

GROUP ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) POLICY



INDUSTRIE CELTEX[®]

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Approved by: Chief Executive Officer

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1. INTRODUCTION AND PURPOSE

1.1 Overview

Through this ESG Policy the Industrie Celtex Group (hereinafter also “the Group”, “the Company” or “the Organization”) articulates its vision for sustainable growth, establishes clear organizational accountability, and defines the principles, objectives, and governance mechanisms that guide its operations across all jurisdictions and business units. The Organization invites its stakeholders to participate in this transformative endeavour.

This policy aims to:

- **establish clear accountability:** define roles, responsibilities, and governance structures for ESG performance across the organization;
- **drive operational excellence:** integrate ESG considerations into strategic planning, capital allocation, and operational decision-making;
- **manage material risks:** identify, assess, and mitigate ESG-related risks that could impact business continuity and stakeholder value;
- **capture opportunities:** leverage ESG initiatives to drive innovation, enhance brand reputation, and create competitive advantages;
- **ensure transparency:** provide comprehensive, accurate, and timely disclosure of ESG performance to stakeholders

1.2 Scope

This Policy applies to all Group entities, including Industrie Celtex S.p.A., TEMCA GmbH & Co. KG, Celtex France and Celtex Iberica, subsidiaries, and controlled companies operating in Italy, Germany, France, Spain and other countries worldwide. The Policy covers all employees - whether permanent, temporary, or part-time and all the Group’s facilities.

1.3 Materiality assessment

Industrie Celtex Group's ESG strategy is grounded in a comprehensive materiality assessment that identifies the environmental, social, and governance topics most significant to the Company's business and stakeholders. The Group's material topics include:

- **Environmental:** Responsible use of resources and materials, Management of energy consumption and reduction of emissions, Waste and circular economy, Responsible use of water resources
- **Social:** Employee management and well-being, Product innovation and quality and customer satisfaction, Health and safety at work, Local community support and development
- **Governance:** Brand Identity, Cybersecurity and information security, Business ethics and risk management, Managing a sustainable value chain.

2. GOVERNANCE AND OVERSIGHT

2.1 Organizational structure

Industrie Caltex Group maintains a dedicated managerial structure with defined roles and responsibilities to coordinate, monitor, and promote sustainable initiatives. All departments are accountable for integrating ESG principles into their respective functions.

2.2 Responsibilities and grievance mechanism

The Chief Executive Officer (CEO) holds ultimate responsibility for the Company's ESG strategy, performance, and disclosure. The CEO:

- approves the ESG Policy and strategic ESG objectives;
- ensures integration of ESG considerations into corporate strategy.
- implementing ESG strategy and initiatives across all business operations;
- ensuring alignment between ESG objectives and operational plans;
- fostering a culture of sustainability throughout the organization

The Supervisory Body established under Italian Legislative Decree 231/2001, oversees the implementation and effectiveness of the Organizational, Management, and Control Model. The Supervisory Body, responsible for the Italian sites:

- monitors compliance with the Code of Ethics and anti-corruption policies;
- receives and investigates whistleblowing reports;
- reports periodically on compliance and governance matters.

The HR Department is responsible for implementing human rights and diversity commitments as detailed in the **Group Policy on Human Rights, Diversity, Equity & Inclusion**.

2.3 Policy Review, Dissemination, and Training

This policy is reviewed and updated every two years to assess its effectiveness and relevance, as well as whenever significant changes occur in the business, operations, or regulatory environment, when stakeholder feedback indicates a need for change, when ESG best practices evolve, or when new material ESG risks or opportunities are identified. The CEO approves all material changes to the policy.

Once approved, the policy is published on the Company website and communicated to all employees, contractors, and business partners. Its implementation is supported by comprehensive training programs addressing the policy's requirements and expectations. The policy is made available in English and will be integrated into the Caltex Academy training program, with regular updates and refresher sessions to ensure ongoing understanding and awareness. Compliance with the policy is monitored and enforced on a continuous basis.

3. ENVIRONMENTAL PILLAR

Industrie Celtex Group regards environmental protection as a cornerstone of its sustainability strategy, with concrete commitments on the following key fronts: the **transition toward renewable energy sources** and the **progressive reduction of climate-altering emissions**, the **adoption of responsible practices in water and waste management**, and the **integration of reduced-impact materials and products** throughout the value chain.

In support of this commitment, the Group has defined the targets outlined below, integrated into its **Sustainability Plan**.

3.1 Energy efficiency and emissions reduction

Industrie Celtex Group is committed to reducing greenhouse gas emissions across its value chain and transitioning to a low-carbon business model through optimized energy consumption, increased renewable energy utilization, and continuous improvement of energy efficiency across all operations.

