2025
SUSTAINABILITY REPORT

ErcaWilmar
Cosmetic Ingredients

Summary

Letter to stakeholders

We are proud to present the 2025 Sustainability Declaration of ERCA WILMAR Cosmetics Ingredients s.r.l., an opportunity to share not only the results achieved, but also the vision that guides our path towards an increasingly sustainable future.

2025 was a year of evolution and consolidation for ERCA WILMAR Cosmetics Ingredients s.r.l.

In a global context still marked by economic uncertainty, geopolitical tensions and profound market transformations, we have continued to strengthen our commitment, convinced that sustainability represents an essential strategic lever for long-term growth.

The cosmetics market represents one of the most dynamic and innovative sectors of the Italian economy, characterized by a constant growth in demand for personal care, wellness and sustainability products.

Italy is confirmed as one of the main European players in both cosmetic production and exports, thanks to a highly specialized supply chain that combines research, formulation quality and attention to new consumer needs.

Within this supply chain, cosmetic intermediates play a fundamental strategic role. Emulsifiers, surfactants, functional oils and special ingredients are in fact key elements to ensure the efficacy, safety and performance of finished products. The growing focus on sustainable, biodegradable and renewable formulations is accelerating innovation in the cosmetic ingredients sector, prompting companies to invest in research and development of increasingly environmentally and socially responsible solutions.

In this context, companies such as ERCA Wilmar actively contribute to the evolution of the market through the development of cosmetic intermediates with high added value, capable of combining industrial performance, innovation and sustainability along the entire value chain.

At the same time, we continued with determination in the implementation of our ESG strategies, evolving our reporting processes in line with the new European regulatory framework, in particular with the Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards. This path does not represent a mere regulatory adjustment for us, but an opportunity to strengthen transparency, accountability and the ability to measure our impact.

We look to the future with conviction: the growing centrality of ESG issues, combined with the regulatory push and the growing sensitivity of the markets, represents for ERCA WILMAR Cosmetics Ingredients s.r.l. An extraordinary opportunity to innovate, improve and create sustainable value.

This path would not be possible without the contribution of our people and the continuous dialogue with customers, suppliers and stakeholders.

Together, we continue to build a responsible, resilient and future-oriented business model.

Vision

We aim to become a global leader in specialty cosmetic ingredients, both natural and synthetic, inspiring and supporting the entire supply chain.

Mission

We offer customers around the world a wide selection of cosmetic ingredients developed through continuous investment in research and development of new solutions for the modern cosmetics industry. We conduct our business with the utmost respect for environmental protection, social responsibility standards and the rights of local communities.

Values

In our daily work, we are guided by the values that define our style and identity:

1. General information

ESRS 2

Criteria for the preparation of the declaration

BP-1 - BP-2

ERCA WILMAR Cosmetics Ingredients s.r.l. has prepared this statement for the company, in accordance with Directive 2013/34/EU of the European Parliament and of the Council, as amended by Directive (EU) 2022/2464 of the European Parliament and of the Council, referring to the period from 1 January to 31 December 2025.

When preparing the sustainability statement, the undertaking shall adopt the following time intervals, starting from the end of the reporting period:

a) Short-term time horizon: the period of one year adopted by the company as the reference period of its financial statements;
b) Medium-term time horizon: up to five years after the end of the one-year reference period
c) Long-term time horizon: more than five years.

With regard to the estimates and evaluations illustrated in the document, which include data from the value chain, ERCA WILMAR Cosmetics Ingredients s.r.l. declares that, in the assessment of its CO_2 equivalent emissions, the input elements upstream of the organization as described in the paragraph "Climate change" were evaluated

This document is the first draft of sustainability information, so no data has been previously published that needs to be reassessed or modified

Governance

a) *Role and information of administrative, management and control bodies*

GOV-1- GOV- 2

The company's commitment to operating in an increasingly responsible manner and integrating sustainability into its business activities has led ERCA WILMAR Cosmetics Ingredients S.r.l. to implement specific processes within its existing management systems, proportionate to the size of the organization, aimed at planning and monitoring ESG matters in a cross-functional manner.

Business processes with an impact on sustainability are coordinated by Management, in collaboration with the Sustainability Manager, who is responsible for proposing, coordinating and implementing projects and initiatives related to social responsibility; monitoring the action plans of the various organizational units, also considering external best practices; reviewing stakeholder disclosures and requests concerning sustainability matters; and coordinating the preparation of the Sustainability Statement.

ERCA WILMAR Cosmetics Ingredients S.r.l. is a small marketing company operating in the cosmetics sector and outsources most of its cross-functional processes to ERCA S.p.A.

The Board of Directors, with the support of the Quality Manager, is involved in the governance procedures adopted to monitor, manage and oversee impacts, risks and opportunities, including:

- verifying the effectiveness of controls and procedures dedicated to the management of impacts, risks and opportunities through discussions with process managers;
- defining and monitoring objectives related to material impacts, risks and opportunities, as well as tracking progress toward their achievement.

Over the years, the group's management team has developed specific skills in the field of company management systems, assessment and surveillance of the company's impacts, risks and opportunities thanks to the management of a certified management system integrated with quality, safety and environmental management systems

Certifications

With the aim of providing increasingly higher quality standards to its customers, ERCA WILMAR Cosmetics Ingredients S.r.l. has adopted a Quality Management System based on the UNI EN ISO 9001:2015 standard. Over the years, the company has also obtained additional certifications, the main ones being EFfCI for cosmetic ingredients and RSPO for sustainable palm oil.

Over time, the company's management has developed an integrated approach to corporate risk management, with particular attention to market and business continuity aspects, as well as impacts related to environmental protection and workplace safety.

The integration of sustainability matters into the company's management system further strengthened the risk assessment process by extending its scope to include ESG-related issues.

Management systems	Product Certifications

Due diligence statement

GOV-4

ERCA WILMAR Cosmetics Ingredients s.r.l., through its process of risk and opportunity analysis, has proceeded to identify and assess the negative impacts associated with its operations and the upstream and downstream value chain, including through its products or services and its business relationships.
Each planned action was prioritized based on the severity and likelihood of the impacts.
The identification of material impacts has also contributed to the identification of material risks and opportunities in terms of sustainability, which are often a consequence of these impacts.

Risk management and internal controls on sustainability reporting

GOV-5

For the purpose of identifying business risks, each Manager or Process Manager is responsible for assessing and managing all risks relevant to his or her area of activity.
On the basis of the risk assessment carried out, the Manager identifies the most significant risks and for each one expresses, possibly also through discussion with the CEO, an assessment of the risk associated with it and its impact on the company's business in terms of severity and probability of occurrence.
Internal and external risk analysis of production processes, equipment and infrastructure was carried out to maintain production output and ensure that customer requirements are met.
The risk is assessed on a scale of 1 to 10:

- Severity
- Frequency
- Identifiability

RPN=Risk Priority Number (GxFxI)

If RPN $\geq$ 100 = Mandatory corrective action;
If 50 < RPN < 100 and G ≥ 5 = Mandatory corrective action
The net risk is then recalculated on the basis of the containment measures and mitigating operating procedures implemented by the company.

Containment factors are the set of internal and/or exogenous factors that can contribute to mitigating or cancelling the risk described, while mitigating operating procedures are the set of organisational processes that ERCA WILAMAR has adopted in order to mitigate, monitor and assess, on an ongoing basis, the individual risk.
Risks for which there are no mitigation measures are also considered. In this case, the residual risk coincides with the gross risk.
The management team, based on the level of residual risk, defines the risk management strategy to be implemented. In particular, this strategy may include:

1) avoid risk (e.g. disposing of the business unit, a production line, a market segment, deciding not to undertake a new initiative that could give rise to significant risks);
2) reduce risk to acceptable levels (e.g. diversify the offer of a product, set operational limits, increase the level of management involvement, increase the level of control);
3) monitor the risk (e.g. constant monitoring by the company);
4) accepting risk (e.g. self-insuring against losses).

The mapping of all risks takes place through the coordination of the CEO and the Management team.
The CEO updates the risk matrix at least once a year in order to define the risk management strategy to be implemented. This update is preferably carried out when the financial report is approved.
The CEO is also responsible for making Executives and Process Managers aware of the risk matrix.
Risk monitoring is carried out by the management team, in collaboration with the managers of the management systems, who organize the necessary monitoring and internal auditing activities.

Strategy

Strategy, business model and value chain

SBM-1

Business Model

In 2016, thanks to the industrial joint venture between ERCA GROUP and WILMAR INTERNATIONAL, the "ERCAWILMAR" project was created

Basic shareholders

Wilmar International Limited

info@wilmar.com.sg
https://www.wilmar-international.com/home

Founded in 1991 and headquartered in Singapore, today it is Asia's leading agribusiness group. Wilmar is ranked among the largest listed companies by market capitalization on the Singapore Exchange.
Wilmar engages in oil palm cultivation, oilseed crushing, edible oil refining, flour and rice milling, sugar grinding and refining, consumer product manufacturing, ready-to-eat and ready-to-eat central kitchen products, specialty fats, oleochemicals, biodiesel, and fertilizers, as well as food park operations.
Wilmar's research and development (R&D) activities support business operations by improving production processes, ensuring consistency and quality improvement of existing products, as well as the development of innovative new products.

Ercagroup Holding spa

info@ercagroup.com
www.ercagroup.com

ERCA Group is a global organization where teams share the same spirit of innovation and problem-solving that customers see as contributing to their own success.
Our approach to the market is organized, careful and thorough, and supported by meticulous research.
Our success begins with a tangible presence at the customer's site, an understanding of product and process requirements, and the ability to develop tailor-made and sustainable solutions.
Ensuring the efficient use of resources, with a focus on sustainability, our processes are designed to process a wide range of raw materials and reagents using different technologies, in complete safety for workers and the environment.

The activity of the various trading companies born from the joint venture between ERCA Group and WILMAR includes the industrial development, production, marketing of a wide range of cosmetic ingredients and specialties, both natural and synthetic. ERCA WILMAR's portfolio of high-quality cosmetic ingredients offers customers worldwide a rich selection of emollients, emulsifiers, solubilizing agents, donation products, hair conditioners, humectants, emulsifying stabilizers, foam amplifiers and viscosity agents,
In addition to the standard products within the ERCA product portfolio, WILMAR can offer its customers tailor-made formulations and products, created with the continuous guidance and efforts of the R&D departments.
As an industrial distributor of special ingredients for cosmetic manufacturers, ERCA WILMAR occupies a central position in the supply chain. On the upstream side, we source essential raw materials, mainly natural derivatives such as palm oil, palm kernel oil, coconut oil, castor oil and corn or wheat starch, as well as a wide range of synthetic alcohols, acids and ethoxylates.
On the downstream side, we serve a wide range of industrial manufacturers that produce a broad spectrum of personal care products.

These include shampoos, white creams, rinse-off creams, hair care products, hair dyes, conditioners, lubricants, lipsticks, sunscreens, shaving creams, bath foams, makeup products, and high-performance spa cosmetics.

