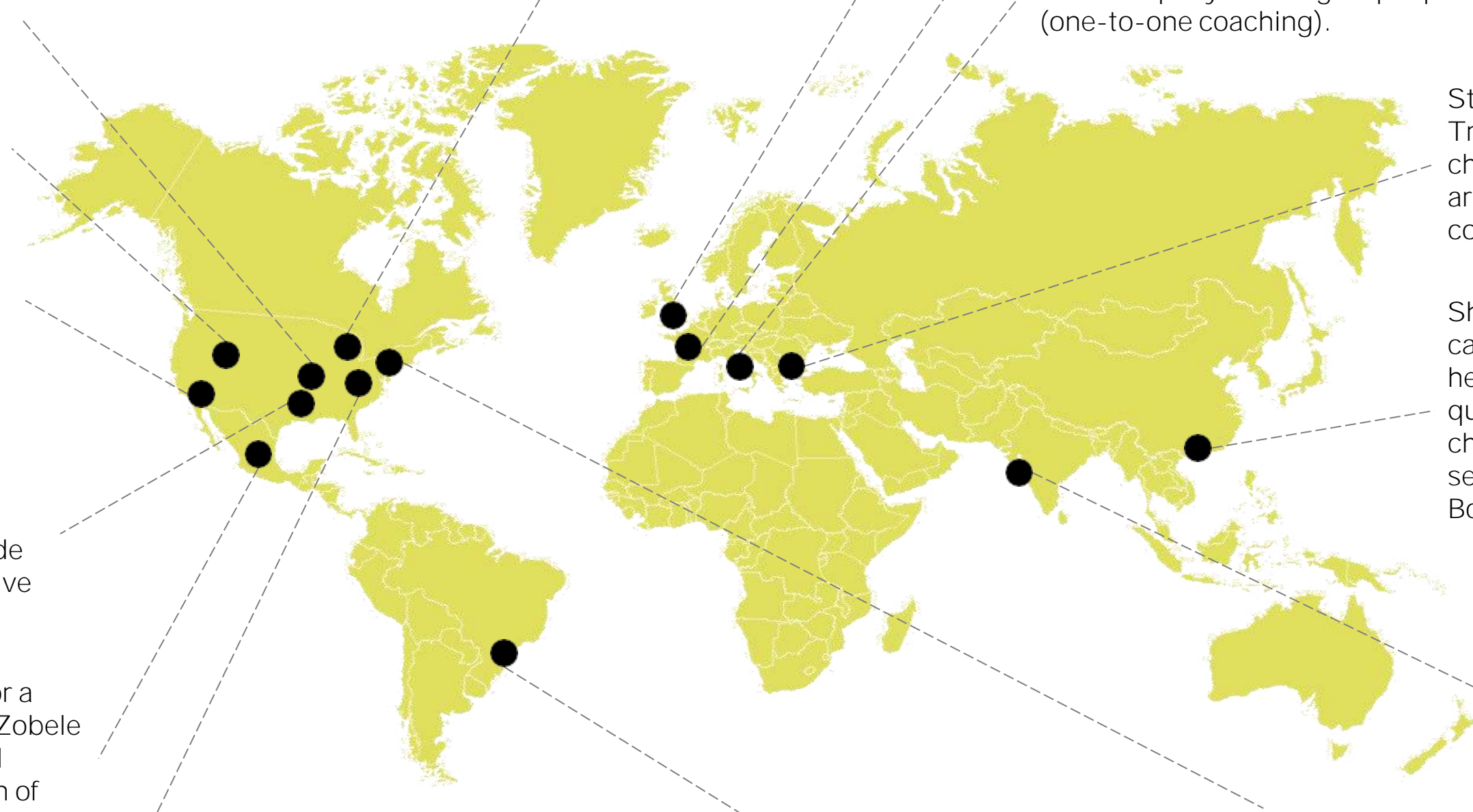
Stryama (Bulgaria): Business and Legion Run, Treasure Hunt, Health and Safety Week Medical checks, Football team, Green Initiative - cleaning the area around the plant- recycling cans for flowers- collecting caps for donation, Tennis table in the plant.

Shenzhen (China): Awareness programs (cervical cancer screening, psychology consultation, mental health treatment, mental health knowledge prize quizzes, blood donation drives), On-site medical checks, Book donations to remote areas, Volunteer services, Family Open Day, Outdoor cooking, Dragon Boat Festival, Rope skipping, Visiting Nursing Homes.

Daman (India): Healthy Heart Day, National Safety Week, Be Safe Campaign, Professional development through Complexity Management, Customer Focus, Fire Fighting training, industrial Visit, Industrial Visit and Good Documentation Practice, Blood Donation Camp & Women’s Days Celebration.

Mahwah and Saddle Brook, New Jersey (USA): In Acupac and ChemAid, Safety Achievement and Employee Recognition

Cachoeirinha (Brazil): Celebrates engagement and team spirit through initiatives like the Christmas Event, Town Hall, and year-end event



FOCUS: 25th anniversary of Mexico site

In 2025, Zobelex Mexico celebrated a major milestone: 25 years of growth, innovation, and commitment. Since its founding in 2000, the Hermosillo site has evolved and consolidated its leadership in the FMCG industry, taking a significant step in 2010 by moving to a new plant to expand operational capacity and strengthen its focus on innovation, efficiency, and employee well-being. To honor this achievement, the team dedicated an entire week to celebrations. The festivities began on Sunday, March 23, with the “Zobelex Run,” a commemorative race that brought together employees, families, and even pets in a spirit of unity and joy. The following days featured a ribbon-cutting ceremony symbolizing the start of the next 25 years, moments of recognition, and the inauguration of a time capsule filled with memories and messages to be reopened in 2050. This capsule now stands at the plant entrance as a tribute to the past and a promise for the future. Throughout the week, Zobelex Mexico reinforced its commitment to the community by honoring partnerships with local organizations such as Villa Paraíso Residence for the Elderly, Ciudad de los Niños, Va por Ellos Hmo, Comedor Sonrisitas, and CRIT Sonora. Employees enjoyed the Festival Azul, a vibrant event with music, dancing, and shared laughter, while special guests—including kdc/one leadership and former plant managers—joined for the Grand Gala night. The celebrations concluded with the unveiling of the “Our History Gallery,” showcasing the journey of the past 25 years and inspiring the vision for the next chapter.



