



RINO MASTROTTO

ENVIRONMENTAL POLICY

ENVIRONMENTAL POLICY

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 considers investment in environmental protection and the conservation of the territory an opportunity for a sustainable and positive growth, as well as a possibility to improve the relations with stakeholders. The Group has formalized its commitment to protect the environment by this policy, with the specific aim to minimize the impacts deriving from production processes, slow down as much as possible the climate change, promote the resources protection and the conservation of forests and ecosystems.

Following the key principles deriving from globally recognized environmental policies and framework, such as the Paris Agreement on the climate, and the Rio Declaration on Environment and Development, and inspired by the principles stated in the Code of Conduct and in the Code of Ethics, RINO MASTROTTO's environmental policy includes and supports the SBTi initiative and the United Nations Sustainable Development Goals with particular reference to the following targets:



6 CLEAN WATER AND SANITATION
Ensure availability and sustainable management of water and sanitation for all



7 AFFORDABLE AND CLEAN ENERGY
Ensure access to affordable, reliable, sustainable and modern energy for all



12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Ensure sustainable consumption and production patterns



13 CLIMATE ACTION
Take urgent actions to combat climate change and its impacts



15 LIFE ON LAND
Protect, restore and promote sustainable use of terrestrial ecosystems

RINO MASTROTTO has adequate system for monitoring the regulatory compliance, in order to comply with all the requirements concerning the environmental aspects of its business, respectively and in particular with regard to national and local laws, regulations in force and contractual agreements with interested parties.

ENVIRONMENTAL MANAGENT SYSTEM

RINO MASTROTTO in order to strengthen its sustainability contribution, is committed to research and implement solutions for increasing the positive environmental impacts resulting from the activities of the Group, therefore inspired by the principle of continuous improvement we want:

- annually comply to the Environmental Management System certification, based on the ISO 14001: 2015 standard, already present and in extension to all the production sites of the group, that is also integrated with Quality System certifications such as the ISO 9001: 2015 and IATF 16949: 2016 standards at the automotive divisions
- take advantage from the internal audits to verify that policies and strategies are correctly implemented within our Operations
- improve the sharing of information thanks to a closer collaboration between the staff of the different global production sites; in order to extend the internal best practices deriving from certifications and create wider synergy.

RESPONSIBLE USE OF WATER

Recognizing that water is a vital asset for the environment and for the business we carry out, at RINO MASTROTTO we operate following strict guidelines regarding its use. We try to minimize its consumption both within the production sites under direct control and throughout the value chain

- monitoring consumption both in terms of relative and absolute water consumption
- prioritizing the purchase of machinery having high water-efficiency
- by promoting practices for a proper water management and the research of technologies to facilitate recycling

In coherence with a wide respect for the environment, water, as a physical element of the ecosystem, shall be preserved in its natural manifestation not only from a quantitative point of view, but also from the qualitative one, therefore, wanting to protect aquatic ecosystems too, the attention we place goes far beyond the use we make.

- applying on a large scale the best available technologies to reduce the concentration of pollutants present in pre-treatment wastewater.
- managing the owned wastewater treatment plants according to the best available technologies (i.e., BAT)
- managing in a correct way the rainwater, safeguarding the reservoirs.
- using water risk assessment tools (e.g., WWF water risk assessment) to identify current and emerging risks, which also consider basin water risk (as a measure of the physical, regulatory, and cultural specificity of water in relation to the location of the site)

ENERGY

We are committed to be energy efficient by measuring and monitoring the use of the energetic resources to implement systems, solutions, and innovations for reducing our footprint. In this context, the Company promotes to work in line with Agenda 2030 with a focus on:

- accurate control of consumption
- use of energy produced by renewable sources
- research and implementation of efficient climate neutral technologies for energy production
- adoption of energy efficiency initiatives and innovations.