Our customer base includes both global industry leaders and locally established small and medium-sized businesses. To effectively serve this fragmented downstream market, our business model is based on an industrial platform of chemical plants, directly owned by the company or its shareholders, strategically located in Europe and Southeast Asia.

In addition, our trade and logistics platforms overlap and span key geographic regions, including EMEA, Southeast Asia, LATAM, and the United States.

ERCA WILMAR Cosmetics Ingredients s.r.l. continuously invests in both Quality and Development to meet the constantly evolving standards required by the market.

The R&D laboratories guarantee both an accurate quality control of raw materials, intermediates and finished products, and a continuous innovation of range and industrial processes.

As of December 31, the company employs **12** people

Our policies of customer care and continuous investment in innovation allow us to confirm good results year after year, also confirmed by the trend in turnover,

The Value Chain

The value chain management process is divided into several key steps, which encompass the entire value chain, from upstream steps to direct activities, up to downstream use and end-of-life of the product.

UPSTREAM: PROCUREMENT

The first step in the ERCA WILMAR value chain concerns the procurement of materials, in particular raw materials necessary for the implementation of business processes.

In addition to raw materials, the upstream phases also involve the purchase of products and services such as packaging, and outsourced services such as painting and treatments.

DIRECT: DESIGN, DEVELOPMENT AND PRODUCTION

The next phase includes the direct activities of the S.p.A. S.p.A. Department, such as the design, development and production of finished products, carried out in collaboration with the resources of ERCA S.p.A.

DIRECT: SALES

Once production is complete, the products are sold to various customers. The main buyers are manufacturers of goods in the cosmetics sector

DOWNSTREAM: USE AND END OF LIFE OF THE PRODUCT

The final stage of the value chain concerns the use and end of life of the product. The products sold are not used by end users, but by companies from different industries, which use them as intermediates in their own production processes ERCA WILMAR is committed to ensuring a high level of performance and safety.

Our customers

ERCA WILMAR Cosmetics Ingredients s.r.l. It collaborates and discusses daily with the world's leading players in the cosmetics industries, and is committed to understanding and anticipating their future needs as well as promoting the joint development of new solutions.
Our customers are mainly based in Europe but the company is also investing in the Asian, US and Central and South American markets

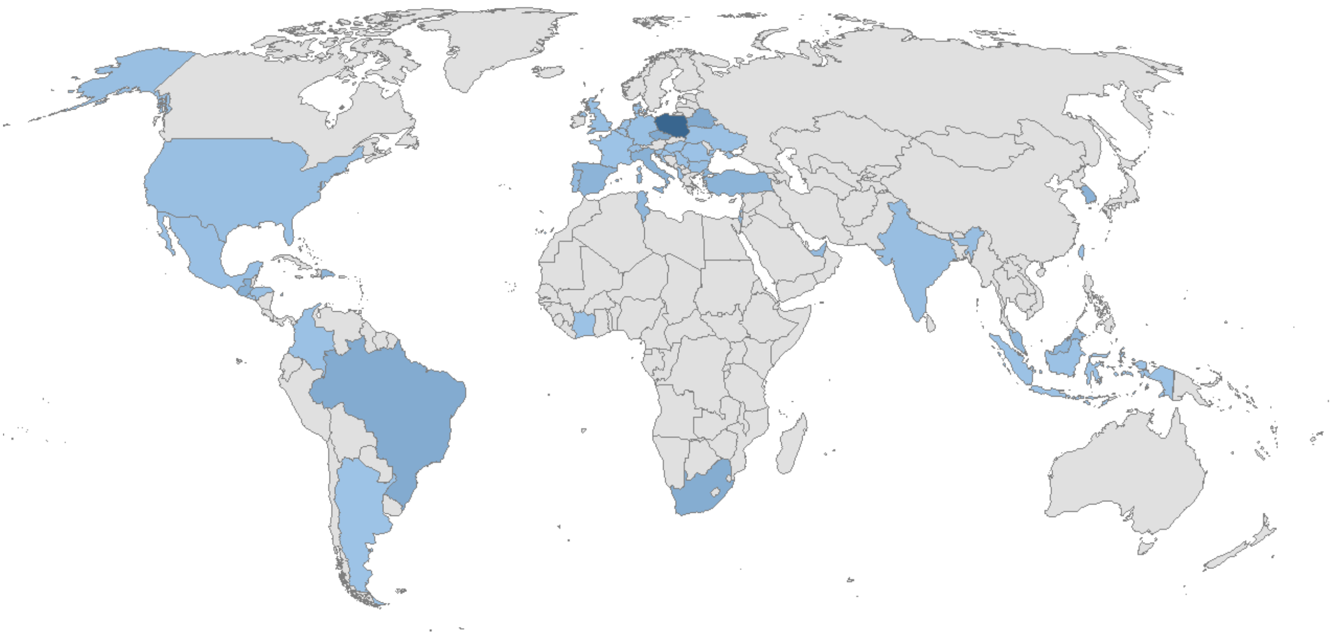


Figure 1: Distribution of customers per tonne delivered in 2025

We work every day to offer

- Product reliability and safety
- Reliability and flexibility of production processes to ensure business continuity and compliance with delivery times
- Continuous product innovation, also with reference to the improvement of environmental performance and the optimal configuration of the product for the improvement of technical performance and performance
- Support for the joint development of customised solutions
- Technical support to the network of repair professionals and assistance in the transfer of know-how

Interests and views of stakeholders

SBM-2

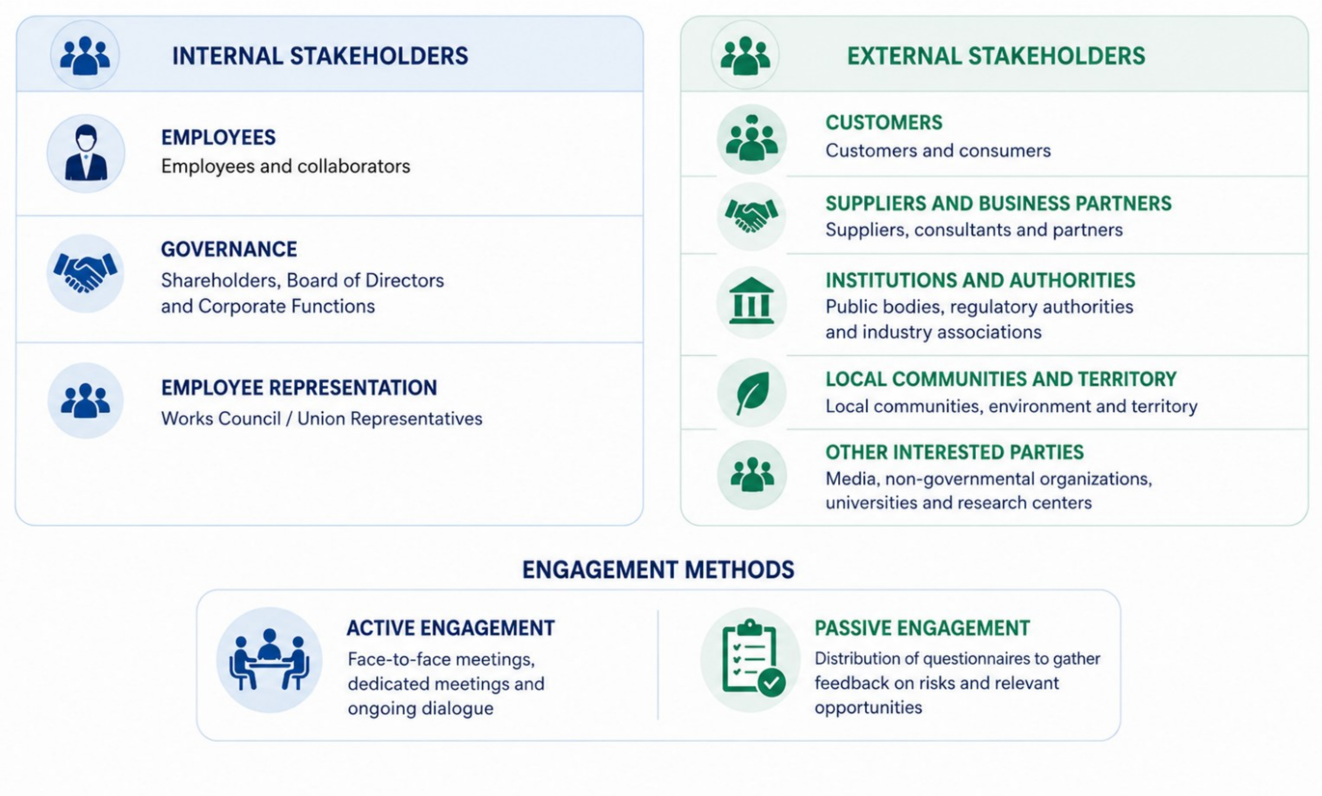
ERCA WILMAR has established an active and constant dialogue with its internal and external stakeholders based on the values of transparency, trust and consensus in decisions.
Through this process of listening and discussion, management is able to assess the extent to which it is understanding and meeting the expectations and interests of its stakeholders, identifying areas in which to strengthen commitment and those in which to confirm the approach adopted

The list has been supplemented through the study and analysis of the impacts caused by the universe of ESG issues. The main tools used for the analysis were:

- analysis of benchmarks of ESG issues published by peers, competitors and customers;
- analyses of ESG risks in the sector carried out by recognised ESG rating agencies;
- consultation of sector documents and orientation guidelines;

- analysis of the national, EU and non-EU legislative and regulatory landscape.