FOCUS: Mexican site joined UNGC

On June 25–26, Zobelex Mexico participated in the annual “Encuentro Empresarial por la Sostenibilidad,” organized by Pacto Mundial Red México, the local network of the United Nations Global Compact, in Mexico City. This event brought together business leaders to share ideas, tools, and best practices aimed at building a more sustainable future. It was an opportunity to strengthen connections, inspire change, and reaffirm our commitment to responsible business.

During the event, the winners of the LOGRA Prize were announced, recognizing companies with outstanding sustainability initiatives. Zobelex Mexico was proud to be among the finalists, a testament to our ongoing efforts to integrate sustainability into every aspect of our operations.

Becoming a founding member of the UN Global Compact Network in Mexico marks a significant step forward in our journey. It reflects our dedication to the Ten Principles of the UNGC and our ambition to contribute to global goals for human rights, labor, environment, and anti-corruption. We are excited to continue this path and drive positive impact for people, communities, and the planet.



3. *Governance*



Board of Directors and Leadership composition

At kdc/one, integrity and accountability guide every decision we make. Our leadership prioritizes transparency, responsibility and good governance as basis for success. We continuously refine our corporate governance policies and practices to ensure it reflects such values, driving continuous improvement.

Board of Directors

Its role

Our Board of Directors consists of 11 members, including four independent directors selected according to recognized independence criteria. To ensure strong governance, the Board has a Governance and Nominating Committee responsible for assessing their independence, maintaining an appropriate balance between independent and non-independent members and overseeing key processes such as the nomination of the directors and executive compensation. These practices reflect our commitment to robust governance standards and continuous improvement.

The composition

Our commitment to diversity and inclusion is a defining feature of our culture. In fact, not only the Board includes 2 female members, but also our Board Chair is female. We believe that diverse teams at all levels of leadership provide a broad and deep perspective that improves decision-making and overall performance. Both our Board of Directors and shareholders value diversity in terms of skills, experience, perspective, education, gender, background, race and ethnicity. Recommendations for director nominees are based on merit and past performance, as well as their expected contribution to the effectiveness of the Board and alignment with company values.

Our commitment to diversity

Looking ahead, we will continue to shape the composition of our Board of Directors and senior leadership teams according to these principles. This includes monitoring the representation of women and underrepresented groups, expanding recruitment efforts to attract qualified candidates and committing to retention and development programs that promote internal talent. These actions are integral to our recruitment and selection process for Board and senior management positions, ensuring that diversity remains a cornerstone of our governance and leadership strategy.



Our ESG governance and procedures

ESG Oversight Committee

kdc/one has established an ESG Oversight Committee consisting of key functional leaders and the members of the Executive Leadership Team. The committee is responsible for the definition of the Group's ESG policies and strategies, target setting and evaluating performance against established goals and metrics.

The Committee periodically reports progress recorded across the various ESG activities directly to the Board of Directors. During these meetings, overall performance is analyzed and ESG issues are discussed. The ESG Oversight Committee promotes the adoption of best practices while drawing inspiration from its stakeholders.

The Board of Directors and/or the Board's Governance committee reviews our ESG performance and metrics and approves the strategic direction behind our goals.



Our ESG Team

Our ESG team is made up of employees throughout kdc/one, managing the different functions and activities related to the environmental, social and governance-related management of the Group. The team, which meets monthly, brings together representatives from key functions including EHS and Sustainability, Human Resources, Supply Chain, Legal, Continuous Improvement and Operations. It is responsible for coordinating, collecting and developing this ESG report. Our Environmental, Health and Safety (EHS) leadership team manages the strategic and daily coordination of EHS and sustainability activities for kdc/one. Each manufacturing facility also has a staff that manages EHS-related tasks. Governance and social sustainability initiatives and activities are managed by various groups across the organization, depending on who has the most relevant roles and responsibilities.

Code of *Business Conduct* and *Ethics*

The success of our business and the trust of our customers, investors, and partners depend on our ability to promote a culture of honesty and accountability. Our commitment to the highest standards of ethical conduct is reflected in all kdc/one activities, including our relationships with employees, customers, suppliers, shareholders, government agencies, the public, and other stakeholders.

Reporting and Whistleblowing Mechanisms

We promote a culture that encourages the reporting of non-compliant behavior and protects whistleblowers through global ethics and compliance programs. Since 2021, we have had a telephone and web-based reporting system, *EthicsPoint*, which allows employees to confidentially report any issues, promoting a safe, ethical, and respectful work environment. Every report received through the hotline is forwarded to the Audit, Legal, and HR teams and is handled according to defined protocols, ensuring confidentiality and measures to protect the identity of whistleblowers. The same system is also available to external stakeholders to encourage responsible and transparent behavior.

Code of Business Conduct and Ethics, Human Rights and Responsible Partner Policy can be consulted at the following website: [Partners | kdc/one](#)

Ethics and Integrity

Our Code of Business Conduct and Ethics* applies to all employees of the Company and its subsidiaries worldwide, as ONE global company. All kdc/one employees, officers and directors must conduct themselves according to the language and spirit of this Code and seek to avoid even the appearance of improper behavior. One of kdc/one's most valuable assets is its reputation for integrity, professionalism and fairness. We should all recognize that our actions are the foundation of our reputation and adhering to this Code and applicable laws is imperative. Managers and other employees in a leadership position are also expected to lead by example and embody the highest standards of ethical business conduct. They must be proactive resources for others and convey to employees how this Code applies to their everyday jobs. The Company expects all of its leaders to create an environment where compliance is recognized and valued, and where everyone feels comfortable asking questions.

To ensure the effective implementation of these commitments, we integrate the Code and related procedures into our business processes and regularly train all employees on ethical and regulatory conduct issues. Each employee must acknowledge the Code of Ethics upon hiring and at regular intervals thereafter.

