

# SUSTAINABILITY REPORT of BIOKOSMES Srl Benefit Company

## **Introduction**

BIOKOSMES was born as a SNC in 1983, as a cosmetic production laboratory of the Braguti pharmacy; from the original pharmacy the relationships slowly expanded to other pharmacies and purchasing groups for pharmacies.

In 1990 it was transformed into an SRL, with a turnover of approximately 250 million lire. In 1992 it moved to the production site in via Ugo Bassi in Lecco, pursuing over time a corporate policy of investment in technological and human resources, equipment and occupied area.

In 1998 it began producing medical devices for major pharmaceutical companies.

In 2001, the turnover attributable to the production of medical devices exceeded that relating to the production of cosmetics.

In August 2004, the definitive transfer to the current production site in Bosisio Parini took place to support the company's continued growth.

In August 2006, the production site was restructured with a reorganization of the company's personnel and goods flows.

In 2007, Biokosmes adapted its Quality Management System to the changes introduced by Management by completing the certification process for the two reference standards ISO 9001:2000 and EN ISO 13485: 2003.

Furthermore, in the same year the company obtained important international recognitions such as registration with the TGA and a qualification from the Ecocert Certification Body for the production and development of eco-certified cosmetic products.

In the following years Biokosmes has maintained the 2007 reference standards by integrating the following reference standards into its quality management system:

“ISO 22716” for cosmetic products

“MDSAP program” for Medical Devices

“BRCs” for the certification of branded products

“HALAL” for the certification of specific products

Since 2007, the organization has planned a modernization process of the production departments with the introduction of new equipment, new technologies and the adaptation of the control and research and development laboratories to internationally recognized requirements.

In September 2013, in order to align with the new regulatory framework of the cosmetics sector, Biokosmes plans and obtains the certificate of conformity for the ISO 22716 guide, consolidating the compliance of the existing good manufacturing practices.

In 2014, with a view to further growth and development, Biokosmes merged with its young and dynamic English client to create the Venture Life Group: a company born with the aim of specializing in the world of antiaging by combining cosmetics and food supplements. The merger project resulted in the stock exchange listing on the AIM in London on March 28, 2014.

In the following years, the Venture Life group continued with its acquisition strategy in the healthcare products sector.

Most of the acquisitions made have allowed the internalization of various product productions with an increase in production and growth of its capacity in all business areas.

Today Biokosmes is a dynamic company, which presents itself on the market as a manufacturer of medical devices and as a third party for both cosmetic products and Medical Devices, capable of proposing innovative products, of developing and realizing the ideas of customers, from product design to final packaging and in line with the internationally recognized Quality requirements and in function of the distribution markets.

Distinctive features are the great attention to product safety and the quality of the work carried out, as well as the hygiene and cleanliness of the premises and equipment.

Currently Biokosmes operates on the national and international market for prestigious companies including several multinationals.

Biokosmes identifies sustainability as a way of being, living and doing business.

For this reason, in 2018 Biokosmes began our journey towards sustainability, aiming to promote sustainable themes and projects, arriving in 2022 to the creation of an internal team dedicated to the implementation of ESG projects.

Starting from the contents of the 2030 Global Agenda for Sustainable Development and the European Green Deal, the most important and relevant SDGs (Sustainable Development Goals) for the activities of our organization have been analyzed and identified.

This has allowed the planning and execution of specific and effective interventions, which have allowed Biokosmes to achieve concrete results in all pre-established sectors. The projects developed and implemented have had as their common thread the achievement of a better and more sustainable future for all stakeholders involved.

Thanks to the important attention of our board to sustainability issues and thanks to its pioneering entrepreneurial vision of corporate governance, Biokosmes confirms today its deep desire to maintain the objectives achieved and to develop new ones.

For this reason, in 2024 Biokosmes has chosen to become a Benefit Corporation to integrate sustainability, social responsibility and value creation objectives for all our stakeholders into our corporate statute.

Biokosmes is committed to operating with a vision that considers as a parameter of success not only the economic and financial performance but also and above all the net benefit of all stakeholders with whom it comes into contact.

## Measuring impact

Biokosmes srl values its commitment in terms of sustainability and common benefit as primary. In this case, the ethical commitment of the company meets the needs of its major customers who are also attentive and inclined towards the development of a sustainable business.

In order to evaluate its impact, Biokosmes has selected one of the major international standards Ecovadis which, through the compilation of a questionnaire, aims to evaluate the company's impact and develop improvement actions.


In detail, it is possible to view all the KPIs identified and their performances for the year 2024.

## People

**CORPORATE ORGANIZATION**

Monitoring -Staff rotation

	Monitoring 2023	Monitoring 2024
--	--------------------	--------------------

Staff rotation	<5%	4.5% 
----------------	-----	--

#### Conclusion:

During the reference period, the company turnover remained within the pre-established limit, representing a positive result that testifies to the quality of the working environment offered by the company. This data reflects the effectiveness of the company policies aimed at creating and supporting a workplace that promotes the well-being, inclusion and professional growth of employees.

A controlled and within-limit turnover indicates a general level of satisfaction among employees, the result of a solid corporate culture that values the contribution of each person and is committed to maintaining a peaceful and collaborative working environment. The company places particular importance on dialogue with employees, recognition of skills and support for professional development, key elements for staff loyalty.

This result underlines the organization's ability to attract, retain and develop talent, ensuring operational stability and continuity in business processes. The company will continue to monitor this indicator closely, taking proactive measures to further improve the work experience and strengthen the sense of belonging and motivation among employees.

#### Monitoring - Disease Rate

	Monitoring 2023	Monitoring 2024
Absence due to illness	2.90%	2.46%

#### Conclusion:

The company questionnaire conducted during the reference period showed a 90% satisfaction index regarding the work-life balance. This excellent result testifies to the effectiveness of company policies focused on employee well-being, designed to guarantee flexibility and support in daily needs.