The identification of the impacts generated or suffered by stakeholders was carried out through active exchanges such as discussion meetings and passive exchanges such as the sending of a special questionnaire for the sharing of relevant risks and opportunities.
The stakeholders have been mapped and divided into the categories of internal and external stakeholders as represented in the following diagram



In particular, at the end of 2025, customers were involved through a satisfaction questionnaire that investigated satisfaction with the product and service and a materiality questionnaire in which they were asked to prioritize the main ESG issues identified
Below is the complete list of priority stakeholders together with the methods of involvement with which their respective expectations and needs were identified to identify the impacts:

Stakeholder type	Stakeholder group	Engagement Modes	Expectations and needs ESRS G1 Business conduct	ESRS E1,2,3 Environment	ESRS S1 Own workforce
Interior	**Owners/Administrators**	Management meetings	• Turnover • Investments • Acquisition of new customers • Image on the market • Customer loyalty • New Product Development) • Customer creditworthiness • Compliance with the code of ethics • Compliance with regulatory requirements	Environmental compliance of activities;	• Worker retention • Health and safety compliance Competent management
	Employees	• Surveys on specific topics • Trade union discussion tables • Internal communication activities • Training moments	• Adequate classification in line with the CCNL • Regular payment of salaries • Clear instructions and procedures • Have an objective evaluation of your performance • Training of young people • Compliance with the code of ethics • Support services (canteen, laundry, etc.)	• Sustainable use of resources and responsible consumption • Sharing clear procedures related to environmental protection	• Living a stable working condition • Opportunities for professional growth and training • To be able to carry out one's work in conditions of maximum safety, with effectiveness and efficiency • Protection of psycho-physical well-being • Respect and enhancement of diversity • Recognition in the values subscribed to by the company • Definition of policies for reconciliation
	Control bodies	Meetings and verification audits	• Code of Ethics • Correct application of legal requirements • Transparent fair accounting reporting	• Correct application of environmental requirements • Lower impact on the environment	Correct application of health and safety requirements
Exterior	**Customers**	• Daily relationships with sales team and technical teams • Interviews aimed at detecting the needs and the degree of satisfaction of the relationship • Business review meeting • Supplier qualification and monitoring process	• Product quality • Product safety • Produce to specification and performance • Reliability of the organizational structure and risk management capabilities • Ethics and integrity • Favorable quality/price ratio • Partnership development • Professionalism	• Support in the development of products with a lower environmental impact • Support in providing data to calculate the carbon footprint of the product • New Bio-based products	• Compliance with labour law regulations • Compliance with their supplier code of conduct

Stakeholder type	Stakeholder group	Engagement Modes	Expectations and needs ESRS G1 Business conduct	 ESRS E1,2,3 Environment	 ESRS S1 Own workforce
		• Satisfaction and materiality questionnaire	• Availability and collaboration • Fast reaction times • Compliance with delivery times • Flexibility • Business continuity • Technical team support • Know-how and skills • Investment in research and development • Promotion of new ideas and product ideas • Minimize complaints, manage them as opportunities and in the shortest possible time • Regulatory (Declarations, Technical Documentation, Safety Data Sheets, CLP, Reach, ..) • Expertise • Compliance with their supplier code of conduct	• Decarbonization of the supply chain • Compliance with their supplier code of conduct	
	Suppliers	• Daily relationships with purchasing teams • Supplier qualification and evaluation process	• Continuity in the collaboration relationship • Compliance with contractual conditions • Partnership development • Receipt of orders well in advance • Partnership relationship • Clarity on the type of product or service required • Delivery planning • Reception logistics organization		Clear and transparent communications for safe work in the company
	Competing Companies	Market analysis	• Compliance with the rules of free competition • Fairness in business relations	• Environmental regulatory compliance • Commitment to reducing environmental impact • Transparency in communications	Compliance with labour law regulations
	Local communities	Relationship with the property	• Continuity in collaboration • Development of new projects of shared value. • Support for social and cultural initiatives	• Environmental regulatory compliance • Commitment to reducing environmental impact • Transparency in communications	Guarantee of continuity in employment Compliance with labour law regulations
	Regulatory authorities	Requesting and issuing authorizations Inspections Consultations	Regulatory Compliance	• Environmental regulatory compliance • Commitment to reducing	Compliance with labour law regulations

Stakeholder type	Stakeholder group	Engagement Modes	Expectations and needs ESRS G1 Business conduct	 ESRS E1,2,3 Environment	 ESRS S1 Own workforce
				environmental impact • Transparency in communications	
	Educational institutions	Comparison with HR	Willingness to host internships or alternation paths Comparison of emerging skills in the market		Safe student hospitality
	Certification bodies	Audit	• Compliance with the standards of the reference management systems • Correctness of information	• Compliance with the standards of the reference management systems • Correctness of information	• Compliance with the standards of the reference management systems • Correctness of information
	Trade associations	• Update Channel Monitoring • Direct contact for information exchanges on trends and needs of companies in the sector	Collaboration and constant information flow	• Compliance with category codes of ethics • Compliance with the Responsible care chart	• Compliance with category codes of ethics • Compliance with the Responsible care chart
	Banks – Financial Partners	Direct contact with administrative/management offices	• Correctness of information • Solvency • Economic solidity	Planning of impact reduction actions, according to ESG criteria	Compliance with labour law regulations
	Insurance	Contact with administrative/executive offices	Risk Forecasting and Management	Analysis and assessment of climate risks	• Compliance with the standards of the reference management systems • Correctness of information
	Medium	Press releases Direct relations with management	Regulatory Compliance	• Environmental regulatory compliance • Commitment to reducing environmental impact • Transparency in communications	• Compliance with labour law regulations • Compliance with workplace safety regulations

Relevant impacts, risks and opportunities and their interaction with the strategy and business model

SBM-3

ERCA WILMAR Cosmetics Ingredients s.r.l. identified the main risks in the Sustainability area, using the assessment criteria aligned with the company's risk management methodology
The main risks identified are set out below, as well as the mitigation actions implemented to date and the future objectives for their management

Environmental risks	ERCA WILMAR Cosmetics Ingredients s.r.l., is a trading company that does not directly have any particular environmental risks, for the assessment of which it refers to the leading companies WILMAR and ERCA GROUP
Supply chain management and to the protection of human rights	These risks concern any failure by suppliers to comply with the Supplier Code of Conduct with regard to sustainability issues, including respect for human rights - including those related to human trafficking and modern slavery - environmental protection, safeguarding health and safety in the workplace and the fight against corruption. ERCA WILMAR COSMETICS INGREDIENTS S.R.L. asks its suppliers to sign a Code of Conduct and monitors their requirements through a specific assignment to ERCA S.P.A.
Personnel Risks	ERCA WILMAR COSMETICS INGREDIENTS S.R.L. identifies and manages both health and safety risks and those related to personnel management. The commitment to the protection and promotion of health and safety in the workplace translates into careful risk management, as described in the appropriate section, through a continuous analysis of critical issues and the adoption of a preventive approach.
Risks related to corruption and regulatory compliance.	In order to mitigate this risk, the company has adopted a corporate Code of Ethics, which guarantees transparent and ethical behavior by employees and promotes preventive policies by the company. The Code of Ethics guarantees all stakeholders the possibility of reporting all conduct that involves violations, in addition to offences of origin and relevance of the European Union and which therefore harm the financial interests of the same.
Social risks	One of the most socially related risks concerns the quality and safety of products. For this reason, ERCA WILMAR COSMETICS INGREDIENTS S.R.L. over the years has equipped itself with a robust quality management system, certified according to the UNI EN ISO 9001 standard and according to the EFfCI standard for cosmetic ingredients, as better specified in the appropriate section

Management of impacts, risks and opportunities

b) *Information on the materiality assessment process*

Description of processes to identify and assess relevant impacts, risks and opportunities
IRO-1

ERCA WILMAR Cosmetics Ingredients s.r.l, in 2025 has improved its process for the assessment of the "Outside-in" perspective (Financial Materiality), carried out on the basis of the European Sustainability Reporting Standards (ESRS) of EFRAG, i.e. the reporting standard to be used by companies subject to the Corporate Sustainability Reporting Directive.

- This analysis involves determining the impacts (positive, negative, current and potential) generated by organizations and their value chains on the economy, the environment and people, including those on human rights. In accordance with the provisions of the reporting standard, the process of defining the materiality analysis - and the consequent identification of material issues - was structured in the following four phases:
- Identification of potentially material issues:
- Evaluation and prioritization:
- Definition of the materiality matrix:
- Construction of strategic action plans:

For the phases of understanding the context and identifying the impacts generated, various sources of information and analysis were considered, such as:

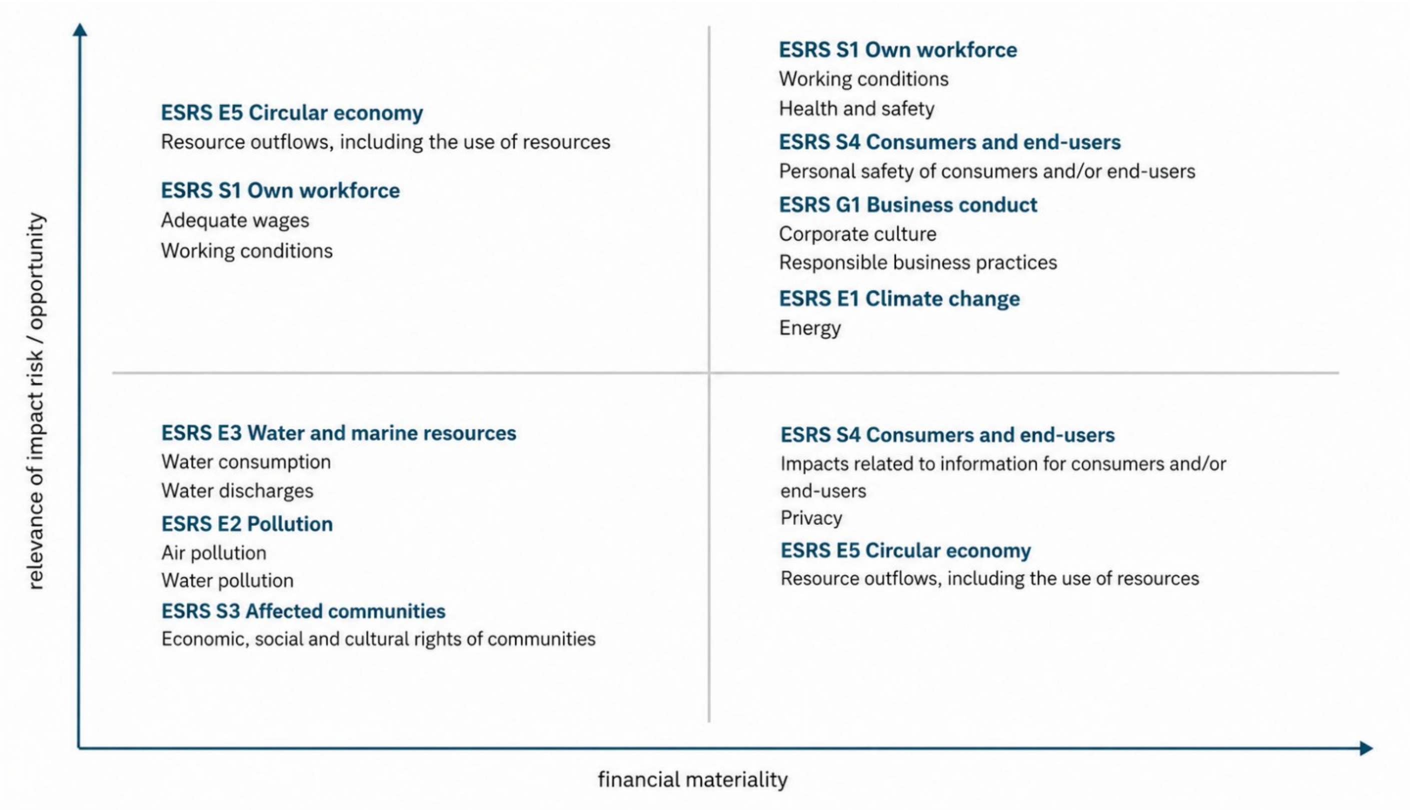
- Analysis of the main sustainability issues at regional and international level through the recognition of the documents and reports of the most relevant and influential non-governmental organizations and policy makers;
- Analysis of the main documents produced by associations, NGOs and sector organizations (such as CDC and SASB) with the aim of identifying the main sustainability issues in the reference sector;
- Analysis of the sustainability reporting tools adopted by companies in the sector;
- Analysis of the main internal company documents (such as Code of Ethics, Policies).