Our Policy on Human Rights

The kdc/one Human Rights Policy outlines our commitment to respecting and promoting human rights across our own operations, supply chain, and communities. It applies to all employees, suppliers and business partners, aligning with international standards such as the UN Guiding Principles, ILO conventions and OECD guidelines. The policy emphasizes creating a safe, inclusive, and discrimination-free workplace, prohibiting child labor, forced labor and human trafficking. It includes training programs, stakeholder engagement and a due diligence process focused on identifying, preventing, and mitigating human rights risks. Our Environmental, Social and Governance Committee oversees our enterprise-wide human rights due diligence program. Periodic meetings provide a forum for updates on human rights topics and allow a mechanism for elevating issues to the kdc/one Executive Committee, our Board of Directors and other Board Committees if warranted.

Bribery and *Anti-Corruption*

Our commitment to anti-corruption

kdc/one is committed to strictly complying with all anti-corruption regulations and preventing any behavior that could expose the company to risk. To ensure compliance with applicable laws and promote sound business practices, we have adopted an anti-bribery management system designed to prevent, detect, and address incidents of corruption.

Our sites located respectively in Trento, Shenzhen and Mexico have all obtained the ISO 37001 certification. The system includes global procedures for managing commercial sanctions, regular checks before and after the onboarding of new customers, suppliers or partners, and additional contractual clauses with indemnities where necessary.

Both our Code of Business Conduct and Ethics and the Supplier Code of Conduct, together with the Responsible Partner Policy, address the fight against corruption and bribery for all our employees and stakeholders, both internal and external.

Our approach involves analyzing risks for operations and key stakeholders in order to identify potential vulnerabilities related to corruption. Based on these assessments, we implement policies and procedures aimed at combating all forms of corruption. Anti-corruption and anti-bribery policies are communicated to all employees, including managers and executives and the same principles are extended to suppliers and strategic partners.

No incidents of corruption were reported during FY25.

We actively participate in webinars and training initiatives promoted by our stakeholders and offer employees training courses dedicated to business ethics, integrity, and anti-corruption principles.



Data Privacy and Security

Security Strategy and Governance

To ensure information protection, kdc/one maintains constant vigilance over cybersecurity and data privacy. The security strategy follows a risk-based approach, applying appropriate controls to meet risk tolerance.

The company has implemented a comprehensive set of technologies, processes, and services to ensure that all information entrusted by customers and partners is protected against unauthorized access, loss, or theft. During the reporting period, no substantiated complaints regarding customer privacy violations were received from third parties or regulatory authorities. Furthermore, no incidents of customer data leakage, theft, or loss were identified. There are also no significant violations reported from previous years.

Our Group is provided with a dedicated security team which is responsible for defining policies and overseeing the implementation and maintenance of security controls in order to reduce the risks related to information security to acceptable levels. kdc/one refers to the NIST framework and CIS controls, performing risk assessments through annual third-party penetration testing, quarterly internal and external network scans, and independent NIST and CIS audits.

Security policies are based on ITGC governance principles and supported by a robust framework. A set of intelligent and overlapping tools is used to identify, protect, and detect threats, which are constantly monitored with alert and event logging mechanisms.

Incident Management and Training

The incident response plan, which summarizes the strategy adopted by the Group to handle and recover from data privacy and security-related incidents, is communicated to all stakeholders and tested annually. The Disaster Recovery strategy is based on an international private cloud infrastructure, with protected backups monitored daily to ensure the recovery of critical data.

Training is provided regularly for all employees with Internet access, with specific modules for IT staff. In addition, the security team's expertise is reinforced by collaboration with specialized companies, which provide 24-hour monitoring and support.

Further security and assistance is provided by specialized, external firms which offer extended expertise to our Group in terms of extra cybersecurity monitoring, responsiveness and knowledge on data privacy and security matters.



Supply Chain Management

Responsible Procurement and Economic Impacts

We maintain a diverse supplier base and strategic relationships to ensure supply stability and innovative and competitive solutions. We understand that our social and environmental impacts affect not only our own operations, but also those of our suppliers and business partners; for this reason, we integrate ESG factors into procurement decisions together with quality and service criteria.

In FY25, we continued to implement a system to monitor and improve transport efficiency, taking into account CO₂ emissions. Our processes are inspired by international best practices such as ISO 20400, which provide guidance for the continuous improvement of responsible purchasing activities. This year, ISO 20400 has been introduced as a pilot assessment for the Italy site, with the intention to expand its application more broadly in the future.

The responsible sourcing program generates significant indirect economic impacts, including strengthening supplier capacities through audits, training, and sharing best practices. These interventions contribute to the growth of ESG skills in the supply chain and the reduction of social and environmental risks.

Ethics, Inclusion and Human Rights

We are committed to ensuring fairness and inclusion in the supply chain, adopting dedicated policies and participating in multi-stakeholder activities. The EthicsPoint program, an integral part of our Code of Ethics and Conduct, has been introduced to suppliers and partners to allow them to report risks or suggestions for improvement

In addition, in accordance with the UK Modern Slavery Act 2015, our UK subsidiary publishes an annual Slavery and Human Trafficking Statement, which describes the measures taken to address the risk of slavery and human trafficking in our operations and supply chain.



Supply Chain Governance and Monitoring

We use a risk-based approach: key suppliers undergo qualification and audit processes to ensure compliance with environmental, ethical, labor and human rights requirements. Compliance with the principles of our Code of Conduct and Responsible Sourcing Policy is an integral part of our contracts.

We use the EcoVadis platform to assess key suppliers' ESG programs, which influence our scorecard. We have involved over 120 suppliers representing 80% of direct material expenses.

Our responsible sourcing program includes sharing best practices and training purchasing teams, including through resources like EcoVadis. We partner with key stakeholders to continuously improve responsible purchasing practices.

Supply Chain Management (cont'd)

Our Partners: relationships and the Responsible Partner Policy

To reinforce our commitment to responsible and sustainable practices, kdc/one has launched a new section of the website dedicated to Partners, which includes the Group's Responsible Partner Policy. This policy stems from the awareness that the social, ethical, and environmental impact of our products and services is closely linked to the practices of our partners.

