Driving Sustainable Value:

Our ongoing commitment to sustainability

Issued on October 30, 2026

ESG & CSR STRATEGY

For all these areas, identified also through **stakeholder engagement**, **KPIs** and **targets** are defined, which are subject **to annual monitoring** and **reporting**.

ESG

(Environmental, Social, Governance)
= set of measurable results reported according to international standards (including GRI, ISO 14001, ISO 45001...).

CRS

(Corporate Social Responsibility)
= set of social and environmental responsibility values that become an integral part of the corporate culture.

Environmental

- Reduction of energy consumption and of GHG and pollutant emissions
- Development and investment in renewable energy
- Responsible water management
- Biodiversity protection and the fight against deforestation
- Development of sustainable products
- Proper waste management and waste reduction

Social

- Promotion of workplace health and safety
- Product safety and consumer health protection
- People empowerment and human capital development
- Respect for fundamental human rights

Governance

- Promotion of ethics and corporate integrity
- Prevention of corruption
- Implementation and dissemination of the 231 Model
- Information protection and security

STRATEGY & SDGs

We have decided to adhere to the **UN 2030 Agenda** and the **10 Principles of the Global Compact**. We have also identified the priority **Sustainable Development Goals (SDGs)** on which to focus our actions, progressively integrating them into our corporate strategy and operations.

Environmental

Social

Governance

THE GLOBAL COMPACT
UNITED NATIONS

ENVIRONMENTAL PILLAR

Consumption & Energy

- **Energy intensity** stands at **3.84 kWh/kg of bulk**, in line with the target of 3.75 kWh/kg set for 2030.
- **Scope 1** amounts to **1,165 tCO_2e.** **Scope 2** amounts to **1,498 tCO_2e** (-25% vs 2024).
- **93%** of emissions fall under **Scope 3** (annual carbon footprint calculation according to the GHG Protocol).
- **Scope 1+2 emission intensity** stands at **1.49** $kgCO_2e$/kg of bulk (-16% vs 2019).
- Installed **photovoltaic capacity has doubled** compared to 2024.
- The two **photovoltaic systems**, covering **8%** of **electricity demand**, enabled the **avoidance of over 100 tCO_2eq** in 2025.
- For the first time, the **Product Carbon Footprint** has been calculated according to the GHG Protocol for the main product categories (**anhydrous, emulsions, and powders**).

Waste

- The target of a **60% reduction** in waste production intensity (**kg of waste/kg of bulk produced**) compared to 2019 has been **achieved**, ahead of the 2030 target.
- **67.3%** of waste is sent for **recovery**.
- **Hazardous waste** accounts for **2.1%** of total waste produced.
- **46 products with sustainable packaging** (recycled, recyclable/mono-material, refillable/reusable) were presented at **industry trade fairs**, with the aim of reducing the environmental impact of both production and end-of-life.

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ENVIRONMENTAL PILLAR

Water, Biodiversity & Deforestation

- **Compliance** with **emission limits** for **discharges** into the **public sewer system**.
- **Water consumption per kg of bulk** produced stands at **11.61** (+7% vs 2024).
- **Zero environmental incidents** with external impact.
- **Three environmental emergency simulations** were carried out to ensure proper management of emergency situations.
- **Four training sessions** were delivered to personnel involved in functions potentially exposed to environmental emergency management.
- Palm oil derivatives suppliers: **91.3%** of purchased raw materials containing palm **oil derivatives are RSPO-certified** (Roundtable on Sustainable Palm Oil).
- Packaging suppliers: **100% FSC-certified** (Forest Stewardship Council) packaging where applicable.

Photograph of aquatic wildlife in the Frascatella canal, adjacent to the Powders District

Art Cosmetics has chosen to discharge **industrial wastewater** from the Powders District into the **public sewer system** rather than into a surface water body, despite tests allowing it. This is a **voluntary** decision aimed at protecting biodiversity.

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CARBON STRATEGY - *timeline*

2018
Calculation and monitoring of **Scope 1 and Scope 2**.

2021
Scope 3 simulation using the **GHG evaluator**.

2022
Joining the **Global Compact** for Scope 3 calculation.

2023
Participation in the **Climate Ambition Accelerator** Italian Network.

2024
External consultancy for reporting the **corporate carbon footprint** according to the **GHG Protocol.**
Adoption of measures to reduce the impact of **air transport**.

2025
Scope 3 calculation carried out with the consulting firm **ClimatePartner** in accordance with the **GHG Protocol**.

