



RINO MASTROTTO

ANIMAL WELFARE AND
TRACEABILITY POLICY

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RINO MASTROTTO is a globally recognized leading company that operates in the field of the provisioning of materials to produce luxury goods. It can offer not only premium quality leather for segments such as leather goods, automotive, furniture and footwear, but also top-quality fabrics and high value-added services.

This Policy applies to all companies of RINO MASTROTTO, in Italy and abroad and is addressed to all stakeholders, namely all persons, such as employees, shareholders or shareholders, customers, suppliers and all those who may be affected and indirectly involved, permanently or temporarily, by the Group's activities.

RINO MASTROTTO in relation to the core business, the typology of raw material that is used and being one important player on the international scene of the tanning industry, has decided to lay down this Policy for Animal Welfare and Traceability to formalize a commitment for protecting animal rights as well as woodland areas, in order to:

- avoid the procurement of raw materials from places where animal welfare is not guaranteed, preferring those where the animals, from which the raw materials used by the Group are obtained, are treated in accordance with the latest international legislation
- put into practice, also through its suppliers, all the necessary precautions to avoid, or in any case minimize, any type of suffering and discomfort to animals
- avoid the procurement of raw materials from areas considered protected, sensitive lands and ecosystems or at risk of desertification, preferring places where the environment is protected and respected and there are no disputes with indigenous groups

With this document, complementary to the Code of Ethics and Conduct adopted since 2012, the Group protects in a particular the South American environmental heritage, by selecting to its suppliers to not procure materials from companies involved in deforestation, included in the list of the embargo of the Brazilian Institute of Renewable and Environmental Natural Resources, IBAMA (www.ibama.gov.br), or located in Argentina's traditional Native Forest Land protected by the Zoning Law. We will make sure that lands subject to environmental constraints are not directly exploited (breeding) or indirectly exploited (to produce feedstuffs and forages), and the hides come from farms that comply with all the regulations required for forest coverage areas such as, for example, in Paraguay (Chaco Biome - INFONA) and in Colombia.

In applying the Policy, RINO MASTROTTO wish to achieve the Sustainable Development Goals of the United Nations too, those here below listed:



Ensure sustainable consumption and production patterns



Take urgent actions to combat climate change and its impacts



Protect, restore and promote sustainable use of terrestrial ecosystems

RINO MASTROTTO has implemented adequate regulatory compliance monitoring systems to protect both the environment and the principles of conduct in the procurement of animal species. We believe in the sustainable development of the territories in which we operate and from which we source, promoting

a business that shares, accepts, and complies with ethical principles such as legality, equality, impartiality, transparency, fairness, reliability, and professionalism, condemning any form of corruption and attitude or behaviour that is not fully aligned with them.

ANIMAL WELFARE

RINO MASTROTTO considers of primary importance to guarantee the welfare of the animals involved in its supply chain. For the protection of animals, it firmly believes in the importance of its contribution to strengthen and increase respect for them, committing to verify and sensitize the suppliers of the raw material by asking them to take all the necessary precautions to avoid any type of suffering and discomfort to animals.

We ask all suppliers to source exclusively from farms managed in an ethical way and that respect, in addition to the **Five Freedoms** internationally recognized for the welfare of animals, also a sixth.

1. Freedom from hunger or thirst by ready access to fresh water and a diet to maintain full health and vigour
2. Freedom from discomfort by providing an appropriate environment including shelter and a comfortable resting area
3. Freedom from pain, injury or disease by prevention or rapid diagnosis and treatment
4. Freedom to express (most) normal behaviour by providing sufficient space, proper facilities and company of the animal's own kind
5. Freedom from fear and distress by ensuring conditions and treatment which avoid mental suffering
6. Freedom from experimentation on living animals

In spite of still being at the basis of international legislation on animal welfare and organization such as and organizations such as OIE, recently renamed WOA (World Organization for Animal Health), that for decades have actively supported global issues of animal health and welfare, providing science-based solutions, confirming the increased sensitivity of society to the problem, modern literature has further expressed itself by highlighting a broader concept of animal welfare, which includes the psychological well-being of animals as well as the physical one, creating the **Five Domains**, below listed and substantially in line with the Five Freedoms:

1. Nutrition
2. Environment
3. Health
4. Behavior
5. Mental state

The five domains focus more on delivering positive outcomes for animal welfare, rather than simply avoiding negative outcomes. The first four domains are sometimes described as "physical," but taken together they impact the fifth domain: the mental state of the animal.

Moreover, RINO MASTROTTO:

- only use hides as a by-product of the meat and dairy food industry
- do not use material coming from fur-bearing animal
- do not use animal hides belonging to the IUCN Red List of Threatened Species
- do not use hides of reptiles, exotic animals and wild animals or protected species (CITES)
- do not use kangaroo and ostrich hides
- do not use hides of newborn animals

To implement the principles of this Policy, RINO MASTROTTO will equip itself with appropriate processes aimed at guaranteeing the protection of animal welfare along the entire value chain; we intend to achieve the objectives by dialoguing and listening to the needs of all internal and external stakeholders, evaluating risks and opportunities in terms of the product life cycle.