Through this initiative, we are committed to bring positive social and environmental impact and ensuring that sound practices are in place to manage Environmental, Social, and Governance ("ESG") responsibilities throughout the entire value chain. As our supplier base continues to evolve, monitoring practices are being progressively strengthened in alignment with the updated standards published in FY25. The goal is to ensure that design, production, transportation, and distribution are carried out in a sustainable manner, helping to improve ESG performance and create a positive impact for millions of consumers around the world.

The Responsible Partner Policy includes principles and values aligned to our Group's culture, as stated in our Code of Business Conduct and Ethics and in the Supplier Code of Conduct, recently updated to reflect enhanced ESG expectations, and based on three key areas:

- **Business Ethics & Integrity:** compliance with laws, prevention of corruption, transparency, and traceability of supplies.
- **Labor & Human Rights :** combating forced and child labor, promoting equal opportunities, and protecting the health and safety of workers.
- **Environmental Protection:** reduction of the ecological footprint, responsible resource management, prevention of deforestation, and promotion of sustainable raw materials.

Through this policy, the Group not only seeks for compliance with international regulations and standards but also encourages partners to embark on a path of continuous improvement through due diligence processes and progressive ESG monitoring, acknowledging that practices will evolve alongside value chain developments.



4. Appendix

Appendix A - Data

(historical data updated to include recent acquisitions)

ESG Performance Indicator ^(1,2)	2025	2024
SAFETY MANAGEMENT		
Serious Occupational Injury and Illness Incident Frequency Rate (200,000 hours worked)	0.1	0.22
Occupational Injury and Illness Incident Frequency Rate Incidents (200,000 hours worked)	1.00	1.33
Employee Engagement (Number of Observations Submitted per 100 employees)	200	199
WASTE MANAGEMENT		
Hazardous Waste Incinerated/Autoclaved (tonnes)	6,316	4,759
Non-Hazardous Waste Landfill (tonnes)	5,915	6,860
Non-Hazardous Waste Landfill per unit (kg/tonnes)	0.012	0.017
Waste Recycled/Waste to Energy (tonnes)	30,022	28,079
Waste Recycled/Waste to Energy per unit (kg/tonnes)	0.064	0.068
Percent Waste Recycled/WTE	71%	71%
Total Waste (tonnes)	42,253	39,698
Total Waste per unit (kg/tonnes)	0.089	0.096
ENERGY MANAGEMENT		
Electrical Energy (kwh)	168,885,613	157,404,000
Electrical Energy per unit (kWh/kg)	0.36	0.38
Fuel Consumption (kWh)	117,606,697	124,785,241
Fuel per unit (kWh/kg)	0.25	0.30
Total Energy Consumption (kWh)	286,492,310	282,189,241
Total Energy per unit (kWh/kg)	0.61	0.68

1. Historical data updated to include recent acquisitions and based on data quality enhancements.
 2. Safety, Energy, Water, and waste data for manufacturing and R&D operations

Appendix A - Data

(historical data updated to include recent acquisitions)

ESG Performance Indicator ^(1,2)	2025	2024
WATER MANAGEMENT		
Water M ³	1,529,637	1,434,414
Water per unit m ³ /tonne	3.25	3.46
COMPLIANCE MANAGEMENT		
Remediation Settlements \$	0	0
Significant Spills	0	0
CARBON MANAGEMENT		
Scope 1 Greenhouse Gas Emissions MTCO ₂ E – Direct from Fuel Combustion	24,831	24,761
Scope 2 Greenhouse Gas Emissions MTCO ₂ E – Indirect from Electrical Consumption Market-Based	137	180
Scope 3 Greenhouse Gas Emissions MTCO ₂ E – Indirect from Value Chain	1,103,053	997,419
Total Greenhouse Gas Emissions MTCO ₂ E – Total	1,128,022	1,023,366
Total Greenhouse Gas Emissions per Unit MT CO ₂ E/kg	0.0024	0.0025
DIVERSITY		
Governance Diversity – Women %	33%	33%
Gender Diversity – Management % Female ³	53%	42%
Gender Diversity % Female	54%	56%
Ethnic Diversity – Manager and Above with Ethnicity – US Only %	20%	30%
PRODUCTION VALUE		
Bulk Produced kg	470,988,045	413,977,281
HEADCOUNT		
Head Count	11,497	11,279

1. Historical data updated to include recent acquisitions and based on data quality enhancements.

2. Safety, Energy, Water, and Waste data for manufacturing and R&D operations.

3. The percentage “Gender Diversity – Management % Female” is calculated with reference to US operations only.

Appendix B – GRI content index

Statement of use	kdc/one has reported the information cited in this GRI content index for the period May 1, 2024 – April 30, 2025, with reference to the GRI Standards.	
GRI used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	kdc-one.com
	2-2 Entities included in the organization’s sustainability reporting	kdc-one.com, ESG Report: “One Network. Infinite Possibilities”
	2-3 Reporting period, frequency and contact point	ESG Report: “Introduction of ESG Programs”
	2-4 Restatements of information	ESG Report: “Appendix C – Methodological Note”
	2-5 External assurance	ESG Report: “ESG Structure and Reporting Relationships”
	2-6 Activities, value chain and other business relationships	kdc-one.com, ESG Report: “Supply Chain Management”
	2-7 Employees	ESG Report: “Appendix A - Data”, “ONE Team - Creating a more inclusive workplace”
	2-9 Governance structure and composition	ESG Report: “Board of Directors and Leadership composition”
	2-10 Nomination and selection of the highest governance body	ESG Report: “Board of Directors and Leadership composition”
	2-11 Chair of the highest governance body	https://www.kdc-one.com/en/who-we-are#executive-team
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Report: “Our ESG governance and procedures”
	2-13 Delegation of responsibility for managing impacts	ESG Report: “Our ESG governance and procedures”
	2-14 Role of the highest governance body in sustainability reporting	ESG Report: “Our ESG governance and procedures”
	2-16 Communication of critical concerns	ESG Report, “Code of Business Conduct and Ethics”
	2-19 Remuneration policies	ESG Report: “One Team – Creating a more inclusive workplace”
	2-22 Statement on sustainable development strategy	ESG Report: “Message from the CEO”
	2-25 Processes to remediate negative impacts	ESG Report: “Code of Business Conduct and Ethics”
	2-26 Mechanisms for seeking advice and raising concerns	ESG Report: “Code of Business Conduct and Ethics”
	2-27 Compliance with laws and regulations	ESG Report, “Bribery and Anti-corruption”
	2-29 Approach to stakeholder engagement	ESG Report: “Impacts, Materiality, Risks, and Opportunities”