The company has in fact adopted targeted measures, such as the possibility of working from home, flexible hours and continuous dialogue with employees, to create a working environment that values people not only as professionals, but also in their personal dimension. This result confirms the success of a corporate approach centered on employee well-being, strengthening the sense of belonging and motivation within the organization.

#### Work-Life Balance Assessment

	Target 2024	Result 2024
Percentage of employees reporting positive balance.	>80%	86%

#### Conclusion:

The company questionnaire conducted during the reference period showed a satisfaction index of 86% regarding the balance between work and private life. This excellent result testifies to the effectiveness of company policies focused on employee well-being, designed to guarantee flexibility and support in daily needs.

The company has in fact adopted targeted measures, such as the possibility of working from home, flexible hours and continuous dialogue with employees, to create a working environment that values people not only as professionals, but also in their personal dimension. This result confirms the success of a corporate approach centered on employee well-being, strengthening the sense of belonging and motivation within the organization.

#### Evaluation - work from home

	Target 2024	Result 2024
Work from home	>10%	12%

#### Conclusion:

During the reporting period, Biokosmes achieved its goal for the use of home working (smart working), demonstrating its commitment to promoting a flexible and sustainable working model. This initiative not only contributed to improving the quality of life of workers, offering a better balance between professional and personal life, but also had a positive impact on the environment, thanks to the reduction of daily travel and related greenhouse gas emissions.

The adoption of working from home is part of the company's strategy to promote innovative solutions that meet the needs of employees and, at the same time, help reduce the environmental impact of operations. The company will continue to monitor and optimize this practice, strengthening it as an integral part of its commitment to sustainability and workplace well-being.

### **DIVERSITY AND INCLUSION**


#### Monitoring -presence of underrepresented groups

Objective	Monitoring 2023	Monitoring 2024
% underrepresented groups	57%	58%

#### Conclusion:

The company continues to promote its commitment to inclusion and diversity, with a particular focus on underrepresented groups. In 2023, monitoring showed a 57% representation, in line with the objectives set. In 2024, this important representation reached 58%, consolidating the actions taken and strengthening the targeted strategies. These results represent a significant step towards greater equity and the valorization of diversity at all levels of the organization. The company remains focused on initiatives that favor the access, growth and participation of these groups, recognizing the strategic value of diversity for the success of the company.

#### Evaluation – Employee Satisfaction

Objective	Target 2024	Result 2024
Employee satisfaction	≥ 4 out of 5	Confirmed 

#### Conclusion:

During the reference period, sufficient satisfaction was detected among colleagues with respect to the work experience within the company, measured through a satisfaction questionnaire administered to employees. The results of the questionnaire indicate that collaborators appreciate various aspects of the work context, including collaboration between teams, opportunities for professional growth and the company's attention to workers' well-being.

The company is committed to regularly monitoring the corporate climate and promoting a positive, inclusive and stimulating working environment that fosters the well-being, productivity and growth of all employees.

#### Monitoring – presence of female gender in Top management

Objective	Monitoring 2023	Monitoring 2024
Percentage of women at top management level	20%	30%

#### Conclusion:

Over the past two years, our company has seen significant progress in female representation in senior management. Tracking data shows an increase in the percentage of women in executive roles, from 20% in 2023 to 30% in 2024. This 10 percentage point increase, representing a 50% increase from the previous year, is the tangible result of initiatives undertaken to promote greater inclusion and diversity in leadership roles.

We recognize that this progress is the result of a strategic commitment to enhance female talent through targeted policies, professional development programs and greater attention to gender equality in the selection and promotion processes. Reaching 30% is a significant milestone, but we are aware that our long-term goal is to continue to improve, moving ever closer to a fully equal gender balance.

This result encourages us to continue on our path, committing to identify and overcome any barriers that could hinder women's access to top positions. We will continue to monitor these data carefully and work to build a work environment that values diversity as a key element of our business success.

#### Monitoring – presence of female gender in the entire organization

Objective	Monitoring 2023	Monitoring 2024
Percentage of women employed in the entire organization	56%	59%

#### Conclusion:


Our company has continued to monitor and promote gender balance within the organization, strengthening our commitment to a more inclusive and representative workplace.

The data collected shows a constant growth in the presence of women among employees. During the 2023 monitoring, female representation stood at 56%, while in the 2024 monitoring it rose to 59%. This 3% increase reflects the results of company policies aimed at promoting gender equality, both in terms of hiring and opportunities for professional growth.

We will continue to work to consolidate this progress, with the aim of maintaining and expanding this positive trend, aware that a gender-balanced organization is more inclusive, innovative and competitive.

### **TRAINING AND CAREER MANAGEMENT**

#### Evaluation – Training and Development

Objective	Target 2024	Result 2024
Average hours of training per employee and number of courses.	≥ 22 hours per year per employee and at least one course per employee	23 


**Conclusion:**

During the reporting period, Biokosmes achieved its target regarding the number of training hours provided per employee. This result underlines the organization's continuous commitment to investing in the development of skills and professional growth of its employees.

The training sessions, divided into technical courses, regulatory updates and cross-skills development, have been designed to meet the specific needs of each corporate role and to promote continuous improvement of individual and collective performance.

Achieving this goal confirms the importance the company gives to training as a strategic lever to ensure competitiveness and innovation, as well as to strengthen employee satisfaction and motivation. The company will continue to invest in targeted training programs, carefully monitoring progress to ensure that each employee has the knowledge and tools necessary to successfully face future challenges.

**Evaluation – Accessibility and Equality of Opportunity**

Objective	Target 2024	Result 2024
% of employees with access to career growth opportunities	≥ 80%	100% 


**Conclusion:**

During the reporting period, the company achieved its goal of ensuring that all employees have access to career growth opportunities. This was achieved through the development and implementation of a structured work plan designed to actively engage all colleagues and promote personalized development paths.

The plan included targeted initiatives, such as specific training programs, mentoring activities and the possibility of participating in transversal projects, thus offering each employee the opportunity to acquire new skills and advance their career. This strategy allowed to enhance the potential of each collaborator, while strengthening the corporate culture based on merit, inclusion and continuous growth.