CIRCULAR ECONOMY and WASTE MANAGEMENT

RINO MASTROTTO cultivates and promotes the tradition of tanning and leather processing by recovering and regenerating an organic waste material, a craft that definitely represents one of the oldest forms of up-cycling; the circular economy is a cornerstone on which the company trusts to mitigate and reduce its environmental impact, and those of the entire supply chain, thanks to proper waste management, with specific reference to the waste deriving from the production in our facilities. That is why:

- we only source hides that are a by-product of the meat and milk industry, guaranteed by the UNI ISO / TS 17033: 2020 ethical claim certification "We recover our hides from the food supply chain", already established in several sites and in extension to others
- we select our suppliers of raw materials (e.g., chemical products and packaging) also on the basis of criteria that take into consideration their ability to offer recycled, recyclable or biodegradable products, favoring all those suppliers who are able to provide certifications, compliance to environmental standards or claims verified by a third party
- we are committed to reducing the use of all those materials that could have negative impacts on health, the environment and the climate; in all our sites we promote and encourage their reuse and, only when they reach the end of their life we send them to separate waste collection
- we enhance the by-products of tanning processing by sending them to be recovered as raw material for external production processes
- we send most of the waste for recovery, with operations that result into a new use of the waste or into its regeneration or "recycling", trying, also thanks to a careful choice of our service providers, to minimize the disposal activities that concern the final treatment of waste.
- we only use qualified suppliers for recovery and disposal services.

RECYCLED FIBERS

RINO MASTROTTO is committed to ensuring that the procurement of the raw materials used takes place in a sustainable way, minimizing any negative social and environmental impacts in all phases and processes; with the entry into the group of a textile company, we have decided to include in the environmental policy also a specific chapter concerning fibers, whether natural, artificial, or synthetic with the specific purpose to promote their reuse and recycling.

With a global demand that is constantly growing, the transition to recycled fibers from certified supply chains (thanks to globally recognized standards that verify the real origin and reuse of both waste originating from production processes and materials otherwise destined for disposal) represents a necessary step.

Conventional cotton has significant social and environmental impacts, from cultivation to processing (water consumption, pesticide use, carbon dioxide emissions, respect for human rights and supply chain tracking), as well as synthetic fibers derive from fossil materials, non-renewable resources. In both cases, the recovery of certified recycled fibers allows us to minimize impacts and reduce dependence from fossil materials and non-renewable resources.

CHEMICAL MANAGEMENT

Finally, we recognize that a proper management of chemical substances is a way that, in addition to empower the product compliance, guarantees safer working conditions for workers and protects the environment, therefore:

- we commit to use chemicals with low environmental impact that comply with the ZDHC MRSL in its latest version available to the following link <https://www.roadmapzero.com/>; a programme that aims to reduce the emission of compounds dangerous for the environment and human health, identifying and avoiding them from the early stages to prevent their input into the production cycle
- we monitor the presence of unwanted chemicals in the product, in the production processes, in the wastewater and sludges, by following the ZDHC Waste Water Guidelines always available in its latest version to the link <https://www.roadmapzero.com/>.
- we operate according to the precautionary principle whenever an evaluation of a product or process does not provide us all the necessary warranties.

GREEN HOUSE GASES (GHG) and AIR EMISSIONS

With reference to greenhouse gases and their effects on the environment and climate change, RINO MASTROTTO is committed to actively participate in the containment of GHGs through energy efficiency and the adoption of climate-neutral solutions

- promoting the adoption of intelligent solutions to improve the air quality
- monitoring and limiting the emissions of GHG and other substances with reference, for example, to the solvents used in the finishing phase
- investing in projects to offset its own emissions and the value chain ones

In this context, the Company's dual aim concerns both, the fight against climate change and the improvement of the air quality within its production sites (with particular regard to the solvents used in the leather finishing stages) as well as the local communities in which it operates, in order to protect the health of people that are directly or not involved by corporate activities.

Because of the nature of the processing carried out on the hides by RINO MASTROTTO, particular attention is given to the reduction of solvents (VOC) used in the finishing phase, favoring the use of water-based products.

DEFORESTATION and BIODIVERSITY

We aim to increase the social and environmental benefits deriving from the responsible procurement of raw materials, fighting the deforestation and preserving ecosystems and forests, with particular attention to those protected and in danger of extinction (as defined by the Forest Stewardship Council); we want to protect animal and plant species by promoting biodiversity, avoiding procurement from illegal or controversial sources that endanger the habitat and degrade the soil, deforested with the "slash and burn" practice, or that do not recognize human rights and communities living within wooded areas.