Appendix B – GRI content index

Statement of use	kdc/one has reported the information cited in this GRI content index for the period May 1, 2024 – April 30, 2025, with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Report, “Impacts, Materiality, Risks and Opportunities”
	3-2 List of material topics	ESG Report, “Impacts, Materiality, Risks and Opportunities”
	3-3 Management of material topics	ESG Report, “Impacts, Materiality, Risks and Opportunities”
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	ESG Report: “Management of Supply Chain”
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	ESG Report, “Bribery and Anti-Corruption”
GRI 301: Materials 2016	301-1 Materials used by weight or volume	ESG Report: “Product, Packaging, and Formulation Development”
	301-2 Recycled input materials used	ESG Report, “Product, Packaging, and Formulation Development”
GRI 302: Energy 2016	302-1 Energy consumption within the organization	ESG Report: “Energy Management”, “Appendix A - Data”
	302-2 Energy consumption outside of the organization	ESG Report, “Energy Management”, “Appendix A - Data”
	302-3 Energy intensity	ESG Report: “Energy Management”, “Appendix A - Data”
	302-4 Reduction of energy consumption	ESG Report: “Energy Management”, “Appendix A - Data”
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	ESG Report, “Water Management”, “Appendix A - Data”
	303-5 Water consumption	ESG Report: “Water Management”, “Appendix A - Data”
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	ESG Report: “Biodiversity”
	304-2 Significant impacts of activities, products and services on biodiversity	ESG Report: “Impacts, Materiality, Risks, and Opportunities”
	304-3 Habitats protected or restored	ESG Report: “Biodiversity”
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	ESG Report: “Managing Climate Change”, “Appendix A - Data”
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	ESG Report: “Managing Climate Change”, “Appendix A - Data”
	305-3 Other indirect (Scope 3) GHG emissions	ESG Report: “Managing Climate Change”, “Appendix A - Data”
	305-4 GHG emissions intensity	ESG Report: “Energy Management”, “Appendix A - Data”
	305-5 Reduction of GHG emissions	ESG Report: “Managing Climate Change”, “Energy Management”, “Appendix A - Data”

Appendix B – GRI content index

Statement of use	kdc/one has reported the information cited in this GRI content index for the period May 1, 2024 – April 30, 2025, with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	ESG Report: “Waste Management and Recycling”, “Appendix A - Data”
	306-3 Waste generated	ESG Report: “Waste Management and Recycling”, “Appendix A - Data”
	306-4 Waste diverted from disposal	ESG Report: “Waste Management and Recycling”, “Appendix A - Data”
	306-5 Waste directed to disposal	ESG Report: “Waste Management and Recycling”, “Appendix A - Data”
	GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	ESG Report, “People Strategy”, “One Team - Creating a more inclusive workplace”
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	ESG Report, “People Strategy”, “One Team - Creating a more inclusive workplace”
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	ESG Report: “Keeping our Focus on Safety”
	403-2 Hazard identification, risk assessment, and incident investigation	ESG Report: “Keeping our Focus on Safety”
	403-3 Occupational health services	ESG Report: “Keeping our Focus on Safety”
	403-4 Worker participation, consultation, and communication on occupational health and safety	ESG Report: “Keeping our Focus on Safety”
	403-5 Worker training on occupational health and safety	ESG Report: “Keeping our Focus on Safety”, “Training at kdc/one”
	403-6 Promotion of worker health	ESG Report: “Keeping our Focus on Safety”, “Our Social Initiatives across the world”
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESG Report: “Keeping our Focus on Safety”
	403-8 Workers covered by an occupational health and safety management system	ESG Report, “Safety”
	403-9 Work-related injuries	ESG Report, “Safety”
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	ESG Report: “Training at kdc/one”
	404-3 Percentage of employees receiving regular performance and career development reviews	ESG Report: “Training at kdc/one”
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	ESG Report: “Board of Directors and Leadership composition”, “One Team - Creating a more inclusive workplace”, “Appendix A”

Appendix B – GRI content index

Statement of use	kdc/one has reported the information cited in this GRI content index for the period May 1, 2024 – April 30, 2025, with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 412: Human Rights Assessment	412-1 Operations that have been subject to human rights reviews or impact assessments	ESG Report: “Code of Business Conduct and Ethics”
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	ESG Report: “Code of Business Conduct and Ethics”, “Supply Chain Management”
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	ESG Report, “Philanthropy and Citizenship”
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	ESG Report, “Management of Supply Chain”
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	ESG Report: “Product Quality”