Starting from these analyses, the current and potential, negative and positive impacts that ERCA WILMAR Cosmetics Ingredients s.r.l. and its value chain have or can potentially generate outwards.
Once the impacts were identified, their significance was determined in accordance with the provisions of the EFRAG guidelines and through a separate analysis based on their type. In particular, the significance of an actual impact was determined by its severity, while that of a potential impact also took into account its probability of occurrence.
To assess the severity of each impact, the following variables were analysed: Scale, Scope and, for negative impacts, also the irremediable character.
The impacts were then prioritized on the basis of their relevance and, subsequently, a materiality threshold was defined that made it possible to highlight the most significant impacts.
Finally, the latter were grouped into the material topics that then guided the drafting of the Sustainability Reporting document. As part of the materiality analysis, the management involved the owners, workers and customers by requesting them to fill in a special questionnaire, calling them to express their opinion on the assessment of sustainability impacts.
The ESRS (European Sustainability Reporting Standards) that will come into force with the Corporate Sustainability Reporting Directive require sustainability issues to be reported on the basis of the principle of double materiality: Impact materiality (Inside-Out perspective) and Financial materiality (Outside-In perspective).
In advance of the mandatory application of the ESRS, ERCA WILMAR Cosmetics Ingredients s.r.l. has decided to voluntarily carry out an assessment exercise of Financial Materiality. The material issues and impacts identified according to Impact Materiality represented an input for the identification of economic and financial risks and opportunities.

Disclosure requirements of ESRS covered by the company's sustainability statement

IRO-2

A graph summarises the relevant issues identified by importance of the impact and financial relevance assessed



c) *Minimum disclosure requirement on policies and actions*

Policies adopted to manage material sustainability issues

MDR-P

ERCA WILMAR Cosmetics Ingredients s.r.l. intends to integrate sustainability into the strategy and management of its business, defining the objectives to be enhanced in a sustainability plan aligned with an industrial plan.

In order to pursue its mission while remaining faithful to its values and principles, ERCA WILMAR Cosmetics Ingredients s.r.l. has adopted a Code of Ethics which constitutes the set of behaviors whose observance is of fundamental importance for the regular functioning of the Company, to ensure the reliability of management and to preserve the image and reputation of the company

The Code of Ethics is the pillar of this system, but it must be read and interpreted together with the documents considered essential for the development and dissemination of the fundamental values for ERCA WILMAR Cosmetics Ingredients s.r.l., such as:

CODE OF ETHICS

It sets out the rules of conduct that must inspire the activity of all those who, in any capacity, work with ERCA WILMAR, in order to support sustainable growth and protect the company's reputation, in compliance with shared principles, applicable laws and best practices.

INTEGRATED COMPANY POLICY

The Integrated Quality Policy defined by the General Management and the Employer of ERCA WILMAR Cosmetics Ingredients s.r.l. identifies strategies relating to quality, safety and environmental management systems

SUPPLIER CODE OF CONDUCT

ERCA WILMAR Cosmetics Ingredients s.r.l. has decided to adopt a Group Supplier Code of Conduct containing the ethical principles and rules of conduct that are in addition to the legal, regulatory and procedural provisions that must characterise the commercial relations between ERCA WILMAR Cosmetics Ingredients s.r.l. and its partners.

The recipients of the Code of Conduct are suppliers of raw materials, machinery and equipment, services and works, general and consultancy services of various kinds.

Recipients are responsible for ensuring that this Code of Conduct is read and ensuring compliance and compliance with the principles, throughout their supply chain, by signing the commitment.

The planning of actions and resources related to relevant sustainability issues

MDR-A; MDR-M; MDR-T

The Sustainability Plan of ERCA WILMAR Cosmetics Ingredients s.r.l. was developed on the basis of an analysis of the ESG risks assessed by the management and is also the tool for sharing with stakeholders the path through which ERCA WILMAR Cosmetics Ingredients s.r.l. will contribute to the achievement of the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda and the Principles of the Global Compact. Specific targets and KPIs were defined and agreed upon in collaboration with the managers of each area.
The Plan is monitored and updated annually in order to report on its progress.

Thematic ESRS	Sustainability issues covered in thematic ESRS			Objective	KPIs	Planned actions
	Theme	Subtheme	Sub-sub-subtheme			
ESRS 2	General information	Drafting criteria	General criteria	N.A.		Verification with the auditors of the reporting perimeters, including environmental ones, to be validated for the calculation of the organization's carbon footprint
		Governance	Role of administrative, management and control bodies	Record and enhance management training	ESG Management Training Courses	Maintain annual training on compliance and ethics issues
			Interests and views of stakeholders	Update the mapping of stakeholders, evaluating possible ways of involvement for the collection of their interests and opinions	updated stakeholder mapping	Analysis, with the different directions of the Government, of the Universities of Applied Sciences and Sciences,
			Integration of sustainability objectives into incentive systems	Starting from the company objectives, hypothesize an integration of the indicators for the definition of the company bonus	n. ESG indicators in the definition of performance objectives	Definition, for managers, of an ESG indicator within the evaluation grid for the definition of any annual bonus
			Business model strategy and value chain	Define a sustainability strategy document to be shared externally	Approval of sustainability strategy Entrustment of the assignment of updating the company website	Draft a sustainability strategy to be approved Update content on the company website
		Management of impacts, risks and opportunities	Description of processes to identify and assess impacts, risks and opportunities	Start, at management level, a process that leads us to define the relevant issues and their impact on the	Define the first materiality matrix	Starting from the list of ESRSs, prioritise the topics based on risk and opportunity and add the financial impact assessment, so as to draft the chapter required by the CSRD
			Policies adopted to manage material issues	Reorder company policies and, where possible, integrate them with each other and in content	Integrated company policy Updated code of ethics	integrate policies (environment and safety) and also include issues related to sustainability Adopt policies for data management integrate code of ethics with anti-corruption elements

Thematic ESRS	Sustainability issues covered in thematic ESRS			Objective	KPIs	Planned actions
	Theme	Subtheme	Sub-sub-subtheme			
			Actions and resources related to relevant sustainability issues	Define a plan of goals for sustainability	Sustainability plan	Collect corporate sustainability objectives in a single document and define quantitative KPIs, times and verification methods
ESRS E1	Climate change	Adaptation to climate change		Complete the climate risk assessment document by also including an estimate of possible financial risks and an analysis of market opportunities	drafting of the risk analysis document and the Transition Plan	Discussion with the technical management for the estimation of possible financial damage due to catastrophic scenarios. Analysis of possible market opportunities related to climate change
ESRS E2	Pollution	Substances of concern		Automate data collection in the future	Entry into the master data relating to the characterization of substances as of concern	Integration with IT of the raw materials and products master data page. Populating the hazardous characteristics of products
		Substances of Very High Concern		Automate data collection in the future	Entry into the master data relating to the characterization of substances as of concern	Integration with IT of the raw materials and products master data page. Populating the hazardous characteristics of products
		Microplastics		Keep the microplastic content assessment active	Periodically update the list of microplastics marketed	Periodically update the list of microplastics marketed
ESRS E3	Water and marine resources	Water	Water consumption	Consider promoting products with a lower water content on the market	define reduction targets	Schedule a technical meeting to define possible reduction targets following improvement actions
ESRS E5	Circular economy	Outflows of resources related to products and services		Expand the use of secondary raw materials within production	Experiment with the use of at least one additional secondary-raw material in addition to those already used	Evaluation of possible implementations of circular economy measures and actions
ESRS S1	Own workforce	Working conditions	Work-life balance	Define at management level, some possible actions that can facilitate a greater balance between private and professional life - some examples (additional leave for visits to children or over 65s, services such as: ironing, company butler...)	activate at least one initiative that can promote reconciliation	Choose or submit to workers possible benefits, services and activities that can go towards a greater reconciliation of private life and work times. Activate a specific collaboration with RSU for the choice of possible services
		Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Start an initial analysis of salaries to define possible objectives in this regard	gender pay gap analysis	Annual pay gap analysis and definition of possible improvement targets

