



CODE OF BUSINESS ETHICS

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Introduction

The Code of Ethics is a set of principles whose observance is of fundamental importance for the regular operation, reliability of management and the image of the Company.

The main purposes of a code of ethics are:

- establish standards of behavior;
- guide business decisions;
- protect corporate reputation;
- Promote legal compliance.

The principles and provisions of this Code of Ethics constitute exemplifying specifications of the general obligations of diligence, fairness and loyalty, which qualify the performance of work services and conduct in the working environment.

Directors and Employees and Members of the control bodies are hereinafter jointly referred to as 'Addressees'.

The provisions of this Code also apply to 'Third Addressees', i.e. all those who directly or indirectly, permanently or temporarily, have relations with the Company.

The same Code also constitutes an expression of the Company's membership of the most representative Trade Associations in the sector, whose principles of conduct are intended to be implemented.

If the code of ethics and local legislation are not in conflict, the addressees of the code of ethics shall comply with both. In the event that the laws and regulations in force in a particular jurisdiction are more permissive than those contained in this code, the latter shall prevail.

Each Addressee will carry out his or her work and services with diligence, efficiency and fairness, using the tools and time at his or her disposal to the best of his or her ability and assuming the responsibilities associated with the fulfilments, as well as reporting any breaches of the Code of Ethics to the Management.

ERCA WILMAR COSMETIC INGREDIENTS was founded in 2016 as an industrial Joint Venture of ERCA GROUP and WILMAR INTERNATIONAL, a collaboration that has given rise to the establishment of two other entities, in Poland and Singapore

The activity of the ERCA WILMAR Group includes the industrial development, production, marketing and marketing of a wide variety of cosmetic ingredients and specialties, both natural and synthetic. The industrial platform serving the ERCA WILMAR Group goes far beyond its own headquarters and, thanks to a strong stakeholder link, the group makes use of many other production activities located in Europe and Asia.

ERCA WILMAR offers its best customers tailor-made formulations and the research and development departments located in Italy, Poland and China are constantly striving to develop new solutions for the modern cosmetics industry.

The Group carries out its activities with the utmost respect for environmental protection, social responsibility standards and the rights of local communities.

We are a member of RSPO, active actors of No Peat No Deforestation No Exploit transparency, CDP reporting, No Conflict Minerals participant.

Our policies are based on existing rules and regulations and take into account internationally recognized principles.

We respect and promote:

- The Universal Declaration of Human Rights and the two United Nations Covenants on Human Rights
- The 10 principles of the UN Global Compact
- Core labour standards and the International Labour Organisation (ILO)
- The OECD Guidance on Due Diligence and Responsible Business Conduct
- The Responsible care Global Charter, adhering to "Responsible Care", the voluntary Italian program for the promotion of the Sustainable Development of the global chemical industry, according to values and behaviors oriented towards Safety, Health and the Environment, in the more general context of Corporate Social Responsibility.

In addition to what is described in this Code of Ethics, please refer to the specific policies adopted by the Company.

The Principles

The principles of the Code of Ethics are inextricably linked to the Company's vision and mission:

Vision

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. aims to become a world leader in cosmetic specialties and ingredients, both natural and synthetic, inspiring and supporting the entire supply chain.

Mission

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. offers customers around the world a wide selection of cosmetic ingredients through tailor-made formulations thanks to continuous investments in research and development of new solutions for the modern cosmetics industry.

We carry out our activities with the utmost respect for environmental protection, social responsibility standards and the rights of local communities

Our values

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

Diligence

We are aware that doing something means doing it well

Integrity

We value honesty, acting in good faith, and high ethical standards

Passion

We believe that being self-satisfied means making personal commitment

Teamwork

We know that only by working as a team can organizations improve their results

Innovation

We hear that innovations make the world go round

Security

We are confident that there is nothing more important than the safety of our employees in the workplace

Environment

We feel an integral and respectful part of Earth's nature and want it to survive for the next generation

Environmental Area

Environmental protection

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. has as an essential principle the compliance with the environmental regulations in force and the reduction of its impact on the environment, also in consideration of the rights of future generations, the prevention or minimization of any negative effect on human health and the environment related to the production and use or disposal of chemicals.