Appendix C – *Methodological note*

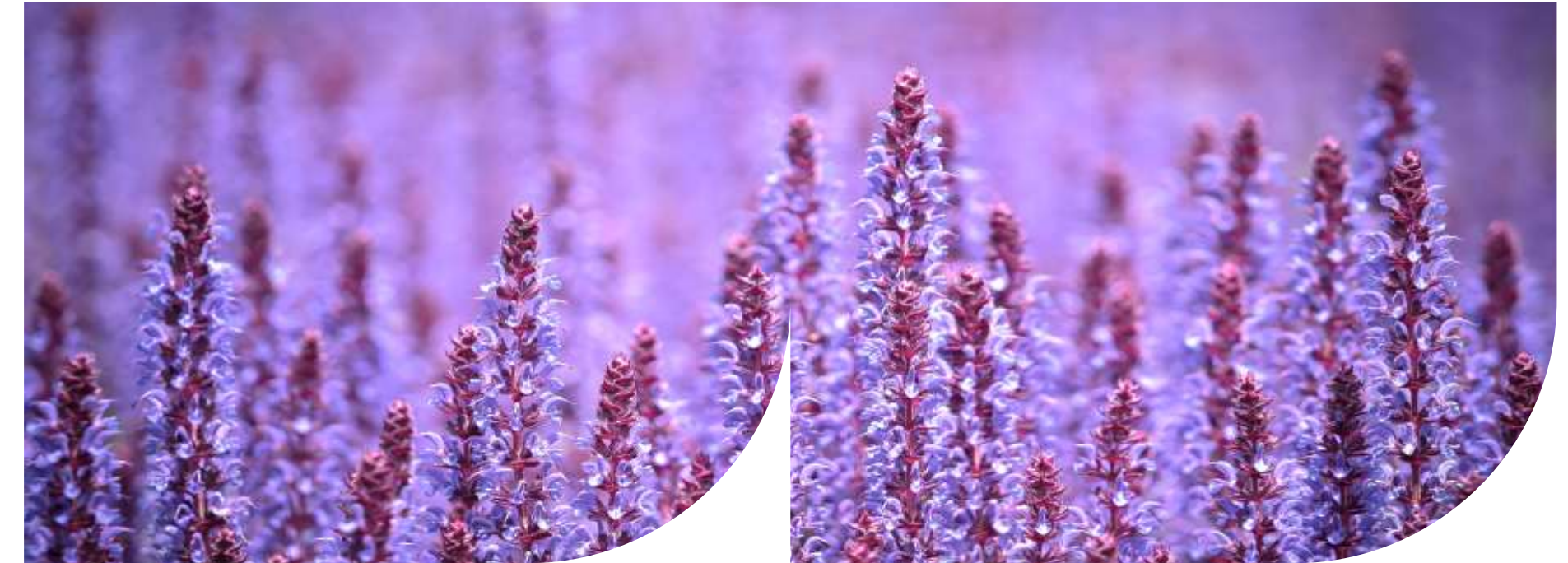
ESG Reporting Process

The preparation of the ESG report is based on different information sources and involves multiple actors and systems, distributed among the various sites of our Group.

ESG coordinators conduct regular reviews with teams to monitor the progress of the process and support continuous improvement. Specific KPIs and objectives have been defined for key metrics, and the COO conducts review meetings to verify progress, correct reporting and achievement of objectives.

kdc/one's Environmental, Social, and Governance (ESG) programs cover business, governance, social, and environmental topics, aligned with the Global Reporting Initiative (GRI) and kdc/one's internal assessment of various internal and external risks.

These programs span all aspects of our operations, including innovation, manufacturing, commercial and regulatory support, supplier management and logistics, product stewardship across the entire supply chain, and business relationships.



The scope of these programs may shift when new products, processes, or businesses are acquired, when products are discontinued or divested, or when facilities or business units are consolidated or sold—changes that have occurred frequently in recent years. Accordingly, programs, performance, and reporting are updated to reflect these changes. Quantitative data presented in this report refers to our manufacturing operations unless otherwise specified.

This report includes data and information on risks required or recommended for reporting and analysis by various third-party frameworks, such as the Global Reporting Initiative (GRI), the UN Global Compact (UNGC), and the Carbon Disclosure Project (CDP).

Reporting Cycles and report contact

The reporting period extends from May 1st, 2024 to April 30, 2025 and it is aligned with the reporting period of the Company's annual financial statements.

Any questions concerning this report and the information and data included herein can be directed to the kdc/one Corporate Communications team by emailing communications@kdc-one.com.

Appendix C – Methodological note (continued)

Operational boundaries and emission scopes

The herein document reports the Greenhouse Gas Emissions Inventory of kdc/one with reference to FY 2025. The operational boundaries applied include all GHG emissions (CO₂, CH₄, N₂O, HFCs) associated with the organization's operations and their breakdown by emission categories into direct emissions, energy indirect emissions, and other indirect emissions.

The definition of the operational boundary includes the selection of subcategories of other indirect emissions to be quantified and reported. The following Scope 3 emissions categories have been excluded from this inventory as they are not applicable:

- 8. Upstream Leased Assets
- 10. Processing of Sold Products
- 13. Downstream Leased Assets
- 14. Franchises

Compared to the previous reporting year (FY24), kdc/one's operational boundaries have been updated to reflect changes in facility activity. In particular, Tri Tech Laboratories- Lynchburg ceased operations in July 2023, and Zobebe España - Singapore Branch in April 2024. These changes have been taken into account in the current GHG inventory.

Data collection and sources

GHG emissions are calculated based on:

- primary activity data collected internally (e.g. energy bills, fuel consumption records, fleet data, travel expenses);
- secondary data and estimates using proxies, industry averages or spend-based approaches where primary data are not available.

Assumptions, estimates and limitations

Where complete primary data is not available, conservative assumptions and estimation techniques have been applied. For further details on the calculation approach and assumptions adopted for the individual Scope 3 categories, please refer to the Environmental section of the Report.

Key limitations of the GHG inventory include:

- partial availability of Scope 3 data
- use of estimates and proxy data for certain emission sources
- periodic updates of emission factors and methodological guidance

Assurance

The greenhouse gas (GHG) emissions data for Scope 1, Scope 2 and Scope 3 have been audited by SGS, an independent third-party assurance provider.

The verification was conducted in accordance with internationally recognized assurance standards and covered the conformity of the GHG inventory with the GHG Protocol principles and requirements.

Appendix C – Methodological note (continued)

Methodological references

The calculation of greenhouse gas (GHG) emissions has been carried out in accordance with the following standards and guidelines:

- GHG Protocol – Corporate Accounting and Reporting Standard
- GHG Protocol – Scope 2 Guidance
- GHG Protocol – Corporate Value Chain (Scope 3) Standard
- National and international emission factor databases (e.g. DEFRA, EEA, AIB)

The overarching objective of kdc/one’s greenhouse gas (GHG) inventory is to ensure full transparency toward stakeholders regarding our climate impacts and to provide a robust foundation for identifying reduction opportunities across our operations and value chain.