Reaching this milestone demonstrates the company's commitment to creating a work environment that fosters professional development and a sense of belonging, with the aim of strengthening the motivation and satisfaction of all staff. The company will continue to monitor and improve these initiatives, consolidating a sustainable and inclusive growth model.

**Evaluation – Performance Measurement**


Objective	Target 2024	Result 2024
% employees enrolled in a performance appraisal program.	≥ 70%	100% 

**Conclusion:**

During the reporting period, Biokosmes achieved its goal of including all employees in a performance evaluation program. This was achieved through the implementation of a structured and well-defined program, designed to ensure a fair, transparent and objective evaluation of the performance of each employee.

The program involved the use of standardized tools and clear criteria, allowing employees to fully understand the objectives to be achieved and the company's expectations. Furthermore, it was supported by regular feedback sessions and meetings with managers, with the aim of enhancing strengths, identifying areas for improvement and defining personalized professional development paths.


This milestone represents an important step forward in building a corporate culture based on merit and continuous growth, promoting employee engagement and aligning employee performance with the organization's strategic goals. The company will continue to refine this system to ensure it remains a key element of shared success.

Evaluation – Staff Selection		
Objective	Target 2024	Result 2024
Selection process based on objective criteria	Using a one-off procedure and evaluating the candidate only on merit	Confirmed 

Conclusion:

The company has established a personnel selection process based on objective and transparent criteria, with the aim of evaluating candidates exclusively on the basis of merit and skills possessed. The procedure adopted includes standardized tools and methodologies, aimed at eliminating any element of subjectivity or discrimination during the evaluation phases.

This approach ensures that selection decisions are guided by clear and measurable parameters, such as experience, technical skills and personal competences, thus promoting equal opportunities for all candidates. The company is committed to ensuring a fair and inclusive process, in line with its values of transparency, professionalism and respect, which allows to attract and select the best talents, enhancing the potential and contribution of each individual.

SALARY Evaluation – Pay Equity		
Objective	Target 2024	Result 2024
Uniformity of salary levels	salary gap less than 10% at cross-functional and experience level	Confirmed 

Conclusion:

In the reporting period, Biokosmes confirmed compliance with the parameter that provides for a salary difference of less than 10% between employees, considering both the interfunctional level and professional experience. This result reflects the organization's concrete commitment to promoting remuneration policies based on equity and transparency, enhancing the skills and responsibilities of each employee without discrimination.

Maintaining a limited pay gap is an important sign of our inclusive and meritocratic approach, which aims to guarantee a fair and motivating work environment. The company will continue to carefully monitor these parameters to ensure compensation management consistent with its values and in line with best practices in the sector, thus consolidating employee trust and a sense of belonging.

Monitoring – Pay Report		
	Monitoring 2023	Monitoring 2023
Total annual compensation of the	Ratio of 6.5	Ratio of 6.2




highest-paid employee and the average total annual compensation of all employees		
--	--	--

Conclusion:

In monitoring total annual compensation for the years 2023 and 2024, the ratio between the compensation of the highest-paid employee and the average of all employees went from 6.5 to 6.2. This reduction highlights an improvement in internal compensation balance, attributable to interventions such as salary review policies, internal promotions or new hires that have contributed to a more even distribution. The company believes it is essential to continue monitoring these indicators to ensure fair and sustainable management of resources, in line with its strategic objectives.

Monitoring – Living Wage


	Monitoring 2023	Monitoring 2023
Percentage of employees paid above the living wage, including salaried and non-salaried workers	100%	100% 

Conclusion:

Biokosmes declares that all employees taken into consideration have received a salary equal to or higher than the minimum wage established by the Wageindicator in force. This principle is an integral part of the company policy, which undertakes to respect and exceed the minimum salary thresholds established by the legislation in force in the countries in which it operates.

The adoption of this policy reflects the company's core values, which are geared towards protecting workers' rights, respecting labor regulations, and promoting decent economic conditions. This approach not only ensures compliance with local and international laws, but also represents an investment in pay equity and staff motivation. The company considers compliance with the minimum wage not only a legal obligation, but an essential element of its social responsibility, committing to constantly monitor its compliance and to periodically review its remuneration policies to adapt them to any regulatory changes or industry standards.

Monitoring – Living Wage

	Monitoring 2023	Monitoring 2023
Percentage of direct employees covered by the living wage benchmarking analysis	100%	100% 

Conclusion:

In the assessment of compliance with the minimum living wage, 100% of the company's employees were taken into account, without any exclusions. This choice reflects the company's commitment to promoting equality and fairness among all workers, regardless of their role or type of contract. The company firmly believes in the importance of applying common rules and shared standards, as a tangible sign of respect and valorization of each employee.

Adopting an inclusive and uniform approach allows us to guarantee equal working conditions and consolidate a corporate culture based on transparency, cohesion and mutual trust. This philosophy translates into fair and

uniform treatment for everyone, in line with the fundamental values of the organization, which places people and their well-being at the center. The company is committed to maintaining and strengthening this line of conduct, helping to create a working environment that reflects the highest standards of fairness and respect for all employees.

**ETHICS AND HUMAN RIGHTS**

Evaluation - Adherence to the code of conduct:

	Target 2024	Result 2024
Percentage of suppliers with full and annual compliance (new suppliers).	>70% of total turnover >85% new suppliers	68.3%  50% 

**Conclusion:**

In the reporting period, the KPI related to the signature of the code of conduct associated with the turnover has not yet reached the expected target value, mainly due to some late responses from suppliers. Targeted reminder activities have already been launched and we believe that, with the next update, it will be possible to fully align ourselves with the established objectives.

Even for the KPI related to new suppliers, the target value was not completely achieved. It should be noted that the number of new suppliers in 2025 was particularly low, and the lack of timely response from a few of them influenced the result. Also in this case, follow-up actions have been initiated, which lead us to expect a significant improvement in the results in the next updates, confirming our commitment to sustainability and transparency along the entire supply chain.

