1. INTRODUCTION

1. 1 OBJECTIVES OF THIS DOCUMENT

The Sustainability Policy (also "the Policy") outlines the strategies and methods through which **GENNARO AURICCHIO S.P.A.** (also "the Company" or "Auricchio") aims to create shared and lasting value through a concrete approach to corporate sustainability.
In effect, the Company is committed to continuously improving its environmental performance by setting new goals and promoting investments that ensure long-term sustainability.
Specifically, Auricchio aims to:

- Reduce its environmental impact through the efficient use of resources, waste management, and the reduction of emissions.
- Promote the use of renewable energy and recyclable materials.
- Implement technologies and practices to reduce energy and water consumption.
- Encourage the reduction, reuse, and recycling of waste materials with a view toward an increasingly circular economy.
- Identify and manage environmental risks associated with business activities.
- Adopt measures to mitigate these risks and continuously improve environmental performance.
- Implement monitoring systems to assess environmental performance.
- Publish an annual sustainability report in accordance with international standards.

Through this Policy, Auricchio sets the following general objectives:

- To support the process of making key decisions regarding sustainability, including the management of risks, opportunities, and impacts related to climate and nature.
- To define strategies that can contribute to building a more sustainable future, balancing economic growth and environmental protection.
- Facilitate the non-financial reporting process.
- To increase knowledge and awareness of environmental issues, promoting a culture of corporate sustainability.

1. 2 APPROVAL AND REVIEW OF THE POLICY

Sustainability issues relevant to the Company are identified through:

- Analysis of the legal context and ongoing monitoring of regulatory changes and international guidelines.
- Consultations with stakeholders and engagement with suppliers, customers, and local communities to identify environmental priorities.

- Internal assessments and analysis of business operations to identify areas for improvement and environmental risks.

The policy is reviewed and updated annually to reflect regulatory changes, new business strategies, and changes in the environmental context. The review and approval of the policy will be supervised by the Head of Sustainability and the Board of Directors, in collaboration with executives from various business functions.
Any necessary mid-period changes will be addressed promptly to ensure the continuity and effectiveness of sustainability initiatives.

1. 3 SCOPE OF APPLICATION AND DISTRIBUTION OF THE POLICY

This policy applies to and is endorsed by all company departments and locations, as well as the outsourced service providers with whom the Company works. Internally, the policy will be shared with all relevant staff at the Company's various locations through appropriate communication channels.
Externally, it will be communicated to key stakeholders via email, publication on the company website, and during dialogue and negotiation sessions with them.

1. 4 ROLES AND RESPONSIBILITIES

The Company has established its own sustainability governance framework, which defines tasks and responsibilities within the organization to ensure the effective implementation of the policy.

- **Board of Directors (BOD)**: Oversees and approves the Company's sustainability strategies, ensuring they are aligned with long-term objectives.
- **Head of Sustainability**: Reporting directly to the Board of Directors, this individual oversees the overall implementation of sustainability policies and initiatives by coordinating the relevant departments listed below.
- **Administration and Finance Department**: Oversees financial management and ensures that resources are allocated in a way that supports environmental sustainability goals.
- **Investment Department**: Invests in projects with a positive environmental impact, mitigates risks, and improves cost efficiency.
- **Procurement Department**: Manages relationships with suppliers, ensuring compliance with the sustainable procurement policy.
- **Quality Department**: Oversees production processes to ensure compliance with quality and environmental sustainability standards.

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- **Human Resources Department**: Implementation of HR practices that promote sustainability; training of staff on environmental issues.
- **Marketing Department**: Promoting the company's sustainability initiatives through effective and transparent communication strategies.
- **Technical Department**: Oversees the implementation of sustainable technologies and ensures compliance with environmental standards in production processes.

2. RELEVANT REGULATORY FRAMEWORK

This Policy has been developed in accordance with current regulations and industry guidelines, listed below.

EU REGULATIONS	ITALIAN REGULATIONS
EU Directive No. 34 of June 26, 2013 (concerning annual and consolidated financial statements and related reports)	Legislative Decree No. 254/16 on non-financial reporting (transposition of the NFRD Directive)
Legislative Decree No. 254/16 on non-financial reporting (transposition of the NFRD Directive)	CSRD Transposition Decree not yet approved
Regulation (EU) 2020/852 – Taxonomy	**Soft Law**
Regulation (EU) 2019/2088 SFDR (financial sector)	OECD Guidelines 2023
EU Delegated Regulation No. 2021/2139	Draft Guidelines on the Enforcement of Sustainability Information
EU Directive 2022/2464 of December 14, 2022 (CSRD), which amended EU Directive No. 34	
EU Delegated Regulation 2023/2772 of July 31, 2023, which supplemented EU Directive No. 34 and introduced sustainability reporting principles	
EU Delegated Regulation 2486/2023 on the definition of eco-sustainability criteria for economic activities in the European Union.	
Directive (EU) 2024/1760 of the European Parliament and of the Council of June 13, 2024, on corporate due diligence for sustainability purposes, which amends Directive (EU) 2019/1937 and Regulation (EU) 2023/2859	

EU REGULATIONS	ITALIAN REGULATIONS
Directive 2024/825/EU of the European Parliament and of the Council of February 28, 2024, which amends Directives 2005/29/EC and 2011/83/EU regarding empowering consumers for the green transition by improving protection against unfair practices and enhancing information. "Greenwashing Directive."	