2026
Scope 3 calculation compleated.

ClimatePartner

2027
Joining SBTi - **Science Based Targets initiative**.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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CARBON STRATEGY - *targets*

Absolute in tCO2e; Relative in kgCO2e/kg bulk

-3%	-10%	-20%	-10%	-20%
of Scope 1 emissions in absolute terms by 2027 compared to 2024	of Scope 1 emissions in relative terms by 2027 compared to 2024	of Scope 2 emissions in absolute terms by 2027 compared to 2019	of Scope 2 emissions in relative terms by 2027 compared to 2019	of Scope 1 and Scope 2 emissions in relative terms by 2027 compared to 2019
AT RISK	**AT RISK**	**ACHIEVED**	**ACHIEVED**	**ON TRACK**

Actions

among the main ones:

- **Evaluations** have been initiated for the purchase of **Guarantees of Origin** (GOs).
- Implementation of the Schneider Electric **Building Management System** (BMS).
- Establishment of an **Energy Management Working Group**.
- Commitment to join the **SBTi by the end of 2027**, with a revision of targets and actions

SCOPE 3: In collaboration with DHL, the use of **Sustainable Aviation Fuel (SAF)** has been introduced for **air transport**. In 2025, the **DHL GoGreen Plus** certificate confirms a reduction in Well-to-Wheel emissions of 17.34 tCO_2eq, corresponding to a **-19.13%** reduction compared to the standard service.

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SOCIAL PILLAR

Art Cosmetics people

- Verification of the **living wage for 100% of** direct **employees** and agency workers.
- Over **37,000 hours of training** delivered (of which **4,374 mandatory**—health and safety), with an average of **51 hours per employee** per year.
- **Zero reports of discrimination or harassment** received through the whistleblowing channel and the Social Performance Team (SPT).
- High **female** representation: **68% of the workforce** and **48% of management positions.**
- **71%** of employees who have taken **maternity/paternity leave** are still **with the company after one year**.
- **Voluntary turnover** rate contained at **8%**.
- **17 active internships.** Several educational visits to company sites organized for students.
- **Over 50 hours** of meetings with **trade union representatives**.
- **WelfArt program** guaranteed to all employees.

Health and Safety at Work

- **13 HSE inspections** were carried out.
- **3 Safety Committee meetings** were held.
- **Evacuation drills** were conducted across **all company sites**.
- **The accident frequency rate** was **higher** than the average for the chemical industry; **actions** have been defined for implementation (e.g., anonymous reporting).

Product Health and Safety

- **Zero incidents of non-compliance** in terms of **product safety and cosmetovigilance**.
- Maintenance of the Quality Management System in compliance with **ISO 9001** and Good Manufacturing Practices (GMP) in accordance with **ISO 22716.**

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SOCIAL PILLAR

Human Rights in the Supply Chain

- **100%** of **tin and gold suppliers** declare that they do **not finance armed conflicts** and do **not use forced labor** (“no conflict minerals declaration”).
- **100% of natural mica suppliers** declare the **absence of child labor** (“no child labour declaration”).
- **2 HSE and ethical-social audits** were conducted at suppliers and subcontractors.
- **ESG risk assessment** was carried out for **100% of suppliers** of goods and services.
- The **Supplier Code of Conduct** is **shared annually** with suppliers with at least one ESG risk area and with all new suppliers to ensure respect for human rights across the supply chain.

Local Community

- Support for **numerous local development initiatives**, with active involvement of local communities and surrounding areas.

SOME INITIATIVES:

- Art Cosmetics is a co-founder of the future primary and lower secondary **school** in Fornovo San Giovanni.
- Sponsorship of local sports associations, including **Volley Caravaggio ASD** and **Associazione Sportiva Dilettantistica Fornovese,** as well as events such as **cycling races**.
- In memory of Marco Cassani, Art Cosmetics funded **a scholarship** for a student enrolled in the Business Administration and Management program at Università Cattolica del Sacro Cuore in Milan.

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GOVERNANCE PILLAR

Ethics

- The contents of **Model 231**, the **Code of Ethics**, the **Code of Conduct**, the **Anti-Corruption Policy**, and the **Whistleblowing** procedure were **shared** with all employees.
- **3 training sessions** were organized and delivered to selected personnel on the same topics.
- The **governance audit process**, structured according to internal audit principles, was initiated.