The company boasts excellent supply chain coverage in terms of monitoring the topics included in the code of conduct, which encompass social, environmental and ethical aspects. This result is the result of a structured approach that ensures constant involvement of strategic suppliers, with regular checks and continuous dialogue, aimed at promoting sustainable and responsible practices throughout the supply chain.

Monitoring – Whistleblowing reports:

	Monitoring 2023	Monitoring 2024
Number of proven cases of ethical or data protection origin reported through whistleblowing	0	0

**Conclusion:**

During the reporting period, Biokosmes confirms that no whistleblowing reports were received regarding unethical behavior, violations of regulations, or internal irregularities. This result highlights the success of the company policies aimed at transparency, ethics and compliance with the rules, as well as the effectiveness of the internal control system and the communication channels available to employees. The company remains constantly committed to promoting an open working environment, in which each employee feels safe and protected in reporting any problems, guaranteeing the anonymity and protection of anyone who chooses to do so.

Evaluation – Whistleblowing reports:

	Target 2024	Result 2024
Number of internal investigations initiated in relation to proven cases	100%	Not applicable

**Conclusion:**

During the reporting period, no management or verification activities were carried out on reports through whistleblowing channels, as no reports were received from employees or other interested parties.

**Evaluation – Sanctions:**


	Target 2024	Result 2024
Quantification of sanctions due to failure to comply with laws and/or regulations;	0 euros	0 euros 

**Conclusion:**

Biokosmes declares that it has not received any sanctions or penalties related to non-compliance with laws or regulations regarding human rights or financial compliance. This result highlights the company's commitment to ensuring compliance with fundamental principles of human rights protection and to operating in full transparency and compliance with applicable financial regulations.

The company takes a proactive approach to managing these issues, implementing internal policies and control procedures aimed at preventing potential violations and promoting a corporate culture based on ethics, social responsibility and legal compliance. Through regular training, monitoring and auditing, the organization is committed to maintaining high standards of integrity in both human affairs and financial practices. This result is a concrete sign of the success of these measures and the company's constant attention to compliance with regulations and universal values.

**Evaluation – Legal Actions:**


	Target 2024	Result 2024
Number of pending or concluded legal actions related to anti-competitive behavior.	0	0 

Biokosmes declares that it has not received any pending or concluded legal action related to anti-competitive behavior. This result reflects the company's commitment to strictly comply with fair competition regulations and to conduct its business with integrity, transparency and in full compliance with applicable laws.

The company adopts internal policies and control procedures to prevent any practice that could be interpreted as anti-competitive, promoting a healthy and fair market environment. This result confirms the strength of our ethical approach and our desire to operate in accordance with the principles of legality and fairness towards customers, partners and competitors.

### HEALTH AND SAFETY

#### Assessment – Injury Frequency

	Target 2024	Result 2024
Number of injuries resulting in absence from work per million hours worked.	≤ 6 accidents per million hours worked	23 

#### Conclusion:

During the reporting period, Biokosmes did not achieve the target set for the KPI on the ratio of accidents to hours worked. This result was the subject of an in-depth analysis during the annual periodic meeting, where all the accidents recorded were reviewed. The analysis revealed that the accidents that occurred were minor, without significant impacts on general safety.

The data, which is out of trend compared to previous years, could have a simple statistical origin. However, the company takes note of this deviation and is committed to actively working to reduce the number of accidents, through targeted interventions throughout the facility. These interventions have included the strengthening of preventive measures, even more detailed monitoring and continuous awareness of staff on safety issues.

The company confirms its commitment to ensuring an increasingly safe working environment and aims to bring future data within the expected parameters, continuing to promote a culture oriented towards prevention and continuous improvement.

#### Monitoring – Injury Days

	Monitoring 2023	Monitoring 2024
Number of days of injury	0	52

#### Conclusion:

During the reporting period, an increase in the number of accidents at work was recorded, although all events were of minimal importance and did not have a significant impact on the overall assessment of company risks. The accidents detected were managed promptly, with targeted interventions that ensured a rapid return to normal operating conditions without significant consequences for the workers involved.

The company continues to carefully monitor every event, even minor ones, to identify any trends or areas for improvement. This commitment translates into a constant updating of preventive measures and continuous training activities to strengthen the safety culture and minimize the occurrence of further accidents. Despite the increase in numbers, the minor nature of the accidents confirms the overall effectiveness of the health and safety management system adopted by the organization.

#### Monitoring – Near misses

	Monitoring 2023	Monitoring 2024


Near misses	2	4
-------------	---	---

#### Conclusion:

During the reporting period, an increase in the number of reported near misses was recorded, all of which were minimal and had no significant impact on the overall assessment of corporate risks. This increase is mainly attributable to increased awareness of the issue and accuracy of internal reporting, which has allowed potentially critical events, even minor ones, to be identified and documented more precisely.

The company considers this increase a positive sign, as it reflects an improvement in employee awareness and commitment to reporting potentially risky situations. Each report represents an opportunity to analyze processes, identify potential areas for improvement, and further strengthen preventive measures. This proactive approach confirms the effectiveness of the awareness and training policies adopted, which contribute to consolidating a safety culture increasingly oriented towards prevention and continuous improvement.

#### Assessment – Incident Management


	Target 2024	Result 2024
Percentage of incidents or risks reported within 24 hours of their identification.	> 90%.	100% 

#### Conclusion:

Biokosmes has implemented an efficient and structured system that guarantees the timely reporting of incidents or near misses within 24 hours of their identification. This procedure is essential to allow immediate analysis of the causes, the adoption of corrective measures and the prevention of similar events in the future.

Timely reporting is made possible through clear and accessible communication tools, as well as targeted staff training, which ensures awareness of the importance of rapid and accurate event management. This approach not only improves safety and operational efficiency, but also reflects the company's commitment to promoting a safe, transparent and proactive work environment in risk management.