Key targets include:

- Increase **the share of electricity from renewable sources by 125%** by 2030, baseline 2024;
- Reduce **Scope 1 and 2 (market-based)** greenhouse gas emissions **by 19%** by 2030, baseline 2023.

3.2 Waste and circular economy

Industrie Celtex Group is committed to minimizing waste generation, maximizing resource recovery, and promoting circular economy principles across its operations. The Group recognizes that waste prevention and resource efficiency are essential components of sustainable manufacturing.

Key targets include:

- implement differentiated waste management for municipal waste across all offices and common areas, achieving an **85% waste recovery rate on total waste generated** by 2030, baseline 2023.

The Group has implemented comprehensive waste management systems integrated with **ISO 14001** environmental management certification, under which the following sites are certified: Industrie Celtex S.p.A. Altopascio, Industrie Celtex S.p.A. Montecarlo, and TEMCA GmbH Pölzig, ensuring the systematic identification, classification, and treatment of all waste streams.

The Group's approach to waste management is based on the principles of prevention, reduction, reuse, recycling, and responsible disposal, in accordance with the corporate Health, Safety and Environment (HSE) Policy, published at www.industrieceltex.com

3.3 Responsible use of resources and materials

Industrie Celtex Group is committed to the responsible and efficient use of natural resources, recognizing that sustainable resource management is fundamental to long-term environmental stewardship and business resilience.

Key targets include:

- **maintain 99,19% of purchased pulp certified under Chain of Custody (CoC) standards;**

- **reduce plastic packaging** on interleaved products **by 100%** by 2030, baseline 2023;
- **increase the use of primary packaging made from recycled plastic (PCR)** for the printed products range **by 30%** by 2030, baseline 2023;
- **increase the use of post-consumer recycled (PCR)** plastic materials in primary packaging intended for food contact (FCM) **by 15%** by 2030, baseline 2025;
- increase the use of **renewable materials** in the manufacturing and packaging of products **by 8%** by 2030, baseline 2023;
- achieve **99% certified reels** out of total reels purchased by 2030, baseline 2024.

In support of these targets, the Group is committed to ensuring systematic monitoring and tracking of material consumption through analytical accounting, enterprise resource planning (ERP) systems, and KPIs aligned with ISO 9001¹ and ISO 14001² standards.

3.4 Water Stewardship

The Group is committed to ensuring the responsible management of water resources. Recognizing water as a critical resource for its production processes, particularly in its paper mills, Industrie Celtex Group implements comprehensive water management strategies aligned with regulatory requirements and best practices.

Key targets include:

- **reduce water withdrawal** per tonne of paper produced at paper mills **by 5%** by 2030, baseline 2023.

4. SOCIAL PILLAR

4.1 Human Capital Development

Industrie Celtex Group recognizes human capital as a key driver of sustainable growth, innovation, and competitive advantage. The Group is committed to fostering the development, engagement, and continuous growth of its people, supporting both emerging talent and experienced professionals in building their skills and potential.

To this end, the Group promotes continuous learning as a strategic priority, providing structured training programmes that enhance technical and transversal competencies. These include mandatory awareness sessions on human rights, diversity, equity, and inclusion, as detailed in the **Group Policy on Human Rights, Diversity, Equity & Inclusion**.

Key targets include:

- **increase non-mandatory training hours** provided to employees **by 30%** by 2030, baseline 2023;

¹ The ISO 9001 certification applies exclusively to the sites listed in the table in Section 6.1, "Performance measurement and reporting".

² The ISO 14001 certification applies exclusively to the sites listed in the table in Section 6.1, "Performance measurement and reporting".

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- deliver **180 hours of sustainability-related training** to enhance employee awareness and knowledge on the topic **by 2030**, baseline 2023;
 - **reduce annual staff turnover by 5%** by 2030, baseline 2023.

The Group has implemented **Celtex Academy**, a digital learning platform designed to support the development of specialised skills and knowledge sharing, with training primarily focused on export operations and sales force development. In addition, since 2024 the Group has been running a **three-year cybersecurity training programme** aimed at strengthening employees' awareness and ability to identify malicious cyberattacks, thereby safeguarding both the Company's security and the protection of personal data.

4.2 Diversity, inclusion and well-being

Industrie Celtex Group respects and promotes internationally recognized human rights across its operations and value chain, in line with the **Universal Declaration of Human Rights, the United Nations Guiding Principles** on Business and Human Rights, and the conventions of the **International Labour Organization (ILO)**. Diversity, inclusion, employee well-being, and responsible labour practices are considered key enablers of a resilient and engaged workforce, strengthening decision-making and innovation while supporting the Group's long-term, sustainable growth.

Key targets include:

- increase the number of **employees benefiting from the corporate welfare platform**, reaching at **least 160 beneficiaries** by 2030, baseline 2023.

For further details, please refer to the **Group Policy on Human Rights, Diversity, Equity & Inclusion**³.