Given the nature of global environmental challenges, there is a need for a systemic and forward-looking approach to environmental sustainability that addresses growing negative trends, such as climate change, biodiversity loss, global overconsumption, food scarcity, ozone depletion, ocean acidification, freshwater system deterioration and land use change, as well as the emergence of new threats, including hazardous chemicals and their combined effects

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. is committed, also through management systems, to preventing, reducing and mitigating any form of environmental pollution (air, water, soil and groundwater, biodiversity), noise and environmental accidents, taking care to promptly restore damage in the event of an accident.

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. is committed to minimizing environmental impacts and optimizing the use of energy and natural resources, also through the use of suitable reporting tools prepared for this purpose, thus contributing to the achievement of energy efficiency and greenhouse gas emission reduction objectives.

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. is committed to the research and application of new formulas for the protection of the environment, committing itself to taking into account both the evolution of scientific research and the best experiences in the field.

It supports and promotes good practices and high standards of environmental protection even within its supply chain, in order to collectively reduce environmental impact, fight climate change and achieve greater transparency in supply chains.

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. is committed to the application of the Life Cycle Assessment (LCA) methodology for the calculation of the Carbon Footprint of the organization or product.

Circular economy

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. promotes, also through its research activities, the use and development of renewable or recycled raw materials.

It designs and develops processes and products to optimize the use of resources, in line with the Circular Economy model.

Waste management

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. Adopts an environmental management system that allows it to control and improve the management of waste produced responsibly, with particular attention to hazardous waste, in compliance with current regulations

Reducing GHG emissions

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. is committed to measuring and reporting its GHG emissions according to internationally recognized standards (GHG Protocol, ISO 14064, ISO 14067, etc.).

The company is also committed to planning continuous improvement actions to increase the energy efficiency of its processes and the use of energy from renewable sources, defining science-based greenhouse gas reduction targets aimed at a progressive decarbonization of its business and supply chain.

Water protection

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. is committed to preserving and responsibly managing water resources, optimizing the use of water, including in the use phase of its products, setting

objectives to reduce its exploitation and return water with a quality appropriate to the ecosystem concerned, to protect the environment and biodiversity.

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. measures and reports its water consumption according to internationally recognized standards.

Responsible handling of hazardous materials

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. complies with all laws and regulations applicable to the products handled, identifies hazardous chemical substances and mixtures appropriately and on the basis of international standards and regulations and transmits the information along the supply chain, ensuring that it is handled, used, transported, stored, recycled and disposed of safely. ERCA WILMAR COSMETIC INGREDIENTS S.R.L. trains its employees on the possible impacts and risks for the health and safety of workers and the environment related to the use of hazardous materials, through the tools and documents required by the aforementioned international standards and regulations.

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. prohibits each Recipient from engaging in conduct that is potentially likely to cause impairment or deterioration of water, air, or significant portions of the soil or subsoil, an ecosystem, biodiversity, flora or fauna; it is also forbidden to acquire, receive, transport, import, export, procure for others, possess, transfer, abandon or discard dangerous material unlawfully and/or abusively.

Social Area

Respect for the individual

The relationships between the people who work or interact with ERCA WILMAR COSMETIC INGREDIENTS S.R.L., at all levels, are based on criteria and behaviors of honesty, fairness, collaboration, loyalty and mutual respect.

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. is committed to ensuring that each of its employees can enjoy their rights without distinction due to ethnic, national, social or cultural origin, gender, sexual orientation, disability, age, family situation, religion, political beliefs or trade union membership.

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. intends to promote serene working and living conditions for employees:

- working for business continuity;
- implementing transparent internal communication;
- promoting people according to ability and commitment;
- protecting their health;
- encouraging the development of their knowledge;
- avoiding clientelism of any kind;
- condemning all forms of opportunism;
- condemning all forms of irregular work and/or exploitation;

In particular, the company:

- does not allow any form of child and/or irregular labour.
- prohibits any form of discrimination at any stage of the relationship with people, whether it is recruitment, remuneration, working hours, paid rest periods or holidays, maternity or paternity protection, job security, assignment of tasks, assessment, training, job prospects and occupational health and safety.
- it promotes respect for the physical and cultural integrity of the person and respect for the dimension of relationship with others and gender equality.
- takes care of the selection and hiring of employees, ensuring compliance with the values of equal opportunities and equality in line with the relevant legal requirements, with the Workers' Statute and the applicable National Collective Labour Agreements.
- ensures the protection of the privacy of staff and the right of the same to work without being subjected to unlawful conditioning.
- requires compliance with current legislation on the processing of personal and sensitive data, prohibiting the dissemination of information relating to sensitive data learned due to one's job function, unless prior authorization of the data subject and specific authorizations from top management.