SUPPLIER'S PERFORMANCE

Recognizing that there are very different realities and multiple farming systems, RINO MASTROTTO wants to identify and consequently direct purchases to those who will be able to demonstrate higher levels of animal welfare. We therefore undertake to carry out a systematic monitoring of all our suppliers, evaluating their performance.

We also intend to establish benchmarks, according to current standards of breeding and slaughter, to direct the sector towards a continuous improvement on a large scale.

TRACEABILITY

At RINO MASTROTTO we carry on traceability plans that are taking care to identify suppliers that perfectly suit the customer's needs and who supply hides that do not coming from animals bred in protected areas or areas having desertification risks, or from places where well-being animal is not respected or safeguarded.

In this perspective of improving, we take responsibility for:

- maintain the existing Traceability Management System that complies with the ICEC TS410 or TS 412 technical specification, extending it to all its production sites; it has to be fully integrated with the IATF 16949: 2016 certification active in the automotive divisions
- dedicate adequate resources and promote the continuous improvement process for a more flexible Traceability Managing System
- source only hides that are a by-product of the food industry
- comply with all requirements regarding traceability aspects of the business, deriving from national and international laws, regulations in force and contractual agreements with the interested parties
- help in providing useful data and information at Group level as well as to industrial district level (UNIC, COTANCE) to develop management and economic models for assessing performance.

To ensure compliance with these indications, RINO MASTROTTO will carry out periodic re-evaluation of results and progresses achieved in the traceability fields, promoting the exchange of communications with the control bodies and the supply chain both upstream and downstream. of the tannery

LWG and TRACEABILITY EVALUATION

RINO MASTROTTO since 2019 has adopted the Leather Working Group certification process, the first global environmental certification for the leather manufacturing industry.

Among the various aspects that the certification takes into consideration, there is also a specific section dedicated to traceability, whose final goal is to monitor the journey of the raw hides from the slaughterhouse to the final product.

LWG protocol analyses traceability from three different points of view:

- materials procurement, to ensure that upstream suppliers are also certified and produce responsibly
- traceability of incoming material
- traceability of the outgoing material

We recognize LWG audits as a valid tool for promoting and measuring the degree of traceability in the leather sector, considering it extremely useful to improve our procurement policies, also in order to reduce possible worldwide deforestation risks.

As a Group we intend to keep LWG certifications active in our companies confident that, the gradual approach carried out by the same LWG organization that certifies thousands of companies around the world, will lead the full involvement of all actors to achieve a common goal, thanks to a gradual elimination of harmful practices and promoting improvements within the leather value chain.

TRANSPARENCY

RINO MASTROTTO is committed to maintaining a constant and transparent communication with all its stakeholders, listening to the needs of all internal and external stakeholders, in order to ensure the correct implementation of the Animal Welfare and Traceability Policy.

We have already embarked on a path of dialogue and sharing experiences with some stakeholders to expand the common knowledge and create synergies to cope with the growing demands in a structured.

ADOPTION, IMPLEMENTATION AND DISSEMINATION

The addressees are required to know the contents of this policy, to observe the principles contained in it and to actively promote its observance.

To this end, RINO MASTROTTO undertakes to ensure maximum dissemination of this Policy, through the use of appropriate knowledge and training tools and awareness of its contents, by training sessions planned for staff, by displaying it on company bulletin boards rather than by publishing it on the company's website (www.rinomastrotto.com).

With a view to continuous improvement, RINO MASTROTTO promotes plans and initiatives for continuing education and the spread of greater sensitivity to the topics covered so far, with the aim of indicating the trajectory in reference to the requests coming from stakeholders and the strategy and responsibility that the economic initiative must have towards animals and the environment.

We are committed to disseminating the Animal Welfare and Traceability Policy to all suppliers of raw or semi-finished leather so that they can work together.

We ask our suppliers to respect the highest standards of animal welfare and ethical practices, as well as to ensure that all regulations (environmental, health, safety and workers' rights) are fully enforced. In the evaluation of possible collaborations, suppliers will also be evaluated on the basis of criteria on their supply chains, prohibiting the use of all those who do not comply with current regulations on breeding, transport and slaughter.

RINO MASTROTTO assigns the Purchasing Management Committee the responsibility of supervising the application of this Policy. This in turn reports to the Chief Executive Officer of the Company, who assumes responsibility for overseeing its application and reporting its progress and impacts to the Board of Directors.

RINO MASTROTTO submits this Policy to periodic review and reserves the right to modify any procedures in this Policy if deemed appropriate, including, but not limited to, changes required by local legal or regulatory requirements. This Policy approved by the Board of Directors on 31st of May 2023, will be updated periodically or whenever deemed necessary to reflect ongoing developments in ESG and best practice developments.