#### Evaluation – “Security” Audit

	Target 2024	Result 2024
Number of security audits conducted.	An internal audit must be organized for each area or department at least once a year.	3 Internal Audits performed 

#### Conclusion:

During the reporting period, the company performed three internal audits aimed at the production departments and the warehouse, identified as areas of greatest operational sensitivity. The audits were carried out in full compliance with the guidelines and requirements set out in the current company management system, with the

aim of ensuring compliance with operating procedures, applicable regulations and internal standards in terms of safety.

Evaluation – “Safety” Training		
	Target 2024	Result 2024
Percentage of employees who successfully completed safety training.	100%	100% 

Conclusion:

Biokosmes has carried out training and refresher courses on workplace safety, in line with the established training program and compliant with current regulations. The activities have guaranteed total coverage, involving all staff, without any exclusion.


The courses, designed to strengthen employee awareness and skills in risk prevention and management, included theoretical and practical sessions, adapted to the different roles and responsibilities of the company. This result demonstrates the company's ongoing commitment to promoting a safe working environment and ensuring that all workers are adequately prepared to prevent accidents and manage critical situations effectively. The company will continue to invest in training as an integral part of its strategy for employee safety and well-being.

## ISO 45001:2018 Insights

Biokosmes has started a collaboration with a qualified expert to prepare and adapt our management system to the requirements of the ISO 45001 standard. This path aims to implement an effective occupational health and safety management system, compliant with international standards, with the aim of proactively improving working conditions, preventing accidents and occupational diseases and promoting a safe and healthy environment for all employees.

The adoption of ISO 45001 represents a concrete commitment of the company to ensure regulatory compliance, strengthening the culture of safety and attention to the well-being of workers. Collaboration with the expert will guarantee a structured and methodical approach, ensuring that the management system is efficient, sustainable and aligned with international best practices.

## Community and Territory

Evaluation - Volunteer Initiatives		
	Target 2024	Result 2024
Participation in social/volunteer programs	No. 2 activities	No. 2 activities 


Conclusion:

During the reporting period, the company actively participated in two important volunteering activities: the Relay Marathon in Milan and the Camminata Manzoni in Lecco. Both events saw a large participation of employees,

who with enthusiasm and team spirit contributed not only with their presence, but also through financial donations destined for the charitable projects associated with the initiatives.

Participation in these activities represents a concrete example of the company's commitment to promoting values of solidarity and social responsibility, encouraging moments of sharing and involvement among employees. The resources collected were donated to support local projects and charitable initiatives, thus contributing to creating a positive impact in the community. The company will continue to support similar initiatives, strengthening its active role in promoting positive and lasting social change.

#### Evaluation - School Internships


	Target 2024	Result 2024
Opening to internships with the local school system	Activation n°2 stage	No. 2 stage 

#### Conclusion:

During the reporting period, the company activated two internships, demonstrating its commitment to promoting the entry of young people into the world of work and supporting the growth of future generations. This initiative underlines the company's attention to involving the territory, offering concrete opportunities to young local talents to acquire professional skills and get closer to the business context.

Through internships, the company not only invests in the future of the community, but also contributes to the training of new professionals, promoting a constructive dialogue between the academic and working worlds. This initiative represents an added value both for young people, who can develop their skills, and for the company, which strengthens its role as an entity attentive to social responsibility and the enhancement of human resources in the area.

#### Evaluation - PCTO

	Target 2024	Result 2024
Opening to PCTO internship paths with the local school system	Activation n°2 PCTO	No. 4 PCTO 

#### Conclusion:


During the reporting period, the company activated four PCTO paths, demonstrating its commitment to promoting the entry of young people into the world of work and supporting the growth of future generations. This initiative underlines the company's attention to involving the territory, offering concrete opportunities to young local talents to acquire professional skills and get closer to the business context.

Through internships, the company not only invests in the future of the community, but also contributes to the training of new professionals, promoting a constructive dialogue between the academic and working worlds. This initiative represents an added value both for young people, who can develop their skills, and for the company, which strengthens its role as an entity attentive to social responsibility and the enhancement of human resources in the area.

#### Evaluation - Suppliers

	Target 2024	Result 2024
--	----------------	-------------



Percentage of suppliers located within 300 km	$\geq 70\%$ . (turnover basis)	79.8% 
---	-----------------------------------	--

Conclusion:

Biokosmes pays particular attention to the supplier proximity criterion, recognizing it as a strategic element to favor the local territory and to reduce the environmental impact related to logistics. Favoring suppliers located close to our offices not only helps to support the local economy, but also allows to minimize greenhouse gas emissions resulting from transportation, promoting a more sustainable supply chain. This approach reflects our commitment to responsible management and oriented to the common good, strengthening ties with the territory and at the same time reducing the environmental footprint of our activities.

Tracking - Donations

	Monitoring 2023	Monitoring 2024
Total monetary value of financial contributions	€37	€6,000


Conclusion:

During the reporting period, Biokosmes recorded a significant increase in financial contributions for charitable purposes, strengthening its commitment to supporting social and community initiatives. These contributions were directed to projects and organizations that operate in crucial areas, such as assistance to the most vulnerable segments of the population.

This increase reflects the company's desire to play an active role in improving collective well-being, going beyond its economic goals to generate a tangible positive impact. Through these initiatives, the company continues to consolidate its role as a responsible and supportive actor within the community, promoting values of inclusion, equity and sustainability.

# Environment

Evaluation - Gas Consumption

	Target 2024	Result 2024
Amount of gas consumed	<5% vs 2023	+4.5% 

Conclusion:


In the reference period, Biokosmes failed to achieve the set goal of reducing energy consumption due to the high consumption recorded in the first six months of the year, mainly due to a temporary inefficiency of the heating system. However, the company had already planned an investment in the efficiency of the heating system. In this regard, following further internal analyses, it decided to replace the previous boilers with models that performed much better in terms of effectiveness and compliance with CO2 emissions. The first post-installation results confirmed a reduction in energy consumption of 20% compared to pre-investment values.

This progress demonstrates the effectiveness of the actions taken and the company's commitment to pursuing sustainable solutions to reduce environmental impact. Although it has not fully achieved the annual target, the company will continue to work to further improve energy efficiency, strengthening its consumption monitoring and optimization strategies.