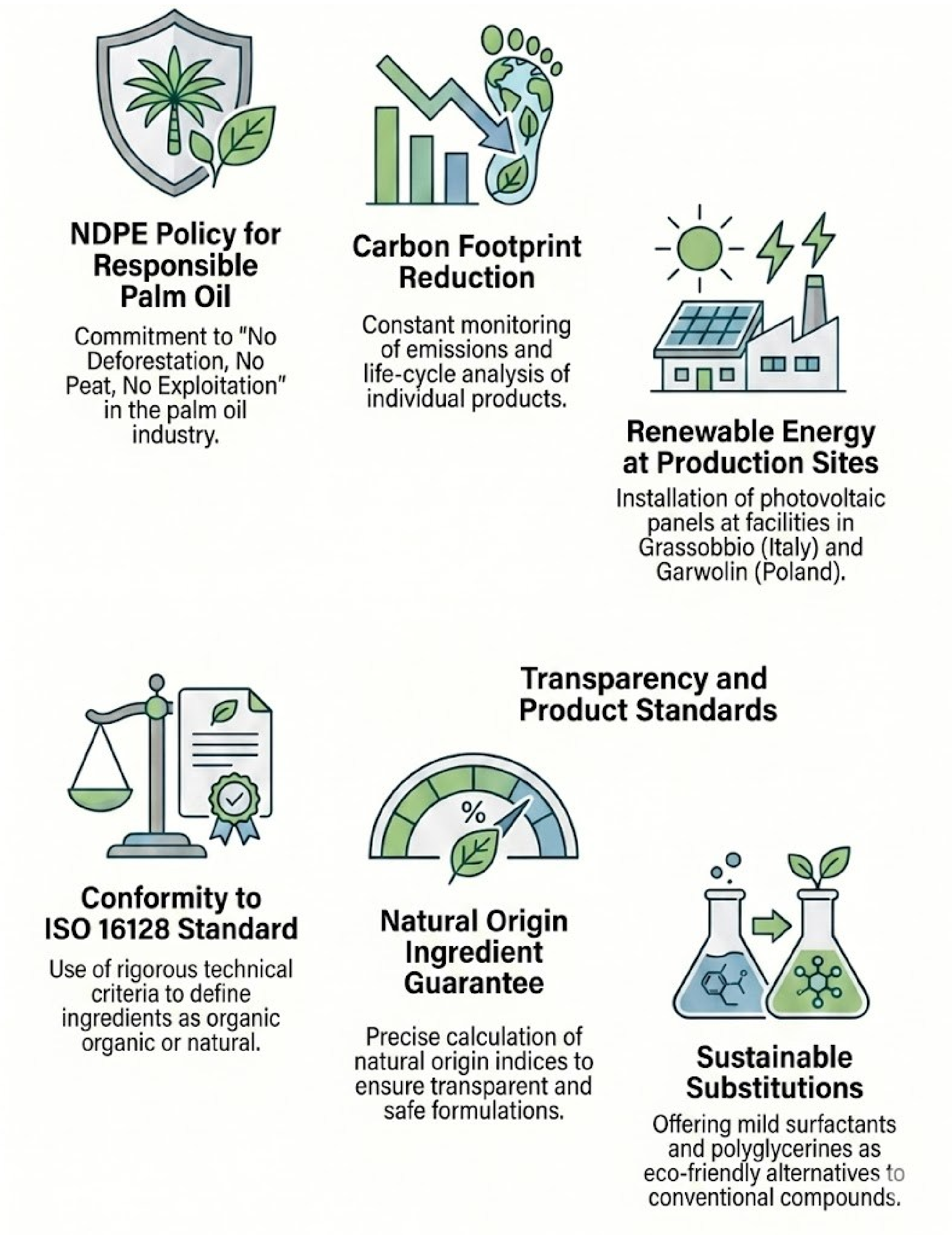
Thematic ESRS	Sustainability issues covered in thematic ESRS: Theme	Subtheme	Sub-sub-subtheme	Objective	KPIs	Planned actions
			Measures against violence and harassment in the workplace	Integrate the code of ethics with references to the issue of harassment in the workplace	Updating the Code of Ethics	Update the Code of Ethics
			Diversity	Integrate the code of ethics with references to the issue of harassment in the workplace	Updating the Code of Ethics	Update the Code of Ethics
		Other rights related to employment	Child labour	Integrate the code of ethics with references to this issue;	Updating the Code of Ethics	Update the Code of Ethics
			Forced labour	Integrate the code of ethics with references to this issue;	Updating the Code of Ethics	Update the Code of Ethics
			Adequate accommodation	N.A.	N.A.	N.A.
			Confidentiality	Define a policy/instruction that defines good practices to be maintained in the company		Drafting a document and providing for its dissemination through a short training action
ESRS S2	Workers in the value chain	Working conditions	Secure employment	Launch a supplier assessment and monitoring system in the ESG field in collaboration with ERCA SPA	Completion of 60% of the supplier evaluation questionnaires sent	Collect the main data relating to the impact of suppliers for ERCA (turnover, location, quantities purchased, work on site...) draw up a risk assessment document, Initiate due diligence through an integrated questionnaire 9001, 45001 14001 and sustainability Collect public data relating to the sustainability ratings of the main suppliers Complete a supply chain assessment document defining any improvement objectives Publish a supplier conduct and code of ethics on the website and automatically cite them within the orders, or include them in the service contracts
			Working hours			
			Adequate wages			
			Social dialogue			
			Freedom of association, including the existence of works councils			
			Collective bargaining			
			Work-life balance			
			Health and safety			
		Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value			
			Training and skills development			
			Employment and inclusion of persons with disabilities			
			Measures against violence and harassment in the workplace			
			Diversity			
		Other rights related to employment	Child labour			
			Forced labor			
			Adequate accommodation			
			Confidentiality			

Thematic ESRS	Sustainability issues covered in thematic ESRS			Objective	KPIs	Planned actions
	Theme	Subtheme	Sub-sub-subtheme			
ESRS S4	Consumers and end users	Information-related impacts for consumers and/or end-users	Confidentiality	Define a policy/instruction that defines good practices to be maintained in the company		Draft a document and provide for its dissemination through a short training action
			Freedom of expression	N.A.	N.A.	N.A.
			Access to (Quality) Information	Maintain adequate customer communication system with regard to product safety and technical requirements	acquire skills in the revision of the REACH Regulation and the application of the EUDR Directives	Continuous updating of the staff in charge of the regulatory function
		Personal safety of consumers and/or end users	Health and safety	Collaborate with the ERCA regulatory office updated on future regulatory developments and product safety obligations	acquire skills in the revision of the REACH Regulation and the application of the EUDR Directives	Continuous updating of the staff in charge of the regulatory function
ESRS G1	Business conduct	Corporate culture		define the two documents and disseminate them to the interested parties. Plan information actions for workers	Train 100% of workers in the code of ethicsCollect 60% of the codes of conduct signed by suppliers	define the two documents and disseminate them to the interested parties. Plan information actions for workers
		Active and passive corruption	Prevention and detection including training	Update the Code of Ethics	Update the Code of Ethics	Training for all workers on code of ethics, data processing

Metrics related to relevant sustainability issues

MDR-M

The following summarises ERCA WILMAR's main commitments in sustainability-relevant issues related to the marketing of its products



2. Environmental information

In the face of the climate scenario of recent years, legislative updates and the growing interest of stakeholders - communities, governments, customers, investors - in environmental and sustainability performance, in order to maintain optimal management of all aspects related to its environmental impacts, ERCA WILMAR Cosmetics Ingredients s.r.l. has equipped, as far as it is concerned, with an integrated system capable of responding to constantly updated regulatory requirements and introduce the tools useful for minimizing their impact and environmental risks

Climate change

ESRS E1

Strategy

Climate Change Mitigation Transition Plan

E1-1

ERCA WILMAR Cosmetics Ingredients s.r.l. is strongly committed to responding to the challenges posed by climate change, to improve the resilience of the company and seize the opportunities arising from the transition to a low-carbon economy.
A key element in achieving this goal is the active management of risks and opportunities related to climate change and their impacts.
The planning of specific objectives for the reduction of energy consumption and water resources is carried out in collaboration with the reference production plant in Grassobbio, owned by ERCA S.p.A.

Management of impacts, risks and opportunities

Description of processes to identify and assess relevant climate-related impacts, risks and opportunities

IRO-1

ERCA WILMAR Cosmetics Ingredients s.r.l., in order to better assess its climate impacts, is part of the assessment of the organization's carbon footprint carried out by the ERCA GROUP, in consideration of the fact that the products marketed derive, in most cases, from the ERCA S.p.A. plant, referring to the UNI EN ISO 14047 standard.
The application of this tool makes it possible to monitor GHG emissions following a transparent and standardized methodology, which defines how emissions analysis is conducted and time comparisons are made.
The results of the evaluation relating to 2024 allow us to confirm the goodness of the interventions carried out under fully operational production conditions.
The calculation of the 2024 organisational carbon footprint has been extended to all ERCA group companies, we will update the Sustainability Statement with 2025 data as soon as it is available
ERCA S.p.A. also started the activities for the calculation and certification of the carbon footprint of the product according to the UNI EN ISO 14067:2018 standard, and obtained certification of the management system

Climate change mitigation and adaptation policies

E1-2

ERCA WILMAR Cosmetics Ingredients s.r.l., as part of its integrated policy, is committed to preventing emergencies in the environmental field and, if they occur, to adopt all measures to reduce accidents and pursue continuous improvement aimed at improving efficiency and reducing the environmental impact generated by company activities.

Climate change policy actions and resources

E1-3

The production processes necessary for the preparation of the products involve heavy industrial equipment and complex heating and cooling systems.
For this reason, it is an absolute priority to have careful and rigorous management of energy consumption, with the aim of having a reactive and efficient system to take all the necessary actions to rationalize the use of energy, reducing consumption wherever possible and keeping emissions to a minimum. Improving energy performance is also intended to maintain and strengthen the company's competitiveness.
Energy efficiency is, therefore, an integral part of the production system, as it has an impact on the performance of production activities.

Metrics and goals

Climate change mitigation and adaptation objectives

E1-4

ERCA WILMAR Cosmetics Ingredients s.r.l. has defined specific corporate objectives for the mitigation of its impact on climate change for 2025 that have been achieved.
In 2025, targeted investments were made that allowed an improvement in energy efficiency, with a reduction in total consumption of **6% compared to 2023.**
New investments have also been made, such as a new 400 kWp photovoltaic panel system and the purchase of renewable Guarantees of Origin through the Energy Release mechanism.

Energy consumption and energy mix

E1-5

With the aim of minimising environmental impact and improving energy performance, the ERCA Group aims to reduce energy intensity and CO2 eq emissions from production processes, ensuring economically viable operations. ERCA WILAMR does not record direct energy consumption, except for those relating to the use of the offices and laboratories owned by ERCA S.p.A

Scope 1, 2, 3 GHG emissions

E1-6

The methodological approach adopted for the realization of this study is the life cycle analysis aimed at calculating the carbon footprint of the service considered. The study was developed in compliance with the international standard UNI EN ISO 14064-1:2019 (Greenhouse gases Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals) and complies with the principles, requirements and guidelines for the quantification and communication of the Organization's Carbon Footprint

The inventory results have been processed in order to calculate the greenhouse gas emissions (Carbon Footprint) associated with the entire life cycle of the organization and to report the emissions in terms of tons of CO2 equivalent. The results of the analysis are shown in the table below.

ERCA WILMAR Cosmetics Ingredients s.r.l. assessed its carbon footprint within the inventory of ERCA group companies during the reporting year 2024.

The methodological approach adopted for the realization of this study is the life cycle analysis aimed at calculating the carbon footprint of the service.

The study was developed in compliance with the international standard UNI EN ISO 14064-1:2019 (Greenhouse gases Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals) and complies with the principles, requirements and guidelines for the quantification and communication of the Organization's Carbon Footprint.

In accordance with the UNI EN ISO 14040:2021 ("Environmental management – Life cycle assessment – Principles and reference framework") and UNI EN ISO 14044:2021 ("Environmental management – Life cycle assessment – Requirements and guidelines") standards, which define the guidelines for LCA studies and in particular define the phases:

Goal Definition and Scoping: definition of the objectives of the study, functional unit, system boundaries, data requirements, assumptions and any cut-off criteria;

Life Cycle Inventory (LCI): study of the life cycle of the process or activity; the main purpose is to reconstruct the way through which the flow of energy and materials allows the functioning of the production system in question through all the processes of transformation and transport (analogue model of the system under consideration);

ERCA WILMAR COSMETICS INGREDIENTS S.R.L.. it carries out the activity of promotion, marketing and customer support relating to chemical products for the textile sector.

The use and end-of-life of the company's products has not been considered as they are intermediate products that in turn represent a raw material for other production cycles. In relation to the objectives and scope of the study, an analysis extended to use and their end of life is not considered significant.

The different production cycles in which the aforementioned products are inserted as raw materials make it difficult to

an analysis extended to the phases downstream of the gates of the organization is of little significance. The study is therefore defined as cradle to gate, including the distribution phase.

Reporting boundaries

Emissions associated with the organization's operations have been identified. Emissions are divided into two macro-categories: direct and indirect emissions. ERCA WILMAR has no direct emissions

The indirect emissions identified are:

- Category 2 - Indirect emissions from imported energy: due to end users such as electricity, which is 100% purchased from renewable energy sources

- Category 3 - Indirect emissions from transport: mainly due to the combustion of fuel for the transport (rail, sea, air and road) of products delivered to customers.

