

Rev.
00

ENVIRONMENTAL AND CLIMATE PROTECTION POLICY

FINE FOODS GROUP





LIST OF REVISIONS

REV.	DATE	CHANGES	APPROVAL
00	19 July 2022	New issue	ESG Committee

Our Commitment

"We want to prepare for a climate-neutral future and want to use natural resources available for future value creation. We want to be our customers' production plant and support them in creating increasingly sustainable products."

*Giorgio Ferraris
Chief Executive Officer*



1. Introduction

The Fine Foods Group aims to be a benchmark in the contract manufacturing of pharmaceuticals, nutraceuticals and cosmetics. Fine Foods is aware that this goal can only be achieved if the balance between financial growth, social responsibility, environmental protection and the health and safety of people in the workplace is respected.

This Policy is central to Fine Foods' business model and is as essential as productivity, efficiency, quality and new product development.

This Policy embraces the Global Compact principles followed by Fine Foods:

- *Principle VII: Businesses should support a precautionary approach to environmental challenges;*
- *Principle VIII: Undertake initiatives to promote greater environmental responsibility;*
- *Principle IX: Encourage the development and diffusion of environmentally friendly technologies.*

By embracing the Global Compact principles, Fine Foods commits to the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda, particularly the following goals:

- *goal 7: affordable and clean energy*
- *goal 12: responsible consumption and production*
- *goal 13: climate action*

Climate and environmental protection policy is defined based on the following three key pillars:

- I. environmental protection
- II. climate protection
- III. sustainable use of resources and eco-friendly design

I. Environmental protection

Environmental protection and health of people in the areas where Fine Foods is established is a priority. The company implements processes for the systematic reduction of its impact on the environment. It adopts the best available practices to guarantee the protection of environmental matrices - air, water and soil - and avoid accidental or voluntary pollution.

¹ Icons of Sustainable Development Goals no. 7, 12 and 13 of the United Nations 2030 Agenda.

II. Climate protection

Fine Foods is aware of the issue related to current goods and energy production models and their effect on climate, and it wants to be part of the solution.

The energy transition is complex because energy production methods that have been established for decades must be quickly transformed into more sustainable models while continuing to provide all the energy the world needs and protecting employment levels. "Sustainable development" means that environmental, social and economic issues must be considered equal. For these reasons, traditional production models and systems cannot be eliminated overnight but must be included in the transition and transformation process. Reducing energy consumption and using green energy are some of the solutions we can implement today. The players involved in the supply chain are part of the solution and must be engaged in decarbonising processes.

III. Sustainable use of resources and eco-friendly design

Current production and consumption models involve a significant waste of natural resources and damage global ecosystems. It is estimated the world's population will reach 9.6 billion by 2050. This would require the natural resources of three planets to meet global use and consumption needs. It is clear how necessary it is to use natural resources efficiently and redistribute them equitably. Everyone needs access to electricity, clean water and sufficient food quality and quantity. Focusing on environmental impact from the design stage is necessary to use renewable rather than non-renewable raw materials. Processes that reduce water and energy consumption in partnership with other players in the supply chain need to be designed.

2. Implementation

Under the above general principles, Fine Foods Group companies implement the following measures:

2.1 Transparency and accountability

Act transparently and ensure compliance with environmental protection regulations by adopting the following organisational measures:

- set up an organisational structure to implement the content of this Policy and provide the necessary human and instrumental resources;
- ensure the protection of the environment and health of people, preventing any voluntary or accidental pollution by choosing the best technologies available;
- provide transparency to stakeholders on the organisation's environmental data;
- adopt an ISO 14001 environmental management system and obtain certification.

2.2 Environmental protection

Commit to reducing environmental impact. This includes:

- reducing waste arising during the production cycle by focusing on decreasing the percentage of waste sent for disposal which is no longer recyclable/reusable;
- designing production processes to minimise the water used;
- reducing raw materials and products employed in production processes to a minimum (e.g., reusing materials internally, adopting anti-waste procedures, etc.).

2.3 Climate protection

Fine Food's provides innovative solutions to reduce climate impact by decarbonising production processes where technically and financially sustainable. The following solutions are prioritised:

- adopting procedures to monitor its energy consumption and systematically reduce waste;
- installing systems to produce energy from renewable sources;
- purchasing energy from renewable sources;
- investing in projects for the energy efficiency of machinery, plant and processes;

- involving suppliers by encouraging them to adopt initiatives to decarbonise their production processes.

2.4 Sustainable supply chain

Shifting supply chain towards management that respects human rights and the environment. This includes:

- adopting tools to assess the environmental and social impact of stakeholders along the value chain and engage them in an improvement process;
- partnering with suppliers to develop greener solutions.

Where applicable and financially sustainable, opting for products or services that guarantee the best environmental performance and the same functionality by adopting the following criteria:

- avoiding the use of substances classified as hazardous;
- choosing products derived from renewable raw materials (e.g., of vegetable origin) and, whenever possible, certified sustainable origin (e.g. FSC paper, organic farming, etc.);
- choosing products or raw materials from recycled sources, where possible;
- considering "sharing" or "second-hand" solutions as an alternative to purchasing;
- avoiding disposable products;
- purchasing products designed to be repaired, reused, refurbished or recycled;
- choosing products designed under "green chemistry" criteria (e.g. chemicals which do not remain in the ecosystem, or comprising plant-based ingredients, etc.);
- choosing products with a longer shelf life;
- selecting products that guarantee a service which extends the product's useful life;
- choosing products that are eco-efficient throughout their life cycle by comparing the environmental declarations of several equivalent products (e.g. product carbon footprint, EPD - Environment Product declaration) or through certifications (e.g. Ecolabel, Blue Angel, Nordic Swan, etc.);
- zero waste and buying what is necessary.

2.5 Product eco-design principles

Adopting circular economy and eco-design concepts from product design (including its packaging) to favour solutions that make resources recyclable and reduce the environmental impact, applying the following general strategies:

- analysing the environmental impact of products throughout their life cycle and working with customers in developing environmentally-friendly solutions;
- choosing low-impact materials (ref. paragraph 2.4);
- reduce the quantity (weight and volume) of materials used;
- reducing the consumption of energy, water and materials required in the production process;
- optimising and reducing the logistics impact;
- reducing the environmental impact in the use phase;
- increasing the product shelf-life;
- optimising and decreasing the product's end-of-life impact.

2.6 Personnel involvement

Spreading a corporate culture for environmental protection and sustainable development through the following operating methods:

- organising and promoting initiatives to train and inform workers on the environmental protection procedures and disseminating this Policy;
- developing people's awareness through campaigns and information on environmental and sustainability issues;
- actively participating in projects to reduce the waste of resources and energy;

- cooperate with public bodies, schools or other private companies in raising local people's awareness through initiatives on the conscious use of natural resources and energy and responsible consumption.

3. Conclusions

The Fine Foods ESG Committee approved this Policy which applies to all Group companies.

Giorgio Ferraris
Chief Executive Officer