Evaluation - Water Consumption

	Target	Result 2024
--	--------	-------------



	2024	
Amount of water consumed	<5% vs 2023	Compliant 


#### Conclusion:

In the reporting period, Biokosmes achieved an important water saving target, showing significant improvements in both absolute and relative terms. Comparing consumption data, in 2024 the overall use of water was reduced by 23% compared to 2023, thanks to targeted interventions and a more efficient use of resources.

At the same time, analyzing water consumption in relation to a common coefficient – the kilos of bulk produced – a further improvement was recorded, with a reduction in consumption per unit of 12% in 2024 compared to the previous year. This result was made possible thanks to a significant intervention on the equipment used for washing, which optimized the processes by reducing waste.

These achievements reflect the company's ongoing commitment to pursuing sustainable practices and investing in innovative solutions to reduce its environmental impact, actively contributing to the conservation of a fundamental resource such as water.

#### Evaluation - Waste generated

	Target 2024	Result 2024
% of waste recovered	85%	94% 

#### Conclusion:

In the reporting period, Biokosmes achieved a significant result in sustainable waste management, with 94% of waste classified as R13. This classification ensures that this waste is not incinerated, but is recovered through processes that allow the reuse of materials, thus reducing environmental impact and promoting a circular economy model.

In 2024, Biokosmes recorded a significant reduction in the production of non-hazardous waste compared to the previous year. In particular, 274,052 kg of non-hazardous waste was produced in 2024, compared to 322,234 kg in 2023, showing an overall decrease.


The ratio between the kilos of bulk produced (chosen as the product unit for comparison) and the kilos of waste produced remained constant between the two years, standing at 0.12 udp in both 2024 and 2023. This result reflects efficient management of production processes, keeping the waste/product ratio stable while reducing the absolute quantities of waste generated.

This trend confirms the company's commitment to sustainability and resource optimization, continuing to improve waste management and reduce its environmental impact.

In 2024, Biokosmes recorded a significant reduction in the production of hazardous waste compared to the previous year. In particular, the hazardous waste produced decreased from 39,920 kg in 2023 to 18,900 kg in 2024, showing a substantial reduction in the associated environmental burden.

In addition to the decrease in absolute terms, the ratio between the kilos of bulk produced (chosen as the product unit for comparison) and the kilos of hazardous waste produced has improved significantly, going from 0.02 udp in 2023 to 0.01 udp in 2024. This improvement reflects a more efficient use of resources and a more sustainable management of production processes, with a positive impact on both the environment and operational efficiency. These results confirm the company's constant commitment to reducing hazardous waste and continuously improving its environmental management practices, in line with its sustainability objectives.

Assessment - Water quality - biodiversity


	Monitoring 2024	Result 2024
Wastewater quality	Compliance with what is defined by the AUA	Compliant 

Conclusion:

During the reporting period, the company successfully achieved its quality objective related to compliance with the parameters established by the Single Environmental Authorization (AUA) for waste water. Monitoring and management activities ensured that all water discharges complied with the quality limits set by the authorization, in accordance with current regulations and applicable environmental standards.

This achievement highlights the company's ongoing commitment to minimising the environmental impact of its operations by ensuring that wastewater is treated appropriately and safely.

Monitoring - Carbon footprint


	Monitoring 2024	Result 2024
Measuring Scope 1, Scope 2 and Scope 3	Measurement performed	Measurement performed 

Conclusion:

Biokosmes has entrusted an independent third party with the study and measurement of the company's carbon footprint, investing resources dedicated to this activity as part of our commitment to environmental sustainability. The choice to involve an external body guarantees maximum correctness, transparency and reliability of the data collected, allowing us to have a clear and objective vision of the impact of our activities in terms of greenhouse gas emissions.

This approach reflects our desire to operate responsibly, adopting practices based on scientific analysis and independent verification. The results obtained have allowed us to identify areas for improvement and define concrete strategies to further reduce our environmental impact, actively contributing to the global objectives of climate change mitigation.

Rating – Electricity consumption

	Target 2024	Result 2024
Scope 2 Measurement	≤ 5% of 2023	<1% 


Conclusion:

In the reporting period, Biokosmes achieved the set goal of saving electricity, recording a reduction in overall consumption compared to 2023. This achievement reflects the effectiveness of the initiatives undertaken to optimize energy efficiency, including the improvement of production processes and the awareness of employees towards a conscious use of resources.

The comparison with the previous year shows a percentage decrease in total electricity consumption, confirming the validity of the strategies adopted. This result has not only contributed to reducing the company's

environmental impact, but has also allowed us to optimize operating costs, strengthening our commitment to sustainability.

The company will continue to invest in innovative solutions and constantly monitor its consumption to ensure further improvements, aligning itself with long-term energy sustainability goals.

Evaluation - Green energy		
	Monitoring 2024	Result 2024
% of green energy consumed	≥20%	12.8% 

Conclusion:

In the reference period, the share of energy coming from the photovoltaic system did not reach the expected level, despite remaining on excellent overall results. The failure to reach the target was mainly influenced by the seasonal trend, which limited energy production in some periods.

The company, aware of the importance of maximizing the efficiency of the plant, guarantees a constant program of ordinary and extraordinary maintenance, aimed at keeping the plant in the best operating conditions and optimizing its performance. This approach reflects the company's commitment to promoting the use of renewable energy sources and to constantly improving the efficiency of its energy systems, thus contributing to environmental sustainability.

Monitoring - Green Formula		
	Monitoring 2023	Monitoring 2024
% of formulas developed “Green”	*Calculation of **NOI 12%*Calculation of Biodegradability 3%Silicone-free 70%;  Cold production 27%	* NOI calculation 5%* Biodegradability calculation 0%Silicone-free 74%;  Without microplastics 87%Cold production 38%

\*Calculation made only on commission by the client


\*\* US = Natural origin index

Conclusion:

Biokosmes confirms its concrete commitment to sustainability through the development of green formulas, designed to reduce environmental impact and promote responsible use of resources. This approach is reflected in the use of ingredients of natural origin, renewable raw materials and optimized production processes, in order to guarantee products that respect the environment and people.