For this we are committed to:

- promote a mapping and evaluation of raw materials and/or semi-finished suppliers
- exclude suppliers making direct or indirect use of land belonging to sensitive natural ecosystems, in particular forests and grasslands with a high conservation value
- avoid the use of suppliers (all) whose mining, forestry or agricultural resources contribute to deforestation
- purchase hides from suppliers that guarantee the absence of grazing operations in lands subject to deforestation, lands disputed by indigenous groups or areas protected by any type of

regulation, in particular those protecting the South American forests and their environmental heritage, as stated in the Code of Ethics and Conduct

- purchase wood and paper based products from well managed forests to avoid deforestation or forest degradation.

RINO MASTROTTO actively works with its suppliers and other interested parties to implement this policy, eliminating any unacceptable source and gradually increase the quantity of wood, paper, packaging, or any other derived product coming from responsibly managed trees.

Our long-term intention is that no plants as well as no trees are cut down unnecessarily or illegally, either to make room for meadows or to make wood, paper or cellulose by-products (including cellulose-based fibers such as viscose, rayon or similar).

All products we purchase must come from well-managed, credible certified forests (e.g., FSC rather than PEFC) and/or come from the recycling of both pre-consumer and post-consumer materials. If the purchased materials are not certified, RINO MASTROTTO intends to collaborate and verify with its supply chain to ensure that all the requirements of this policy are met.

RESEARCH, DEVELOPMENT, and INNOVATION

RINO MASTROTTO pursues an internal policy of Research and Innovation related to the development of materials and processes, aiming to limit the use of fossil primary raw materials, and giving priority to sustainable alternatives such as organic materials, recycled materials, recyclable ones, etc.

RINO MASTROTTO pursues an internal Research and Development policy relating to the innovation of materials (aimed at limiting the use of fossil primary raw materials and promoting sustainable alternatives such as materials of biological origin, recycled, recyclable, etc.) and processes (which includes plant engineering and technological solutions).

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 a correct implementation of the Environmental Policy and facilitate the commitment by them in the field of environmental protection.

We intend to periodically evaluate the results and progress achieved in the environmental field, promoting the exchange of communications with employees, control bodies, partners of the productive world and local communities, also with a view to seeking more appropriate technological solutions to further reduce environmental impacts.

We intend to make public the results of our environmental performance also thanks to the annual publication of the Sustainability Report.

ADOPTION, IMPLEMENTATION AND DISSEMINATION

The recipients are required to know the contents of the Environmental Policy, are obliged to observe the principles contained in it, and are called 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 the appropriate company bulletin boards rather than by publishing it on the company's website (www.rinomastrotto.com)

In this way we want the Environmental Policy to be clear to all suppliers of goods and services so that they can jointly contribute to the reduction of environmental impact.

We ask our suppliers to comply with existing laws and environmental regulations, and in the evaluation of possible collaborations we also qualify them according to criteria on their environmental performance, prohibiting the use of all those who do not comply with legal regulations on the environment (water, soil and GHG).

With a view to continuous improvement, RINO MASTROTTO promotes plans and initiatives for continuous training and the spread of greater environmental responsibility to all staff, in order to define and consolidate a common guideline with regard to the environmental objectives and commitments on which the sustainable development strategy is based.

RINO MASTROTTO assigns the Plant Manager and the Environmental Representative the task of supervising compliance with this Policy. These in turn report to the Chief Executive Officer of the Company, who assumes responsibility for overseeing their application and reporting their progress and impacts to the Board of Directors.

In order to implement the principles of this Policy, RINO MASTROTTO will adopt a "context analysis" approach from a product life cycle perspective, subjecting it to periodic review. This Environmental Policy approved by the Board of Directors on 31st of May 2023 cancels and replaces any previous version and will be regularly updated whenever deemed necessary according to possible changes in the context (including, but not limited to, changes requested by the Authority), the level of achievement of environmental objectives and to remain aligned with international best practices.