In the management of hierarchical relationships, authority is exercised with fairness and correctness, avoiding any form of abuse and prevarication.

Health and safety protection

As part of its activities, ERCA WILMAR COSMETIC INGREDIENTS S.R.L. pursues the objective of guaranteeing the safety and safeguarding the health of workers and collaborators, through the appropriate initiatives to this end. In this sense, ERCA WILMAR COSMETIC INGREDIENTS S.R.L. undertakes to:

- Ensuring that all workers have a safe and healthy workplace where they are protected from work-related accidents, injuries and illnesses, including promoting the mental well-being of all staff.
- Organise working hours and conditions in such a way as not to jeopardise the health, safety or well-being of the individual worker, also taking into account the different religious traditions of the people employed.
- Assess the risks to which personnel may be exposed, not only during work, but also considering those that may be present during the journey and during rest and breaks in the performance of their employment.

- Provide appropriate controls, work procedures, adequate maintenance and prevention and protection tools necessary to reduce risks to health and safety in the workplace (such as supply and use of PPE, secondary prevention – health surveillance, etc.).
- Prohibit the intake of alcoholic beverages, drugs or similar substances as ERCA WILMAR COSMETIC INGREDIENTS S.R.L. is aware that the abuse of alcohol, drugs and other similar substances by employees can negatively affect the effectiveness of their work performance and can have serious harmful consequences for themselves, for the safety, efficiency and productivity of colleagues
- Pursue continuous improvement in the field of health and safety at work and ensure collaboration with suppliers, for example in the monitoring programs of specific indicators, in the management of emergencies and in the application of good practices, also through the application and continuous improvement of the Integrated Environment-Safety Management System.
- Encourage the workforce and subcontractors to report any accident, injury, illness, or unsafe condition immediately, so that appropriate action can be taken.

The Recipients are required to take care of the aspects indicated above with the diligence and attention dedicated to the management of the work activity.

Promoting an inclusive culture

The Company promotes the development of an inclusive, collaborative and supportive work environment based on a culture of respect, non-discrimination and the enhancement of diversity. To this end, ERCA WILMAR COSMETIC INGREDIENTS S.R.L. adopts measures aimed at ensuring greater participation of women in the labour market and reducing the gender gap through the creation of a system aimed at improving the working conditions of women also in terms of quality, remuneration and role and promoting transparency in work processes.

The Company, therefore, is concerned with encouraging organizational methods that promote equal opportunities, throughout the resource's entire career path, starting from the selection process and then continuing with onboarding, training and growth activities within the company.

Harassment and discrimination in the workplace

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. ensures that internal and external employment relationships do not result in a reduction or maintenance in a state of subjection through violence, threats, deception, abuse of authority, taking advantage of a situation of physical or mental inferiority or a situation of necessity or by promising or giving sums of money or other advantages to those who have authority over the person.

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. requires that in internal and external work relationships, there is no form of intimidation, threat, verbal or physical behavior or offense, request for personal favors that is an obstacle to the serene and normal performance of its functions. Anyone who, in carrying out their activity, believes that they are being harassed or discriminated against for any reason has the right to report the incident to the HR manager, without prejudice to the protection from any form of retaliation against the person making the report.

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. is committed to raising awareness of the seriousness of this problem and is committed to spreading the culture of respect for people and activating the most appropriate interventions to avoid violent or disrespectful behavior.

Governance and Integrity Area

Compliance with the law

Compliance with the law and regulations is an essential principle of all activities of ERCA WILMAR COSMETIC INGREDIENTS S.R.L.. Under no circumstances can the pursuit of the Company's interest justify conduct that is not honest and/or does not comply with the rules.

Fairness

All the actions and operations carried out and the conduct of each of the Recipients in the performance of their function or assignment are inspired by the legitimacy from a formal and substantial point of view and by the protection of ERCA WILMAR COSMETIC INGREDIENTS S.R.L., according to the regulations in force and internal procedures, as well as by fairness.

The Recipients shall not use for personal purposes information, goods and equipment available to them in the performance of their function or assignment.

Each Recipient does not accept, nor does he/she carry out, for himself or for others, pressures, recommendations or reports, which may be detrimental to ERCA WILMAR COSMETIC INGREDIENTS S.R.L. or undue advantages for himself, for the Company or for third parties; each Recipient also rejects and does not make promises of undue offers of money, other benefits or gifts of any nature and amount, with the exception of small commercial gadgets.