Governance ESG

- The project for the establishment of a **Sustainability Committee** has been launched, aimed at ensuring **integrated and coordinated management** of ESG topics.
- Active governance bodies: **Supervisory Body** (OdV, Organismo di Vigilanza) and **Social Performance Team (SPT).**

Performance & Integrity

- **No** confirmed **cases of predicate offenses** (Italian Legislative Decree 231/2001).
- **No incidents of corruption or extortion.**

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Certifications & Assessments

ISO 14001: 2015 CERTIFICATION

ISO 45001: 2023 CERTIFICATION

ECOVADIS PLATINUM MEDAL (90/100)

SEDEX ASSESSMENT – SAQ & ENVIRONMENT SAQ («ADVANCED»)

SMETA AUDIT 4-PILLARS (JUNE 2026)

CERVED ASSESSMENT («ADVANCED»)

EQUAL OPPORTUNITIES CHARTER (94/100)

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UNI EN ISO 14001:2015 CERTIFICATION

2024 **ISO 14001** certification **obtained**.

2025 **Maintenance** of the certification.

2026 **Maintenance and extension** to a new company site.

This journey confirms our commitment to the implementation and **continuous improvement of the Environmental Management System**, applied to all company activities: research and development, contract manufacturing, and marketing of make-up and skincare products.

CISQ is a member of IQNET

The International Certification Network

www.iqnet-certification.com

CERTIQUALITY

CERTIFICATO n° / CERTIFICATEn° 60502

SI CERTIFICA CHE L'ORGANIZZAZIONE
WE HEREBY CERTIFY THAT THE ORGANIZATION

ART COSMETICS SRL

IT - 24040 FORNOVO SAN GIOVANNI (BG) - VIA MARCONI 18-20

NELLE SEGUENTI UNITA' OPERATIVE / IN THE FOLLOWING OPERATIVE UNITS

IT - 24040 FORNOVO SAN GIOVANNI (BG) - VIA GUGLIELMO MARCONI 18-20

HA ATTUATO E MANTIENE UN SISTEMA DI GESTIONE AMBIENTE CHE E' CONFORME ALLA NORMA
HAS IMPLEMENTED AND MAINTAINS A ENVIRONMENT MANAGEMENT SYSTEM WHICH COMPLIES WITH THE FOLLOWING STANDARD

UNI EN ISO 14001:2015

PER LE SEGUENTI ATTIVITÀ / FOR THE FOLLOWING ACTIVITIES

SETTORE CODE IAF 12

Ricerca e sviluppo, produzione per conto terzi e vendita di prodotti cosmetici per make-up e skincare in forma di: anidri, emulsioni, gel, soluzioni acquose.

Research and development, production for third parties and sale of cosmetic products for make-up and skincare in the form of: anhydrous, emulsions, gels, aqueous solutions.

Certificazione rilasciata in conformità al Regolamento Tecnico ACCREDIA RT 09

IL PRESENTE CERTIFICATO È SOGGETTO AL RISPETTO DEL REGOLAMENTO PER LA CERTIFICAZIONE DEI SISTEMI DI GESTIONE
THE USE AND THE VALIDITY OF THE CERTIFICATE SHALL SATISFY THE REQUIREMENTS OF THE RULES FOR THE CERTIFICATION OF MANAGEMENT SYSTEMS

PRIMA EMISSIONE / FIRST ISSUE	09/04/2024
DATA DELIBERA / DECISION DATE	09/04/2024
DATA SCADENZA / EXPIRY DATE	09/04/2027
EMISSIONE CORRENTE / CURRENT ISSUE	09/04/2024

CERTIQUALITY S.r.l. IL PRESIDENTE
Via G. Giardino 4 – 20123 MILANO (MI) - ITALY

ACCREDIA
L'ENTE ITALIANO DI ACCREDITAMENTO
SGA n. 001 D

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UNI EN ISO 45001: 2023 CERTIFICATION

2023 **ISO 45001** certification **obtained**.

2024 **Maintenance** of the certification.

2025 **Maintenance and extension** to additional company sites.

These achievements reflect our commitment to implementing and maintaining a **Safety Management System extended to all activities and all company sites**, regardless of the certification scope.

CERTIQUALITY

CISQ is a member of IQNET

CERTIFICATO n° / CERTIFICATE n° 60501

SI CERTIFICA CHE L'ORGANIZZAZIONE / WE HEREBY CERTIFY THAT THE ORGANIZATION

ART COSMETICS SRL

IT-24040 FORNOVO SAN GIOVANNI (BG) - VIA MARCONI 18-20

NELLE SEGUENTI UNITA' OPERATIVE / IN THE FOLLOWING OPERATIVE UNITS

IT - 24040 FORNOVO SAN GIOVANNI (BG) - VIA GUGLIELMO MARCONI, 18-20
IT - 24040 FORNOVO SAN GIOVANNI (BG) - VIA DEGLI ARTIGIANI 9-11-19- 21
IT - 24040 FORNOVO SAN GIOVANNI (BG) - VIA DELLE INDUSTRIE 8-10-12- 14