The elaboration of the LCA (Life Cycle Assessment) calculation model and the associated CF impact analysis The organization was created using **the SimaPro 10.2 software**

Category	*Steps considered*	*ERCA EW*
Category 1	Direct emissions associated with the combustion of gas	0
Category 1	Natural in thermal and oil plant	
Category 1	Direct emissions associated with the combustion of Natural Gas in cogeneration	0
Category 1	Direct emissions from owned cars/vehicles	0
Category 2	Combustion emissions from fuels for the production of electricity from the grid	0
Category 3	Transport of raw materials	0
Category 3	Employee transport	0
Category 3	Waste transport	0
Category 3	Transport of finished products	536,58
Category 4	Raw materials and auxiliaries	0
Category 4	Extraction of fuels associated with Category 1	0
Category 4	Extraction of fuels associated with Category 2	0
Category 4	Infrastructure construction	0
Category 4	Maintenance	0
Category 4	Water withdrawal	0
Category 4	Waste recovery/disposal	0
Category 4	Nitrogen Consumption	0
	Total	**536,58**

Reclassifying the Tons of CO2 eq generated according to the GHG protocol, the values are as follows

SCOPE – GHG PROTOCOL	**TON CO_2 EQ**
SCOPE 1	
SCOPE 2	
SCOPE 3	536,58

Expected financial effects of material physical and transition risks and potential climate-related opportunities

E1-9

ERCA WILMAR Cosmetics Ingredients s.r.l., being based in Grassobbio, has also launched a process for the analysis of risks related to climate change as part of risk management activities since 2023, in order to align the company system with the main regulatory developments in place on the subject.

This analysis will take into account:

1. the risks of negative impacts on the climate (e.g. production of emissions),
2. the risks of negative repercussions on the company (e.g. effects of extreme weather events, risks of reputational damage in the event of a negative reputation from an environmental point of view).

The following are commonly included as main risk factors in the field of climate and environmental risks:

- physical risk: the financial impact of climate change, including more frequent extreme weather events and gradual changes in the climate that can directly and indirectly cause damage to productivity);
- transition risk, which takes into account any financial losses that may be incurred in order to adapt the business to the most sustainable management possible.

Pollution

ESRS E2

Management of impacts, risks and opportunities

Description of processes to identify and assess relevant impacts, risks and opportunities related to pollution

IRO-1

The impacts, risks and opportunities related to pollution have been assessed following the corporate risk assessment process described above, since the company is purely commercial, no significant risks have been identified in this area

Pollution policies

E2-1

The corporate strategy set out in the Integrated Company Policy clarifies the commitment of ERCA WILMAR Cosmetics Ingredients s.r.l. in maintaining compliance with all applicable laws, regulations, company agreements in force on environmental matters (legislative compliance) and in paying particular attention to the choice of raw materials

Pollution-related actions and resources

E2-2

Metrics and goals

Pollution-related targets

E2-3

ERCA WILMAR Cosmetics Ingredients s.r.l. It has set itself specific objectives concerning the reduction of its impact due to the emission of pollutants into the atmosphere, water bodies and soil.

The company's activities are authorized by the provinces in which the plants are located through a specific IEA that determines the emission limits and the methods of monitoring and control

Air, water and soil pollution

E2-4

ERCA WILMAR is a commercial company, it does not directly manage activities that have pollution, it collaborates with its suppliers in order to set itself objectives for reducing the Carbon Footprint of its products and the raw materials purchased

Substances of concern and very high concern

E2-5

"Substances of Very High Concern" (SVHC) are defined as chemicals that meet the criteria defined by art. 57 of the REACH Regulation.

These are the following groups of substances:

- CMR substances – Carcinogenic, Mutagenic, toxic to Reproduction;
- Persistent, Bioaccumulative and Toxic PBT substances;
- vPvB substances, very persistent and very bioaccumulative;

Substances of concern may be a component of the chemical raw materials we use for production or of chemicals.

A thorough safety and risk assessment allows us to serve markets with innovative and more sustainable products that meet regulatory requirements while still responding to trends.

We are constantly working to ensure that our products, including those that may contain substances of very high concern or concern, do not pose a risk to people and the environment when used responsibly and in the manner intended.

A part of our products, which are key factors for further creation or application of industrial or professional value, contain substances of concern or of great concern, in 2025 none of our products sold recorded a content of more than 0.1% by weight of Substances of Very High Concern
Our goal is to comply with all national and international laws and regulations relevant to the management of substances of concern and of very high concern.
We document and evaluate information on the safety, health and environment of our substances and products through the issuance of Safety Data Sheets and Technical Data Sheets. This includes information on the physicochemical, toxicological and ecotoxicological properties of the products, potential hazards, first aid measures, measures taken in the event of accidental release and disposal.
In addition, we train our employees on the correct handling and use of raw materials and products with a special hazard potential. With such efforts, we aim to ensure that these substances or products containing these substances with a very high hazard potential are handled safely and to ensure that impacts on human health and the environment can be prevented.

Resource use and circular economy

ESRS E5

The circular economy is an economic model that aims to minimize the consumption of natural resources and maximize the reuse, recycling and restoration of materials.

Management of impacts, risks and opportunities

Description of processes to identify and assess relevant impacts, risks and opportunities related to the use of resources and the circular economy

IRO-1

The double materiality assessment led to the identification of the following topics, in relation to the issues of resource use and the circular economy:

- Resource inflows, including resource use

Policies related to resource use and the circular economy

E5-1

We want to offer our customers innovative products and solutions to enable their green transformation.
Our trading companies work closely with our customers to better understand their sustainability needs and offer customized solutions, thanks to the commitment of our research and development laboratories.
Our strategy is to involve the entire value chain, from responsible sourcing and the efficient use of raw materials in our processes and the use of by-products, to the development of resource-saving solutions for our customers. For a more detailed description of the contents and
interoperability between the different environmental ESRSs, see Chapter E1-2
Through its integrated policy, ERCA WILMAR also intends to ensure that the use of all environmental resources, necessary to meet its current needs, is managed responsibly, so as not to damage and deplete them for use by future generations, and manifests its intention to keep the consumption of renewable resources within the limits of their regeneration.

Use of raw materials

We are focusing on actions and our circularity goal to increasingly replace raw materials with recycled or renewable raw materials. Wherever possible, by-products from one plant are used as raw materials elsewhere. This saves raw materials and energy.

Actions related to the use of resources and the circular economy

E5-2

As part of our efforts to achieve greater sustainability, we rely on recycled and renewable raw materials, materials to replace fossil raw materials and reduce emissions along the value chain.
To this end, we mainly rely on the following actions:
– Responsible sourcing of marketed products

– Using the mass balance approach
Currently, the demand for circular products is growing more slowly than expected. In addition, there is currently not enough suitable waste available on the market, while technologies to improve large-scale recycling feedstock are being further developed. We are also seeing uncertainties in the regulatory system that make transformation more difficult.

Inbound resource flows

E5-4

ERCA WILMAR Cosmetics Ingredients sells intermediates dedicated to the cosmetics industry

Outbound resource flows

E5-5

Products

In 2025, ERCA WILMAR Cosmetics Ingredients s.r.l. promoted and marketed new products with specific attention to their sustainable innovation characteristics. Erca Wilmar's 2025 products aim to offer high sensory performance (silky touch, UV protection) by eliminating critical ingredients such as silicones and synthetic polymers in favor of plant-based, biodegradable and certified alternatives

WILSOL SPF Booster

This ingredient is one of the flagship innovations, awarded the silver medal at the in-cosmetics Innovation Awards

- It is a 100% plant-based product, derived from natural oils
- Uses patented technology (Self-Metathesis) to replace synthetic polymers
- It also allows you to reduce the use of UV filters by up to 25% while maintaining a high SPF, this not only optimizes costs, but responds to growing marine sustainability concerns related to the accumulation of chemical filters in the oceans

WILSILK Line (Alternative to Silicones)

ERCA Wilmar promotes the transition to "silicone-free" formulations in view of the 2027 regulatory restrictions, as traditional silicones are bio-accumulative and persistent in the environment

WILSILK Smooth (Dodecane): A natural substitute for cyclic silicones (D4, D5, D6) with a natural origin content of 75%

WILSILK CS 110: A 100% bio-based and biodegradable oil thickener

It is vegan, PEG-free and acts as a substitute for synthetic polymers, offering adhesion and hydration to the skin

ERCAGREEN 4 O MB

Included in winter skincare offerings (e.g. rehydrating bath oils), this emulsifier embodies the commitment to "Green Chemistry"

- It has a 100% natural origin content, is derived from renewable plant resources and is completely biodegradable
- It is RSPO Mass Balance certified, ensuring the traceability and sustainability of the palm oil supply chain

Waste management

In the course of 2025, ERCA WILMAR Cosmetics Ingredients s.r.l. it has only produced urban waste that is not accounted for.

3. Social information

Own workforce

ESRS S1

Strategy

Interests and views of stakeholders

SBM-2

Respect for human rights is a fundamental value for ERCA WILMAR COSMETICS INGREDIENTS S.R.L.
The company believes in the sustainable development of business and considers respect for human rights and proper adherence to labor rights as an integral part of responsible business behavior

Relevant impacts, risks and opportunities and their interaction with the strategy and business model

SBM-3

This policy includes all those in your workforce who may be materially affected.
These are all direct employees of the company, any interns and temporary workers.
The dual materiality assessment led to the identification of the impacts, risks and opportunities of the workforce:

Positive impact - Development of skills and know-how through specific training activities:
ERCA WILMAR invests significantly in employee training, providing numerous hours of training on technical skills and competencies, organizational behaviors, health and safety, and the culture of diversity, equity and inclusion, thus improving the development and growth of people.

Negative impact - Violation of human rights, failure to respect equal opportunities in the workplace, failure to protect employee well-being:
in the event of non-compliance with the Group's practices, policies and codes (e.g. Code of Ethics, Code of Basic Working Conditions, Non-Discrimination and Diversity Policy) there is a risk of a negative impact on both employees and non-employees on issues such as discrimination and denial of fair treatment, remuneration, benefits.

Negative impact - Privacy breach and loss of sensitive employee data: A potential failure of digital security systems can expose ERCA WILMAR to data breaches and cyberattacks, potentially leading to privacy breaches and loss of sensitive employee data.

Risk - health and safety of employees: Reputational and operational risks for ERCA WILMAR, related to the occurrence of accidents in the workplace.

Risk – potential failure of sustainability audits conducted by customers: Negative results of customer audits related to sustainability aspects (including human rights, health and safety, diversity and inclusion) pose a risk, as they can impact customer relationships leading to a reduction or termination of the partnership.

Risk - cyberattack that causes system unavailability, loss of information and extortion: the loss of sensitive employee data as a result of a cyberattack represents a potential risk from a reputational and financial point of view, resulting in costs for compensation, lawsuits and recovery of the IT system where necessary.