Protection of Competition

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. recognizes that fair and equitable competition is a fundamental element for the development of the company.

Each Recipient does not engage in acts or conduct contrary to fair and equitable competition between companies.

Corporate management

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. pursues its corporate purpose in full compliance with the law, its statute and the corporate regulations, ensuring the proper functioning of the corporate bodies and the protection of the patrimonial and shareholding rights of its shareholders by safeguarding the integrity of its assets and share capital. The provisions provided for employees apply to directors, members of control bodies and managers, insofar as they are compatible.

Corruption, money laundering and transnational crimes

ERCA WILMAR COSMETIC INGREDIENTS S.R.L., in pursuing its mission, undertakes to comply with the legislation on the fight against money laundering and corruption towards public officials or private individuals on the national and international front.

Accounting and tax transparency

The Company, in the management of accounting and tax obligations, undertakes to guarantee the transparency and correctness of the information that flows into the tax returns, striving to guarantee the objective and subjective truthfulness of the transactions carried out and transfused into the declarations themselves and the completeness and correctness of the tax documents.

Smuggling

All employees and collaborators of the Company who, directly or indirectly, intervene in the import processes must ensure the regular introduction into the territory of the State of goods subject to border duties, paying particular attention to compliance with customs regulations.

The Company undertakes to ensure the prior verification of the freight forwarders it uses and to guarantee the traceability of customs operations.

Conflict of interest

The Recipients pursue, in carrying out the collaboration, the objectives and general interests of ERCA WILMAR COSMETIC INGREDIENTS S.R.L.. For this reason, each Recipient is required to avoid

all situations and all activities in which a potential and/or concrete conflict of interest with the Company may arise or that may interfere with their ability to impartially take decisions in the best interest of the Company itself and in full compliance with the Code of Ethics.

The Recipients shall inform the management without delay, taking into account the circumstances, of situations or activities in which they may have interests in conflict with those of ERCA WILMAR COSMETIC INGREDIENTS S.R.L..

The Recipients shall comply with the decisions taken by the Company in this regard.

The Recipients concerned are also required to sign and comply with the Non-Reversal and Non-Competition Agreement when starting the collaboration relationship.

Product Quality

The Company's daily actions aim to provide a unique and reliable response to customer expectations.

The organization, professionalism and culture of ERCA WILMAR COSMETIC INGREDIENTS S.R.L. evolve with the production of high quality products as a point of reference.

In order to maintain an excellent level of quality of its products, ERCA WILMAR COSMETIC INGREDIENTS S.R.L. undertakes to:

- Adopt a process-based organizational approach;
- Plan their activities through the identification of risks and opportunities;
- Ensure continuous commitment to the development of new products aimed at meeting customer needs and requirements and improving process innovation;
- Manage the process of maintaining and continuously improving an adequate Quality Management System in line with the requirements of UNI EN ISO 9001, and the EFfCI Guideline for the application of Good Manufacturing Practices (GMP) in the production of cosmetic ingredients, which ensure maximum reliability and sustainability of ERCA WILMAR COSMETIC INGREDIENTS S.R.L. as a business partner;
- Promote the increase of employee awareness in the field of Management Systems through communication and involvement.

Use of Company's Owned Assets

All employees are required to operate with care and diligence to protect themselves and the Company's property through responsible conduct and in accordance with company procedures.

The goods owned by ERCA WILMAR COSMETIC INGREDIENTS S.R.L. must be used exclusively for purposes connected and instrumental to the exercise of the work activity.

Employees, without ever jeopardizing their own safety, must operate in order to reduce the risk of theft, damage or other threats to the assets and resources assigned, informing the functions in charge in a timely manner in the event of abnormal situations.

Data and information

The privacy of employees, third parties and the confidentiality of information is protected by ERCA WILMAR COSMETIC INGREDIENTS S.R.L. in compliance with the relevant legislation through regulations and procedures that govern the methods of processing and storing data and information.

All employees are required to be aware of the company regulations and the Company's policies on the security and confidentiality of information, also for the purpose of preventing cybercrimes.

The employees and collaborators of ERCA WILMAR COSMETIC INGREDIENTS S.R.L., in order to protect the company's know-how, undertake to guarantee the confidentiality of information by signing a specific confidentiality agreement with effect for an indefinite period or until the confidential data is in the public domain.