By aligning our approach with internationally recognized agreements and climate policies, we aim to support the development of a comprehensive decarbonization strategy that encompasses both direct emissions and those generated upstream and downstream in the value chain. This methodology enables us to monitor progress effectively, inform decision-making, and guide the Group’s long-term transition toward a low-carbon future.

As established by the GHG Protocol, to ensure that GHG information is responsible, the following methodological principles must be considered as the basis for calculating GHG emissions:

Relevance

Ensure that the greenhouse gas inventory adequately reflects the company's greenhouse gas emissions and is suitable for the intended user's needs.

Completeness

Include all relevant greenhouse gas emission sources and activities within the chosen inventory boundary.

Consistency

Use consistent methodologies to enable meaningful comparisons of emissions over time.

Accuracy

Reduce distortions and uncertainties as much as possible, ensuring that the quantification of greenhouse gas emissions is neither systematically overestimated nor underestimated.

Transparency

Disclose all relevant assumptions and make appropriate references to accounting and calculation methodologies and data sources used.

Organizational boundaries

kdc/one reports emissions considering all the entities of its organizational perimeter on which it exerts the operational control.

New acquisitions are included the following year after completion of the acquisition. Operations that were purchased and either closed or divested within a 6 months time period are excluded. Any other exclusion from the reporting perimeter, has been identified in the present document.

Appendix C – Methodological note (continued)

Emission factors

The Group has calculated its GHG emissions through the application of documented emission factors. These factors are ratios calculated by relating GHG emissions to a proxy measure of activity at an emission source.

The applied formula was the following:

$$\text{GHG Emission} = \text{Activity data} * \text{Emission Factor}$$

The sources used by type of issue are shown below:

SCOPE	EMISSION FACTOR SOURCE
SCOPE 1 (Direct GHG emissions)	Defra (FY25)
SCOPE 2 (Energy indirect GHG emissions)	Terna, AIB, EEA, EPA, Green-e
SCOPE 3 (Other indirect GHG emissions)	Defra (FY25 & 2021), Ecoinvent, EPA, Terna, AIB, EEA, EPA, Green-e


Emission sources

The emissions categories considered are reported in the table below:

SCOPE	CATEGORY and SOURCE
SCOPE 1 (Direct GHG emissions)	<ul style="list-style-type: none"> • STATIONARY COMBUSTION: natural gas (boilers), and diesel (emergency generators) • MOBILE COMBUSTION: gasoline, diesel (car fleet vehicles), and propane. • FUGITIVE EMISSIONS: F-Gas leakages from the air conditioning units (HFC from stationary HVAC equipment). • PROCESS EMISSIONS (e.g. carbon dioxide release during some production process)
SCOPE 2 (Energy indirect GHG emissions)	<ul style="list-style-type: none"> • STATIONARY COMBUSTION: electricity purchased from the national grid, Guarantees of Origin or other contractual instruments (RECs) confirming the renewability of electricity purchased and district heating.
SCOPE 3 (Other indirect GHG emissions)	<ul style="list-style-type: none"> • MOBILE COMBUSTION: business travels by car, train and plane; employee commuting by car, train and public transports; outbound logistics of sold products, inbound logistics of purchased raw materials and products. • STATIONARY COMBUSTION: emissions due to purchased goods and services, to the purchase of capital goods, to fuel and energy-related activities, to waste disposal and treatment, to electricity consumption of sold products's use phase and emissions related to their end-of-life treatment practices and to investments.

Appendix D – Data Verification Certificate

Verification Statement US26/00000112






KDC/ONE DEVELOPMENT CORPORATION, INC.
Address: 250 Pehle Ave Plaza II, Saddle Brook, New Jersey, 07663, United States of America.

The Greenhouse Gas Emissions Inventory for the year 2025 (period 05/01/2024 to 04/30/2025) has been verified in accordance with the requirements of the **ISO 14064-1:2018** for the following activities:
"Formulation, design, manufacturing and packaging of beauty, personal care, and home care products"


Total GHG Emissions
Scope 1: 24,831.48 tons of CO₂ equivalent
Scope 2 - Location-based approach: 64,353.29 tons of CO₂ equivalent
Scope 2 - Purchase choice-based approach: 137.38 tons of CO₂ equivalent
Scope 3: 1,103,052.72 tons of CO₂ equivalent for Scope 3 (Categories 1,2,3,4,5,6,7,9,11,12,15 of the GHG Protocol)

Lead Auditor: Darin Perez

Authorized by:
Fabi Stange
SGS do Brasil Ltda
Av. Piracema, 1341 - Galpão Horizon - Zip Code 08440-030, Barueri/SP, Brazil
T +55 11 2964-9295 - www.sgs.com.br

Verification Statement US26/00000112



Brief Description of Verification Process
SGS was hired by KDC/ONE DEVELOPMENT CORPORATION, INC. (hereinafter referred to as "client"), located at 250 Pehle Ave Plaza II, Saddle Brook, New Jersey, 07663, United States of America, for the verification of direct and indirect emissions of Greenhouse Gases (GHG) in accordance with the **ISO 14064-3: 2019** as provided in the GHG statement in form of the inventory documented covering GHG emissions for the period from May 01, 2024 to April 30, 2025.

Roles and Responsibilities
The client is responsible for the organization's GHG information system, development and maintenance of records and reporting procedures in accordance with that system, including the calculations and determination of GHG emissions and the reporting of GHG emissions.
It is the responsibility of SGS to express an independent opinion on the verification of the emissions of GHG according to the willing in the declaration of GHG.

SGS conducted a Third-Party verification of the GHG statement provided against the principles of ISO 14064-1:2018 and ISO 14064-3:2019 for the period 05/01/2024 to 04/30/2025. The evaluation was undertaken during September and October 2025. It included reviewing documents and records, as well as interviewing corporate information virtually. The lead auditor also visited 2 factories selected based in significance located in Hermosillo, Mexico and Columbus, USA. The verification was based on the scope of verification, objectives and criteria as agreed between the client and SGS on 09/18/2025.


Level of assurance
The agreed level of confidence is limited.