For the methodologies, assumptions and tools used to identify and assess material impacts, risks and opportunities throughout the value chain, please refer to ESRS 2 IRO-1 section of this document.
ERCA WILMAR Cosmetics Ingredients s.r.l recognises the importance of its workforce within its business model and is committed to managing the associated impacts, risks and opportunities.
The company aims to actively involve employees in creating a positive, inclusive and safe work environment, placing people at the center of every process and ensuring that employees feel comfortable and satisfied in their work.

Management of impacts, risks and opportunities

Own Workforce Policies

S1-1

ERCA WILMAR, in 2025 invested its resources in the internal dissemination of the code of ethics giving greater importance to standards of conduct to promote sustainable growth and preserve the Company's reputation, addressing child labor, wages and benefits, forced labor, workers' right to work and free association, discrimination, safe and healthy working environment,

ERCA WILMAR Cosmetics Ingredients s.r.l. It aims to protect and promote the recognition and safeguarding of the dignity, freedom and equality of human beings, the protection of labour and trade union freedoms, health, safety, the environment and biodiversity, as well as the system of values and principles on the circular and efficient use of resources and sustainable development.

The Code of Ethics commits the company in the following areas:

- Forced labour, slavery and human trafficking
- Promoting diversity, equity, and inclusion (De&I)
- Commitment against harassment and mobbing practices in the workplace
- Safe and healthy working environment
- Ethical Recruitment
- Personnel appraisal system
- Training, professional development and communication
- Freedom of Association and Collective Bargaining
- Working Hours, Wages and Allowances
- Rights of indigenous minority peoples
- Use of private or public security forces
- Rules of conduct towards suppliers and external collaborators

ERCA WILMAR has also adopted an Integrated Policy that provides for a commitment to compliance with all laws, regulations, company agreements in force applicable in the field of Health and Safety in the workplace through specific actions aimed at:

- Identify and assess risks and opportunities, in relation to its operating context; prepare actions to reduce these risks
- Guarantee working methods, machinery, equipment and working environments such as to ensure the health and safety of all workers and third parties involved, and to prevent, where possible, the occurrence of pollution phenomena
- Ensure information, training and awareness-raising interventions for all personnel on health and safety
- Prevent health and safety emergencies and, if they occur, take all appropriate measures to reduce accidents and injuries
- Pursue continuous improvement aimed at preventing and reducing injuries, accidents and dangerous behavior.

ERCA WILAMR has also updated its quality policy highlighting its ESG commitments

Reporting - ERCA WILMAR has established a specific reporting procedure to regulate internal whistleblowing channels that ensure the confidentiality of the identity of the whistleblower, the person involved and anyone mentioned in the report, as well as the content of the report and related documentation. The reporting procedure applies to all reports received through the online portal and is published on a special web page on the company website.

With regard to the issue of non-discrimination and diversity, ERCA WILMAR refers to a procedure for the management of human resources that defines the principles and operating practices to maintain a working environment based on respect and is actively committed to combating all forms of discrimination.

The characteristics of each individual can never, in any way, form the basis for any act of discrimination based on gender or gender reassignment, sexual orientation, ethnicity, age, political opinions, religious beliefs, social origin, marriage, family status, disability or any other condition and personal characteristic**.**

Processes for the involvement of own workers and workers' representatives regarding impacts

S1-2

Over the years, ERCA WILMAR has established an active and continuous dialogue with its internal stakeholders, based on the values of transparency, trust and consensus in decisions, a dialogue that has allowed a continuous improvement of the company's impact both internally and externally.
In view of the number of workers, the main tools for involving one's workforce are periodic meetings in which company objectives are monitored and people's satisfaction is assessed.
With regard to environmental and occupational safety issues, a work plan is defined every year for the achievement of specific objectives.

Processes to remediate negative impacts and channels that allow their own workers to raise concerns

S1-3

ERCA WILMAR, within its Code of Ethics, defines a specific reporting procedure that defines the methods for reporting on adequately detailed information relating to internal Personnel and/or Third Parties relating to violations of laws and regulations, the Code of Ethics and Conduct, as well as the system of rules and procedures in force

Interventions on material impacts for the own workforce and approaches for the mitigation of material risks and the pursuit of relevant opportunities in relation to the own workforce, as well as the effectiveness of these actions

S1-4

ERCA WILMAR is committed to preventing negative material impacts and risks and promoting positive material impacts concerning its workforce (as described in section S1-SBM3) through various actions.
In relation **to the protection of the rights and enhancement of the people** who collaborate with us, the mitigation actions planned and underway are as follows

- Adoption of a corporate code of ethics
- Integration of anti-slavery and anti-corruption commitments into the Code of Ethics
- Mandatory training for new employees on the Code of Ethics
- Periodic self-assessment of the Code of Basic Working Conditions
- Planning of integrated internal audits for the verification of requirements

Among the various actions taken to deal with its impacts and risks, there are also initiatives aimed at improving **the well-being** of its employees.
Ongoing mitigation actions:

- Launch of an awareness campaign against addictions, in particular smoking
- Launch of a campaign to raise awareness of good food practices
- Initiation of agreements for the purchase of discounted goods and services
- Promotion of prevention initiatives

Future Mitigation Plans cover the following activities:

- Experimentation of cultural or sporting initiatives
- Redefinition of the second level agreement

With regard to the risk associated with **sustainability audits**, ERCA WILMAR adopts and certifies itself according to international standards in management systems (ISO) on Quality, Environment, Health and Safety and the related audits are carried out by third-party auditors.
In addition, the figure of the sustainability manager has been integrated into the staff with the aim of facilitating the processes of monitoring sustainability issues at group level by collecting updated information.

ERCA WILMAR is also strongly motivated to protect data in cyber security and cyber attacks and has been investing in information security management for years. In recent years, there have been no incidents related to information security, in 2025 specific activities have been activated to improve the security of one's data. Directive (EU) 2022/2555 (so-called NIS2) also includes the production and distribution of chemical products among the sectors qualified as "important", the companies of the group, including ERCA WILAMR, have therefore adopted a specific Action Plan for Cybersecurity and adaptation to NIS2, prepared on the basis of a preliminary analysis of the company's specific risks. In 2025, the following activities were conducted:

- Cybersecurity Risk Assessment, including the analysis of risks related to IT and OT systems, industrial infrastructures, supply chain and production processes;
- Gap Analysis with respect to the requirements of the NIS2 Directive, aimed at identifying the measures missing or to be strengthened.

The Intervention Plan for the year 2026 will include:

1. the formalization of the accident notification process;
2. the implementation of technical and organisational measures, including through the drafting of specific procedures;
3. training and awareness-raising activities, dedicated to both the Board of Directors and staff.

For ECA WILMAR it is essential to ensure a safe working environment for its employees, reducing safety risks and minimizing the incidence of work-related health problems. This is achieved through a combination of safety training and communication initiatives

Ongoing mitigation actions:

- Safety Communication Campaign: To stimulate awareness and recognition of the importance of timely reporting of Near Misses and unsafe behaviors

Metrics and goals

Objectives related to the management of material negative impacts, the enhancement of positive impacts and the management of material risks and opportunities

S1-5

ERCA has established a set of measurable, result-oriented, time-limited targets to effectively manage negative impacts and risks while promoting positive outcomes.

- Choose or submit to workers possible benefits, services and activities that can go towards a greater reconciliation of private life and work times. Activate a specific collaboration with the RSU for the choice of possible services;
- Maintain a low level of injuries;
- Spread awareness of near miss reporting
- Propose possible agreed solutions for the promotion of prevention initiatives;

The definition of the objectives did not directly involve its employees, but was the result of a discussion with the workers' representatives.

Characteristics of the company's employees

S1-6

Below are the characteristics of the people who work for ERCA WILMAR updated on 31 December 2025

Figure 2: Distribution of staff by gender

FTE	F	M	TOTAL
Permanent hiring	4,9	1	5,9
Grand total	**4,9**	**1**	**5,9**

Table 1- Full Time Equivalent by type of contract

FTEs by country			
	F	M	TOTAL
Italy	4,9	1	5,9
	4,9	**1**	**5,9**

Table 2- Full Time Equivalent by country

	F	M	TOTAL
Full time	4	1	5
Part time	1		1
	5	**1**	**6**
	80%	**20%**	**100%**

Table 3 - Number of persons by working time

	F	M	TOTAL
UNDER 30 YEARS OLD	**1**	**1**	**2**
BETWEEN 30 AND 50 YEARS OLD	1		1
OVER 50 YEARS	3		3
TOTAL	**5**	**1**	**6**

Table 4- Number of people by age group

in 2025, ERCA WILMAR Cosmetics Ingredients s.r.l. has not registered resignations

Collective bargaining coverage and social dialogue

S1-8

All the people who work at ERCA WILMAR Cosmetics Ingredients s.r.l. in Italy are hired according to the National Contract of the Chemical Industry

In the management of issues related to safety at work, an RSPP is in charge of company problems and the planning of planned improvement activities within the management system
During training meetings and internal audits, staff are constantly urged to participate constructively in HSE issues through the tools currently in use: training meetings, requests for corrective actions, reports to their supervisor or to the RSPP, communications on company bulletin boards, anonymous reports/suggestions.
On the company bulletin boards, workers are provided with the information of greatest interest to them regarding HSE issues.

Diversity metrics

S1-9

Despite the small size of the workforce, Erca Wilmar confirms its attention to the principles of Diversity & Inclusion and the enhancement of people within the organization. The composition of the staff shows a significant presence of women in the various levels of classification provided for by the CCNL Chemical Industry, testifying to a working context oriented towards equity and the enhancement of skills.

The distribution of resources among the different professional levels reflects a lean but diversified organizational structure, in which each role contributes in a concrete way to the functioning and growth of the company. In small companies, in fact, multidisciplinarity and the involvement of people are central elements to ensure operational efficiency, collaboration and sustainable development.

Although it is a company with a limited number of workers, the company promotes an inclusive environment, based on respect for people, equal opportunities and the enhancement of individual contribution, in line with ESG principles and a commitment to a responsible and participatory corporate culture.