Green formulas are a key element in the company's innovation strategy, which is committed to meeting the needs of the market and consumers who are increasingly attentive to sustainability, without compromising the effectiveness and quality of the products. This result demonstrates the organization's desire to actively contribute to global sustainability goals and to consolidate its position as a responsible leader in the sector.

The company will continue to invest in research and development of innovative solutions, strengthening its commitment to a more sustainable future.

Evaluation - Raw materials		
	Target 2024	Result 2024
Use of raw materials	≤ 5% referred to 2023	<15% 

Conclusion:

Biokosmes has achieved its goal of reducing the consumption of raw materials, recording a decrease in the total quantity consumed in absolute terms compared to the previous period. This result highlights the success of the initiatives undertaken to optimize production processes and adopt more efficient solutions, which have allowed us to reduce the environmental impact related to the use of resources. This achievement represents a further step forward in our commitment to sustainable management of raw materials and the promotion of a more responsible production model oriented towards continuous improvement.

Evaluation - IT Projects		
	Target 2024	Result 2024
Computerization of processes	Nº1 project	No. 2 projects 


Conclusion:

During the reporting period, the company successfully completed two IT projects with a positive impact on the environment, contributing to the reduction of paper use and the resulting emissions related to its production, transportation and disposal.

The first project concerns the transition to digital contracts, which has already allowed the elimination of the use of paper documents for contract management, making the process more sustainable and efficient.

The second project, currently in the transition phase, involves the implementation of the electronic batch record, with the aim of completing the full transition by 2025. This transformation represents a significant step towards the complete digitalization of production processes, drastically reducing the need for paper records while improving traceability and operational efficiency.

These results reflect the company's commitment to using technology to drive sustainability and innovation in its processes.

Green Packaging Evaluation		
	Target 2024	Result 2024
Green packaging proposal	100%	100% 


Conclusion:

The company confirms its ability to offer customers green proposals during the development phase of new products, integrating sustainable solutions that aim to reduce environmental impact. During this process, options are presented that include the use of ecological materials, optimized processes and innovative solutions with low environmental impact.

The final decision is left to the customer, who has the option to confirm or not the proposed green version, based on their needs and priorities. This approach allows the company to actively promote responsible and sustainable choices, without compromising the flexibility and satisfaction of the end customer. The company's commitment

remains to raise awareness and encourage the adoption of environmentally friendly solutions, thus contributing to a more sustainable and conscious development.

Evaluation - Suppliers

	Target 2024	Result 2024
Percentage of suppliers with completion of the ESG questionnaire	> 80% of turnover  > 85% of new suppliers	55%  60% for new suppliers 

Conclusion:

The full achievement of the first year monitoring goal was affected by some late responses from suppliers, which is understandable considering that this activity is a new activity that has only recently been introduced. However, the process is ongoing, and we are already working to solicit and collect the missing responses. The target value remains confirmed for 2025, with the confidence that, thanks to the familiarity acquired and the consolidation of the process, most suppliers will be able to provide feedback within the expected timeframes, thus contributing to the achievement of company objectives in a structured and effective way.

Monitoring - Suppliers

	Monitoring 2023	Monitoring 2024
Percentage of suppliers subjected to CSR assessment	12.5%	29%

Conclusion:

The analysis conducted on suppliers has highlighted the following results regarding ESG (Environmental, Social, Governance) compliance. For packaging material suppliers, the overall rating is 56%, with specific values of 42% for the environment, 83% for safety, 67% for social aspects and 67% for governance. Similarly, for raw material suppliers, the overall rating is 55%, with a value of 38% for the environment, 83% for safety, 67% for social aspects and 67% for governance. Biokosmes' supply chain monitoring strategy has shown that the current supplier network has already embarked on a path towards integrating ESG issues within their organizations. However, it is important to consider that ESG issues are still voluntary and not mandatory, underlining that what has been achieved so far is a good start, but cannot yet be considered fully sufficient. However, it is the beginning of a virtuous path. The data collected constitutes a qualitative baseline for the ESG supplier register, which allows Biokosmes to implement a sustainable purchasing policy and related procedures, aimed at incentivizing and rewarding suppliers who demonstrate the highest ESG standards. In reference to what has been described see Annex n1.

# Decarbonisation Path

Biokosmes has embarked on an important path towards decarbonisation, entrusting a specialised external consultant with the task of carrying out an in-depth study to identify the best strategies and operating methods to progressively reduce CO<sub>2</sub> emissions and the impact of our activities on the environment. This study, which

represents a fundamental step in our transition towards sustainability, will be concluded in early 2025 and will provide a complete analysis of the opportunities for improvement, with particular attention to energy efficiency, the adoption of renewable sources and the optimisation of production processes.

The results obtained will allow us to develop a structured action plan for the whole of 2025 and the following years, outlining concrete objectives, precise timelines and targeted investments. This plan will allow the company to take concrete and measurable actions, in line with the global objectives of emission reduction and with the principles of long-term sustainability.

The assignment of this activity to an external expert guarantees a scientific, objective and transparent approach, laying the foundations for a concrete and long-lasting commitment over time. The company recognizes the importance of this transition as a responsibility towards the environment, the community and future generations, confirming its active role in the fight against climate change and in promoting a low-carbon future.

## Supply chain

The company has implemented and developed a sustainable procurement policy with the aim of integrating environmental, social and governance (ESG) criteria into its procurement process. This policy is supported by a dedicated operating procedure, which establishes clear guidelines for the selection and management of suppliers, ensuring that they are assessed not only on economic parameters, but also in relation to their commitment to sustainability and social responsibility.