Scope
The client requested an independent verification by SGS North America Inc of the GHG emissions report to establish compliance with the principles of ISO 14064 within the scope of verification as indicated below.


The data and information supporting the GHG declaration were calculated based on monitored and historical data.

This commitment includes the verification of emissions from anthropogenic sources of greenhouse gases included in organizational boundaries and is based on ISO 14064-3:2019.

- The organizational boundary was established following the operational control approach.
- Title or description of activities: Formulation, design, manufacturing and packaging of beauty, personal care, and home care products.
- Location/boundaries of activities: 43 main sites (28 manufacturing / R&D sites and 15 offices). Site locations: Italy, United Kingdom, Bulgaria, Czech Republic, France, United States of America, Mexico, Brazil, Canada, China, Hong Kong, Taiwan, India, South Korea and Spain.
- Infrastructure physics, activities, technologies, and processes of organization: Manufacturing, offices, and warehousing.
- GHG sources, sinks and/or reservoir included: this inventory covers Scope 1, 2 and 3 emissions.



Verification Statement US26/00000112



Scope 1: Direct emissions: emissions from stationary sources, mobile sources, production processes and fugitives.
Scope 2: Indirect emissions derived from the consumption of electrical energy acquired from third parties and consumed in own operations.
Scope 3: Other Indirect Emissions, classified in the following Categories of the GHG Protocol:
Category 1: Purchased Goods and Services
Category 2: Capital Goods
Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2
Category 4: Upstream Transportation and Distribution
Category 5: Waste Generated in Operations
Category 6: Business Travel
Category 7: Employee Commuting
Category 9: Downstream Transportation and Distribution
Category 11: Used of Sold Products
Category 12: End-of-Life Treatment of Sold Products
Category 15: Investments


- Type of GHG Considered: CO₂, CH₄, N₂O, HFC, PFC, SF₆ and NF₃.
- The information from GHG for the period: May 01, 2024 to April 30, 2025.
- GHG Verification Statement users: KDC/ONE Development Corporation, Inc. and General Public.
- Mitigation Activities: Renewable Energy Certificates purchased for all their Manufacturing and R&D sites. Total of 168,419.4 MWh of renewable electricity purchased. The instruments provided are Certificates I-RECs, Renewable Energy Guarantee of Origin Certificates ("REGOs") and other proofs of origin of attributes cancelled on behalf of the organization.

Objective
The purpose of verification is the review of objective evidence, and an independent review to determine:
• Whether GHG emissions are, as stated by the organization's GHG statement.
• Whether the reported data is correct, complete, consistent, transparent, and free of errors or omissions.


Criteria
Criteria according to which the verification was carried out are the requirements of the ISO 14064-1:2018, Methodology: WRI/WBCSD GHG Protocol – "Corporate Accounting and Reporting Standard and the GHG Protocol" and "Corporate Value Chain (Scope 3) Accounting and Reporting Standard"

Materiality
The materiality required for verification was considered by SGS as 10%, according to the need for the GHG statement.

Conclusion
The client provided the GHG declaration based on the requirements of ISO14064-1:2018 and the GHG Protocol. The GHG information for the period of the year 2025, containing the emissions presented in the tables below, has been verified by SGS to a limited level of confidence, consistent with the agreed scope of verification, objectives and criteria.



Verification Statement US26/00000112



Total verified emissions across the organization:
Scope 1: 24,831.48 tons of CO₂ equivalent
Scope 2 – Location-based approach: 64,353.29 tons of CO₂ equivalent
Scope 2 – Purchase choice-based approach: 137.38 tons of CO₂ equivalent
Scope 3: 1,103,053 metric tons of CO₂ equivalent for Scope 3 (Categories 1,2,3,4,5,6,7,9,11,12,15)

Environmental KPI's - Data and evidence for the following environmental KPI's were also verified as additional information (separate from the GHG accreditation):

- 1,529,636.98 cubic meters of potable water withdrawn,
- 166,885.61 MWh of electricity consumed,
- 113,901.00 MWh of natural gas.
- 42,252.79 metric tons of total waste categorized as follows:
 - Hazardous: 6,315.91 metric tons
 - Non-Hazardous: 5,915.31 metric tons
 - Recycled/Waste to Energy: 30,021.57 metric tons

SGS's approach is based on understanding the risks associated with reporting GHG emissions information and the controls to mitigate them. Our analysis included the evaluation of relevant evidence, based on tests, related to the quantities and information of GHG emissions reported by the organization.

We have performed our verification work to obtain the information, explanations and evidence considered necessary to obtain the agreed level of assurance that the GHG emissions for the period 05/01/2024 to 04/30/2025 are fairly stated.

We conducted our verification in accordance with the client's GHG statement including verification of the GHG information system, monitoring and reporting. This verification included that the provisions of the reference protocol were consistently and appropriately applied.

In SGS's opinion, nothing came to our attention that would indicate that the GHG statement presented:
• Is not materially correct and is not a fair representation of the GHG data and information, and
• Has not been prepared in accordance with ISO14064-1:2018 on GHG quantification, monitoring and reporting.

Considerations and Limitations
To achieve a more accurate representation of emissions, the use of primary, quantitative data could be implemented. Additionally, the quality of data collected for Scope 3 emissions mapping categories could be improved next year, particularly for Categories 1, 4, 9, and 11.

For the purpose of meeting stakeholder and public reporting expectations, Scope 3 emissions were categorized using the framework established by the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard rather than the emission classification defined in ISO 14064-1.

This GHG Verification Statement shall be interpreted together with the client's GHG statement.

Note: This Verification Statement is issued on behalf of the client by SGS do Brasil LTDA ("SGS") in accordance with its General Conditions for Verification of Greenhouse Gases available at <https://www.sgs.com/brasil/conditions> and conditions for the client. The results included are based on the data provided by the client. In the scope of the Verification Statement, the results and the supporting data obtained are not intended to be used. This Verification Statement does not release the client from compliance with any national, national or regional statutes and regulations in any direction toward such regulations. Substances are not trading on SGS and SGS shall have no liability in a civil or criminal matter.