LIVELLO	F	M
B1	1	-
C2	1	-
D1	1	-
D2	1	1
D3	1	-
TOTALE	**5**	**1**

Table 5 - Employees by level

Adequate wages

S1-10

All employees receive fair pay in line with, where applicable:

- Official documents issued by the local government regarding minimum wage standards;
- Benchmarks established through collective agreements;

Social protection

S1-11

ERCA WILMAR Cosmetics Ingredients s.r.l. participates in the FASCHIM fund, the supplementary health fund to protect workers in the metalworking sector, contributing a share of 270 euros for each worker.
It raises awareness among workers towards the choice of joining a pension fund by maintaining active agreements with Fonchim, the supplementary negotiated pension fund for workers in chemical companies and contributing directly by paying 2.1% of their salary

People with disabilities

S1-12

The attention of ERCA WILMAR Cosmetics Ingredients s.r.l. towards diversity and inclusion takes the form of employing people with disabilities, in accordance with the rules and practices provided for by applicable laws. At the moment, no people with disabilities are employed in the company

Training and skills development metrics

S1-13

The implementation of policies and investments aimed at employee training not only ensures the development of the company's resources, but contributes significantly to the increase of innovative skills necessary to respond promptly to business demands. In this context, ERCA WILMAR Cosmetics Ingredients s.r.l. adopts a specific procedure to effectively manage the training and development offer, which aims to be increasingly global and inclusive, from the annual survey and analysis of training needs to careful monitoring of the qualitative indicators of the training provided
In 2025, an average of 10.6 hours per capita were provided; The training and development offer responds to different needs in four key areas of development:

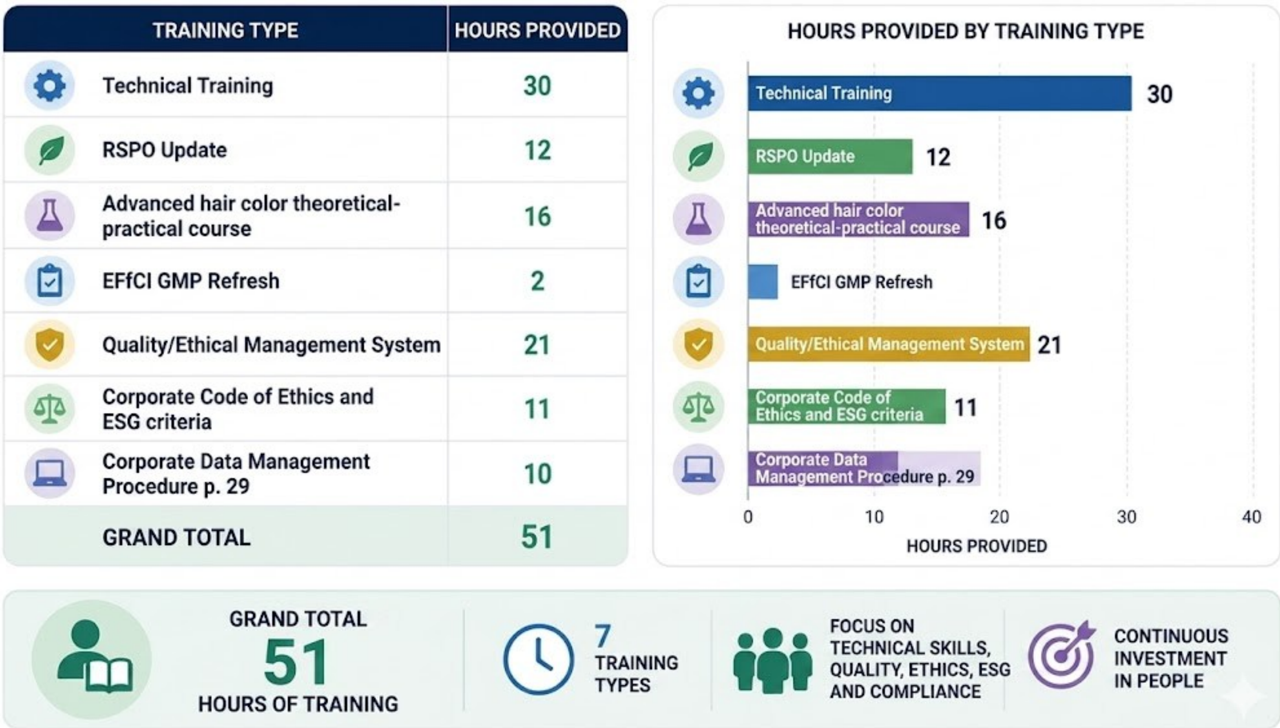
1. Organizational behavior and skills development;
2. Technical skills;

3. Health and safety;
4. Compliance with legislative requirements;

The non-compulsory training covered the following topics

Type of training	Hours delivered
Technical Training	**30**
RSPO Update	12
Advanced theoretical-practical hair coloring course	16
Refresh EFfCI GMP	2
Quality/Ethical Management System	**21**
The corporate code of ethics and ESG criteria	11
Company data management procedure p. 29	10
Grand total	**51**

Table 6 - Hours of training provided



Graph 3- Type of training provided in 2025

Health and safety metrics

S1-14

In 2025, no deaths were reported, either from accidents at work or from occupational health problems. ERCA WILMAR has not recorded any accidents at work

Work-life balance metrics

S1-15

ERCA WILMAR applies the rules of the different countries and any national contracts relating to family leave. The number of employees entitled to family leave during the year 2025 was 17, while the number of employees who took leave is 3

Pay metrics (pay gap and total pay)

S1-16

Pay gap

The ERCA Group has been monitoring the gender pay gap since 2023, although ERCA supports the principle of equal pay for equal work, it is important to note that overall data may be influenced by the gender characteristics of the sector.
In ERCA WILMAR in 2025 there was only one man hired with a pay gap with women of the same level of 5%

Remuneration ratio

The total annual remuneration ratio is calculated by considering the ratio between the total annual remuneration of the highest-paid employee and the median annual total remuneration of other workers (excluding the highest-paid employee).
The value of the total annual salary ratio, calculated according to ESRS standards and taking into account employees (median) as at 31 December, is equal to 1.71.

Incidents, complaints and serious human rights impacts

S1-17

In the last three years, there have been no incidents, complaints and serious impacts on human rights

Affected communities

ESRS S3

Strategy

Interests and views of stakeholders

SBM-2

The values contained in the Code of Ethics constitute the shared heritage of the corporate culture, representing the reference point of the policy to guide decisions and activities in respect of all its stakeholders. ERCA WILMAR Cosmetics Ingredients s.r.l. has identified its main stakeholders and briefly defined the tools for listening and involvement, as well as the expectations of all stakeholders, an expression of the different interests to which ERCA WILMAR Cosmetics Ingredients s.r.l. tries to respond in the realization of their daily activities

Management of impacts, risks and opportunities

Policies related to affected communities

S3-1

ERCA WILMAR Cosmetics Ingredients s.r.l., thanks to its activities, intends to contribute to strengthening the territory in which it operates and the entrepreneurial fabric in its value chain.

Social initiatives

For many years ERCA WILMAR Cosmetics Ingredients s.r.l. supports social inclusion activities in the area in collaboration with local administrations:

- It regularly supports the social transport activity of the municipality of Grassobbio
- It contributes to the activities of amateur football and tennis associations in the area

4. About governance

Business conduct

ESRS G1

Governance

Role of administrative, management and control bodies

GOV-1

The Board of Directors (BoD) is the reference body that guides the company's ethical behaviour by ensuring legality, transparency and responsibility in its actions, and establishes its strategic direction, integrating social and environmental considerations into corporate decisions to ensure the creation of sustainable value in the long term.

He oversees the implementation of codes of conduct, ESG policies and risk management and control systems and is responsible for verifying the adequacy of the organisational, administrative and accounting structure and the controls necessary to monitor the Company's performance, collaborating closely with Top Management to promote a corporate culture based on integrity and compliance with ethical and sustainability principles.

Directors with executive powers must always inform other directors in a clear and timely manner regarding the exercise of their powers and the main developments in their responsibilities.

Management of impacts, risks and opportunities

Description of processes to identify and assess relevant impacts, risks and opportunities

IRO-1

The impacts, risks and opportunities relating to the conduct of companies are assessed by the company management through the integrated risk analysis process illustrated in the previous chapters.

The assessment of double materiality led to the identification of Impacts, Risks and Opportunities related to the matter of business conduct.

- **Negative impact - Unfair payment practices towards suppliers**: any implementation of sub-optimal payment practices could have a negative impact on the activities of the suppliers themselves,
- **Risk - Active and passive corruption** at the moment there have been no critical episodes in this sense but the Board of Directors has defined as a priority the adoption of an Organizational Model pursuant to Legislative Decree 231/01

For the methodologies, assumptions and tools used to identify and assess material impacts, risks and opportunities along its value chain, please refer to ESRS 2 IRO-1 section of this document.

Policies on business culture and business conduct

G1-1

ERCA WILMAR is adopting a structured and organized system of policies, which aims to prevent, manage and mitigate the potential impacts and risks related to business conduct and ensure a high ethical standard in the conduct of business and the continuous improvement of its operating practices.

To ensure the reporting of misconduct or violations of the Code of Ethics and Compliance Tools and any anomalies or deficiencies in the Company's Internal Control System, special reporting emails or specific whistleblowing channels have been provided.

Supplier relationship management

G1-2 G1-6

ERCA WILMAR Cosmetics Ingredients manages its suppliers through the outsourced service of ERCA S.p.A; Control of the supply chain is a priority and is essential to ensure responsible sourcing, with respect for the environment, workers' rights and local communities.

These principles and values are the basis for the selection of suppliers and are formalised in the Supplier Code of Conduct, in which ERCA defines the criteria for the selection, accreditation and qualification of its supply chain, as well as the performance monitoring systems, to verify their reliability and the maintenance of specific sustainability requirements over time.
In particular, the company has launched a process of risk assessment relating to the management of the supply chain which has the following objectives:

- assess the level of sustainability of its supply chain and promote its values;
- Make use of suppliers of products, equipment and suppliers of services/works previously subjected to selection, accreditation and qualification processes, including second-party audits, aimed at verifying their reliability and guarantee with respect to specific requirements defined according to the type of supplier, with the aim that they in turn provide quality products and services;
- Prioritise suppliers who have adopted ethical, social and environmental practices within their organisation and also pursue them in their supply chain;
- Monitors over time the maintenance of the requirements and the level of performance of its suppliers of products, equipment and suppliers of services / works;
- It promotes a level of sustainability awareness among supply chain partners and encourages them to adopt sustainable practices.

Prevention and detection of active and passive corruption

G1-3

The sense of responsibility, based on the correctness of actions, the transparency and continuity of relations with everyone, customers, suppliers, employees and the entire community, guaranteed through the necessary attention to the rules and correct operation as well as dialogue and clarity, constitute the foundation of lasting relationships and good reputation of the company
The company has adopted a Code of Ethics that describes the rules of conduct aimed at supporting sustainable growth and protecting the company's reputation, in compliance with the principles and values shared at the corporate level.
The Code does not deal with every single ethical principle to which conduct must be adapted and is not intended to replace any other legislative, regulatory or organisational provision provided for by applicable laws and existing policies, procedures and/or organisational provisions.

Metrics and goals

Cases of active and passive corruption

G1-4

ERCA WILMAR does not currently have any pending prosecutions for corruption or bribery. Therefore, the number of convictions and the amount of financial penalties for violations of anti-corruption legislation
The anti-corruption laws for ERCA in 2025 is 0.
For this reason, no corrective actions are envisaged

Payment practices

G1-6

ERCA WILMAR's contractual payment terms are in line with the main reference regulations and are shared with suppliers with a view to collaboration and partnership.
In 2025, there were no complaints about late payments to suppliers.

Table Index

Chart Index

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