Relation with suppliers

The selection of suppliers and the determination of the conditions of purchase are based on an objective assessment of the quality and price of the good or service, as well as the guarantees of assistance and timeliness, as well as respect for and observance of the values on which this Code of Ethics is inspired.

Suppliers are periodically assessed and monitored according to the procedures defined by the quality management system (UNI EN ISO 9001) and the integrated management system for the environment and safety.

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. requires its business partners and suppliers to comply with or demonstrate equivalent policies and standards and to operate in accordance with the principles of the Supplier and Partner Code of Conduct and in full compliance with all applicable laws and regulations

Relations with institutions and public officials

The relations of ERCA WILMAR COSMETIC INGREDIENTS S.R.L. with national, EU and international public institutions, as well as with public officials or persons in charge of public services, are maintained by each Director and each Employee, whatever the function or assignment, or, where appropriate, by each Collaborator, in compliance with current legislation, and on the basis of the general principles of fairness and loyalty.

If the Recipient receives explicit or implicit requests for benefits from a Public Official, except for gifts of commercial use and of modest value, he or she shall immediately inform his or her hierarchical superior or the person to whom he or she is required to report for the appropriate initiatives.

ERCA WILMAR COSMETIC INGREDIENTS S.R.L., if it deems it appropriate, may support programs of public bodies aimed at achieving utility and benefits for the community, as well as the activities of foundations and associations, always in compliance with current regulations and the principles of the Code.

Gift management

Acts of courtesy, such as gifts and forms of hospitality towards customers or suppliers, are permitted as long as they can be considered customary in relation to the occasion and of modest value so as not to compromise the integrity and reputation or influence the recipient's autonomy of judgment.

The recipient who receives gifts or other benefits that go beyond the ordinary courtesy relationships must immediately make them available to the Company for return, to be donated to charity or for other use.

Communication Management

Communications to the outside world must be truthful, clear, transparent, unambiguous or instrumental; The information must be consistent, homogeneous and accurate, in accordance with company policies and programs and in accordance with the company management system.

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. takes care of the information published on the institutional website in order to make it complete and effective tools that highlight the activities carried out by the Company.

Implementation of the Code of Ethics

Approval, communication and dissemination

Any variation and/or integration of the Code of Ethics is approved by the Board of Directors of ERCA WILMAR COSMETIC INGREDIENTS S.R.L. and promptly disseminated to the Recipients.

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. informs all Recipients of the provisions and application of the Code of Ethics, recommending compliance with it.

In particular, ERCA WILMAR COSMETIC INGREDIENTS S.R.L. provides:

- the dissemination of the Code to the Recipients;
- the interpretation and clarification of the provisions;
- verifying effective compliance, raising awareness among the Recipients of the importance of the Code;
- updating the provisions with regard to the needs that arise from time to time.

Third party addressees

The code of ethics also applies to third parties, intending to refer to parties external to the Company who operate, directly or indirectly, for ERCA WILMAR COSMETIC INGREDIENTS S.R.L. (by way of example, collaborators, consultants and suppliers, business partners, etc.).

Third parties are therefore obliged, through specific contractual agreements, to comply with the provisions contained in the Code of Ethics, within the limits of their competences and responsibilities.

Reporting of interested parties

ERCA WILMAR COSMETIC INGREDIENTS S.R.L. establishes communication channels through which interested parties can address their reports regarding the Code of Ethics or any violations thereof directly to: **complaint@erca-wilmar.com**

Reports are managed in such a way as to guarantee and respect the utmost confidentiality on the subjects and facts reported and the anonymity of the whistleblower's identification data.

The management and verification of the circumstances represented in the report are entrusted to the Recipients appointed by the Company.

The Recipients operate in compliance with company regulations, carrying out any activity deemed appropriate, including the personal hearing of the whistleblower (if made possible by the same) and any other subjects who may report on the reported facts.

Penalty provisions

The provisions of this Code are an integral part of the contractual obligations assumed by the Recipients or by persons having business relations with the company.

Violation of the provisions of the Code may constitute a breach of contractual obligations, with all legal consequences, including with regard to the termination of the contract or assignment and any compensation for damages.

Approval and amendments

The Code of Ethics is approved by resolution of the Board of Directors of ERCA WILMAR COSMETIC INGREDIENTS S.R.L., any changes are the responsibility of the same body.

Erca Wilmar Cosmetic Ingredients S.R.L.

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UNI EN ISO 9001:2015