In addition, a supplier ranking system has been introduced, which classifies partners according to specific ESG characteristics, such as attention to environmental performance, respect for human rights, business ethics and the adoption of sustainable practices. This approach allows us to monitor, value and collaborate with suppliers who demonstrate a strong commitment to sustainability, thus promoting continuous improvement along the entire supply chain. The company is committed to maintaining and strengthening these practices, actively contributing to a more ethical, responsible and sustainable development.

The monitoring results can be viewed in Annex n1.

### Ethics and Human Rights

Biokosmes has conducted an in-depth analysis of some of the most relevant suppliers in the supply chain and of as many CMOs (Contract Manufacturing Organizations), with a specific focus on respect for Human Rights and the fight against modern slavery. The objective of this activity was to evaluate the compliance of partners with our ethical and social standards, ensuring that each collaboration is aligned with the values of fairness, responsibility and respect for the fundamental rights of people.

In parallel, the company has launched a new digital training platform, designed to offer employees continuous access to training content, including modules dedicated to social issues such as respect for Human Rights and ethical principles. This initiative aims to raise awareness and strengthen staff awareness, promoting a corporate culture increasingly attentive to social responsibility and integrity. The company thus confirms its commitment to building a work environment based on knowledge, respect and protection of everyone's rights, both within its organization and along the entire supply chain.

# 2025 Goals

With a time horizon of 2025, Biokosmes intends to define and pursue clear and measurable objectives to strengthen its commitment to sustainability and responsible innovation. These objectives have been structured taking into account the most pressing global challenges, such as climate change, social inequalities and the need for ethical and transparent governance.

Biokosmes arrives in 2025 with a management process and ESG issues already underway, the first objective is therefore the maintenance of the KPIs monitored in 2024.

Specific details for certain objectives are given below.

## **“Environmental” objectives**

### **Company carbon footprint:**

Scope 1: A 15% Scope 1 reduction target is planned

The aim is to achieve the set objective by replacing 2 boilers used for heating production environments, which guarantee an energy saving of 20% compared to the previous ones.

Scope 2: A 10% Scope 2 reduction target is planned.

The goal is to be achieved by purchasing energy from certified renewable furnaces.

Scope 3: Execution of a decarbonization study with related identification of areas for improvement. Evaluation of the associated environmental opportunities for each of them and evaluation of the application timing.

### **Decarbonisation plan:**

During 2024, thanks to the collaboration with qualified professionals in the sector, Biokosmes had the opportunity to identify and evaluate the areas of improvement in the three areas Scope 1, Scope and Scope 3. The objective for 2025 is to evaluate the impact of the solutions identified as more efficient, from an environmental, organizational and economic point of view by presenting an intervention plan that allows the achievement of the UN Agenda 2030 and 2050 objectives.

## **Objectives “people – health and safety”**

### **AUDIT to suppliers**

A careful mapping of the supply chain by examining its working practices in terms of Safety, Sustainability, Ethics and Human Rights is a good practice to ensure alignment with the Ethical principles of Biokosmes of its suppliers.

One of the most effective ways to verify the adherence of the supplier's principles to those of Biokosmes is to perform an on-site audit of an environmental, social, ethical and human rights nature.

Biokosmes therefore plans to audit 3 suppliers among those with the greatest impact in economic or volume terms.

Biokosmes continues its process of evaluating suppliers from the Ethical and Human Rights point of view, deepening and expanding the analysis carried out in 2024. The objective is therefore to cover a further portion of relevant suppliers and to plan improvement actions with the suppliers already examined.

### **ISO 45001:2018**

During 2024, thanks to the collaboration with qualified professionals in the sector, Biokosmes has deepened the principles of ISO 45001:2018 identifying itself with them. The choice was therefore to aim at the presentation to the two phases of certification with a Notified Body according to Accredia by the end of the year.

## WHP - Work Health Promotion

Biokosmes confirms its registration to the regional and Italian project by guaranteeing a systematic and integrated approach aimed at improving the health and well-being of workers within the working environment. WHP includes strategies, policies and interventions that aim not only to prevent diseases and reduce work-related risks, but also to promote healthy lifestyles and create a working environment favorable to psychophysical well-being.

### **“Territory - community” objectives**

Biokosmes confirms its commitment to favoring a supplier located within a limited radius of Biokosmes, thus offering proximity to the territory and promoting the maintenance of the community and the territory.

Biokosmes continues with collaborations and cultural exchanges with high schools in the Lecco area by promoting PCTO paths - Paths for Transversal Skills and Orientation.

Also for 2025 Biokosmes has planned to participate in 2 events to raise funds for charity, in particular the Camminata Manzoniana, a cultural event organized in Lecco to celebrate the places described in the famous novel "I Promessi Sposi" by Alessandro Manzoni and the Relay Marathon of Milan, a relay race for charity purposes, allowing teams to support social causes and solidarity projects.



# Sustainability Assessment by a Qualified Third Party Body

Biokosmes has as its own criteria for evaluating its performance in terms of sustainability the achievement of annual objectives, staff satisfaction, customer satisfaction and the impartial judgment of a third-party body. Biokosmes uses the annual analysis performed by Ecovadis, an international company with over 130,000 companies evaluated in over 180 countries in more than 220 sectors. The result achieved in 2024 was:

## Environment Score 70/100

BIOKOSMES SRL is in the top 26% of companies evaluated by EcoVadis in the sector Manufacture of soaps and detergents, cleaning and polishing products, perfumes and cosmetics.

## Score Labour Practices and Human Rights 60/100 – Ethics 70/100

BIOKOSMES SRL is in the top 12% of companies evaluated by EcoVadis in the sector Manufacture of soaps and detergents, cleaning and polishing products, perfumes and cosmetics.

## Sustainable Purchasing Score 70/100

BIOKOSMES SRL is in the top 7% of companies evaluated by EcoVadis in the sector Manufacture of soaps and detergents, cleaning and polishing products, perfumes and cosmetics.

## **Overall score 66/100**

BIOKOSMES SRL is in the top 15% of companies evaluated by EcoVadis in the sector Manufacture of soaps and detergents, cleaning and polishing products, perfumes and cosmetics.

For the Board of Directors