HA ATTUATO E MANTIENE UN SISTEMA DI GESTIONE DELLA SALUTE E SICUREZZA CHE È CONFORME ALLA NORMA / HAS IMPLEMENTED AND MAINTAINS A HEALTH AND SAFETY MANAGEMENT SYSTEM WHICH COMPLIES WITH THE FOLLOWING STANDARD

UNI EN ISO 45001:2023

PER LE SEGUENTI ATTIVITÀ / FOR THE FOLLOWING ACTIVITIES

SETTORE CODE IAF 12 31

Ricerca e sviluppo, produzione per conto terzi e vendita di prodotti cosmetici per make-up e skincare in forma di: anidri, emulsioni, gel, soluzioni acquose.

Research and development, production for third parties and sale of cosmetic products for make-up and skincare in the form of: anhydrous, emulsions, gels, aqueous solutions.

IL PRESENTE CERTIFICATO È SOGGETTO AL RISPETTO DEL REGOLAMENTO PER LA CERTIFICAZIONE DEI SISTEMI DI GESTIONE / THE USE AND THE VALIDITY OF THE CERTIFICATE SHALL SATISFY THE REQUIREMENTS OF THE RULES FOR THE CERTIFICATION OF MANAGEMENT SYSTEMS

PRIMA EMISSIONE / FIRST ISSUE	30/11/2023
DATA DELIBERA / DECISION DATE	23/12/2025
DATA SCADENZA / EXPIRY DATE	29/11/2026
EMISSIONE CORRENTE / CURRENT ISSUE	23/12/2025

Marco Martinelli
CERTIQUALITY S.r.l. IL PRESIDENTE
Via G. Giardino 4 – 20123 MILANO (MI) - ITALY

ACCREDIA 00027

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TOWARDS A SOCIAL MANAGEMENT SYSTEM

In 2025, the implementation of a **Social Management System (SMS)** began, which Art Cosmetics intends **to certify according to the PAS 24000 standard by the end of 2027.**

The objectives of PAS 24000 are as follows:

- **to ensure respect for human rights, labor standards, and best social practices**, promoting a fair, inclusive, and safe working environment for all workers;
- **to guarantee an adequate level of social performance** in key areas such as human rights, labor relations, business ethics, as well as occupational health and safety.

The PAS 24000 was chosen for the following reasons:

Features	PAS 24000	VS	SA 8000
Compatibility with other ISO standards that follow the High-Level Structure (HLS)	**Yes**		No
Recognized by the international ISO system	**Yes**		No
Audit timing	**1 / year**		Every 6 months

LIVING WAGE

ACTIONS TOWARDS SMS

Living Wage

ILO definition of «living wage»: *the wage level that is necessary to afford a decent standard of living for workers and their families, taking into account the country circumstances and calculated for the work performed during the normal hours of work.*

Methodology

A living wage is calculated based on **WageIndicator** estimates, taking into account the main cost of living components (food, housing, energy, transport, education, healthcare, etc.) within the relevant geographic context (Lombardy) and for a reference household composed of two adults and one child.

Results

The comparison between this value and the gross remuneration of Art Cosmetics employees (both direct and agency workers) shows that **all wages are at least 20% higher than the minimum living wage.**

Goals

Improvement targets have been defined to consolidate and monitor this result over time.

1. Calculate the Living Wage Gap **annually**, both in absolute and relative terms, **for 100% of employees**, in order to ensure a decent standard of living for the entire workforce.

   Living wage gap = difference between the living wage and current wages

2. Ensure an annual gross **monthly salary at least 20% higher** than the minimum living wage.

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2026 Assessments

ECOVADIS

In 2026, we were awarded the **EcoVadis Platinum Medal**, with a **score of 90**, for our sustainability performance. This result places us in the **top 1% of companies** assessed by EcoVadis in the cosmetics manufacturing and preparation sector.

SEDEX

We completed the assessment through the SEDEX platform, with positive results in both areas analyzed: **4.1** for the **SAQ** questionnaire and **4.7** for the **Environment SAQ**.
Both evaluations fall within the "**Advanced"** level.

EQUAL OPPORTUNITIES CHARTER

Art Cosmetics' commitment to promoting **equal opportunities and workplace equality** has been recognized by the Fondazione **Sodalitas platform**, with a score of **94/100** in the self-assessment questionnaire.

AUDIT SMETA

The SMETA 4-Pillars audit was conducted in **June 2026**, with a positive outcome.
The **four pillars** assessed were:

- **Labor conditions**
- **Health and safety**
- **Environmental management**
- **Business ethics**

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BEAUTY MADE REAL

artcosmetics