3. GUIDELINES ON SUSTAINABILITY

3.1 AGENDA 2030 AND SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda is an ambitious action plan launched by the United Nations in 2015, with the goal of improving people's lives, preserving the planet, and promoting prosperity. It is based on 17 Sustainable Development Goals (SDGs) that have been endorsed by all 193 UN member states.

Auricchio recognizes the importance of the SDGs and monitors their impact, particularly on those most affected by its business performance. Specifically:

SDG 1: No Poverty
Auricchio contributes to poverty reduction by creating jobs and economic opportunities in the local communities where it operates.

SDG 2: Zero Hunger
The company supports sustainable agricultural practices and promotes food security through the production and distribution of high-quality products.

SDG 3: Good Health and Well-being
Through rigorous quality and food safety controls, Auricchio ensures that its products contribute to the health and well-being of consumers.

SDG 4: Quality Education
The company invests in the ongoing training of its employees, promoting learning and skill development.

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SDG 5: Gender Equality
Auricchio promotes gender equality and the empowerment of women by ensuring equal career opportunities and treatment.

SDG 6: Clean Water and Sanitation
The company effectively manages water use in its operations by implementing water-saving technologies and ensuring wastewater treatment.

SDG 7: Affordable and Clean Energy
The Company invests in renewable energy sources and energy efficiency projects to reduce energy consumption and carbon emissions.

SDG 8: Decent Work and Economic Growth
The Company promotes a safe and dignified work environment, supporting sustainable economic growth and the creation of quality jobs.

SDG 9: Industry, Innovation, and Infrastructure
Auricchio invests in modern and sustainable infrastructure and promotes innovation in production processes to improve efficiency and reduce environmental impact.

SDG 10: Reduced Inequality
Through inclusive policies, the Company works to reduce social and economic inequalities within and among countries.

SDG 11: Sustainable Cities and Communities
Auricchio supports the sustainable development of local communities through responsible business practices and community investments.

SDG 12: Responsible Consumption and Production
The Company implements responsible production and consumption practices, reducing waste and promoting recycling and the efficient use of resources.

SDG 13: Climate Action
Auricchio takes measures to combat climate change by reducing greenhouse gas emissions and improving energy efficiency.

SDG 14: Life Below Water
The Company is committed to reducing marine pollution through sustainable waste management and the promotion of sustainable fishing practices.

SDG 15: Life on Land
Auricchio promotes the sustainable management of terrestrial resources and the conservation of biodiversity, minimizing the impact of its operations on the natural environment.

SDG 16: Peace, Justice, and Strong Institutions
The Company promotes transparency and integrity in its business operations, complying with regulations and contributing to the development of strong and just institutions.

SDG 17: Partnerships for the Goals
Gennaro Auricchio S.p.A. works closely with institutions, nongovernmental organizations, and industry partners to foster joint initiatives and share resources, expertise, and technologies.

4. THE PRINCIPLES OF SUSTAINABILITY

The Auricchio Group adheres to general sustainability principles that align with the family's vision of consistently making a positive impact on society and on the local and global communities in which it operates. Given the very nature of the Auricchio Group's business, its primary commitment focuses on making an impact on specific global goals that are particularly relevant to the dairy industry and the agri-food sector in general. These include the efforts made to date and/or goals achieved, along with the relevant SDG indicators:

- The Auricchio Group is committed to streamlining production processes to reduce waste in terms of raw materials, finished products, and auxiliary materials, and to raising awareness among customers and suppliers (SDG – 12)
- The Auricchio Group is committed to reducing water withdrawals and consumption (SDG–6)
- The Auricchio Group is committed to combating climate change, including through the ongoing pursuit of greater efficiency in its energy consumption (electricity and gas) throughout the production process (SDG 13 (7))
- The Auricchio Group's commitment to protecting life on Earth and biodiversity through the monitoring of suppliers and their adherence to animal welfare standards (SDG – 15)
- The Auricchio Group is committed to ensuring decent work and a decent standard of living, as well as economic growth for the local communities where the Group's companies operate (SDG – 8)

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The areas in which the Auricchio Group is actively engaged in sustainability efforts are as follows:

4.1 AREA 1: CORPORATE CITIZENSHIP

Area 1 refers to how the company is committed to effectively managing social and ethical issues, both internally and within the communities affected by its activities.

4.2 AREA 2: SUSTAINABILITY OF OPERATIONS AND INTERNAL PROCESSES

Area 2 addresses the environmental and social impacts of the company's activities, including production processes and other internal processes, with a particular focus on issues related to resource use (land, water, energy) and emissions. It also addresses issues related to respect for human rights, diversity and inclusion, and decent working conditions that improve employees' lives.

4.3 AREA 3: SUSTAINABILITY OF SUPPLY CHAINS AND THE VALUE CHAIN

Area 3 reflects the company's role and responsibility within the broader ecosystem of which it is a part, including stakeholders in the value chain, such as suppliers and customers. The promotion of sustainable actions and practices throughout the entire supply and value chain is evaluated.
For example, the company is committed to promoting transparency and traceability in the supply chain and requires suppliers to share detailed information on the origins of raw materials and compliance with sustainability standards.

4.4 AREA 4: PRODUCTS AND STRATEGIES THAT CONTRIBUTE TO HEALTHY AND SUSTAINABLE DIETS

Area 4 refers to the company's contribution to healthy and sustainable diets, assessing its commitment to developing product and commercial policies that promote healthy choices, well-being, and the environment. This area must include how the company defines its product portfolio.

Management

Cremona, October 10, 2024

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