4.3 Health, Safety & Dignity at work

Industrie Celtex Group ensures safe and healthy working conditions for all employees, contractors, and visitors, based on the principle that workplace injuries and occupational illnesses are preventable. The Altopascio and Montecarlo sites of Industrie Celtex S.p.A. operate a health and safety management system certified to the ISO 45001 standard. The Group also implements prevention programs, ongoing incident monitoring, and emergency response plans, and invests in employee well-being through modern, ergonomic work environments, welfare initiatives (flexible working arrangements, canteen services, meal vouchers), occupational health assistance, and the direct involvement of workers in health and safety management through dedicated representatives.

Key targets include:

- promote a culture of health and safety in the workplace through targeted technical training, aiming to **reduce the workplace injury rate by 100% (i.e., to zero)** by 2030, baseline 2024.

The Group's health and safety performance is regularly monitored through incident tracking, near-miss reporting, and periodic audits.

4.4 Community engagement and social impact

The Organization is committed to contributing to the economic and social development of the communities in which it operates through structured community investment programs. The Group promotes initiatives in healthcare and social support, including pediatric assistance and support for vulnerable populations; collaborates with universities and technical institutes for training in paper technologies and offers apprenticeship opportunities; and supports the preservation of cultural heritage and paper manufacturing traditions.

Key targets include:

- allocate **0,10% of expenditure to local communities** (foundations, associations, voluntary organizations), as a share of external economic value generated and distributed.

4.5 Customer satisfaction and product innovation

The Group is committed to developing high-quality products through systematic investment in research and development, creating product and packaging solutions with minimal environmental impact, maintaining rigorous quality and safety standards, and systematically gathering customer feedback. This commitment reflects the recognition that sustainable innovation and customer satisfaction are essential to long-term business success.

Key targets include:

- **maintain zero product recalls from the market**, ensuring full compliance with quality and safety standards.

5. GOVERNANCE PILLAR

5.1 Business ethics and integrity

Industrie Celtex Group is committed to conducting business with the highest standards of ethics, integrity, and honesty, maintaining a zero-tolerance approach to corruption, fraud, and any form of unethical conduct.

The Group's **Code of Ethics**, published at www.industrieceltex.com, sets out the principles governing the conduct of all employees and stakeholders, including impartiality, honesty, transparency, efficiency, fairness, integrity, anti-corruption, and environmental protection. It applies across the entire value chain and is available in multiple languages to ensure accessibility and awareness. Industrie Celtex S.p.A. also implements the **Organization, Management and Control Model pursuant to Legislative Decree 231/2001**, published at <https://www.industrieceltex.com/en/sustainability/model-231>, reinforcing its governance and compliance framework, under the supervision of the Supervisory Body.

The **Whistleblowing Policy**, applicable exclusively to Industrie Celtex S.p.A. and published at <https://www.industrieceltex.com/en/whistleblowing/>, is in place to enable the reporting of concerns without fear of retaliation. All reports are investigated promptly and thoroughly, with appropriate feedback provided where possible, and all related records are duly maintained.

Ethics and compliance performance are continuously monitored through the tracking of incidents and investigations, periodic reporting, and regular evaluations of the effectiveness of the compliance system.

Key targets include:

- achieve **40 hours of ESG training per capita for governance bodies and Top Management** by 2030, baseline 2024.
- promote transparency and accountability internally and externally, creating an environment of trust and integrity aimed at preventing non-compliant behavior and **maintaining zero whistleblowing reports**.

5.2 Cybersecurity and data privacy

The Group recognizes that cybersecurity and data privacy are essential to protecting Company and stakeholder information, maintaining operational continuity, and preserving stakeholder trust. The Group maintains robust cybersecurity frameworks, ensures compliance with data protection regulations and privacy standards, provides systematic employee training on cybersecurity and information security, implements incident response and business continuity plans, and conducts regular monitoring and assessment of information security risks.

Key targets include:

- ensure the protection of personal data in compliance with the GDPR by minimizing the risk of unauthorized access, unlawful disclosure, and non-compliant processing, while **maintaining zero personal data breach incidents**.
- implement and consolidate data prevention and protection measures, including regular backup systems and disaster recovery plans, in order to **maintain zero data loss incidents**.

5.3 Responsible supply chain management

The Group adopts and implements structured procedures to ensure responsible supply chain management, requiring its business partners to adhere to sustainability standards consistent with those of the Group and promoting responsible practices throughout the value chain. This approach supports the development of an ethical and sustainable upstream value chain through the following commitments:

- **Strategic assessment and targets:** progressively increasing the proportion of suppliers subject to sustainability assessments.
- **Monitoring:** verifying suppliers' environmental and social compliance through regular audit programmes and documentary reviews, enabling the timely identification and mitigation of risks across the supply chain.
- **Traceability:** ensuring transparency and traceability of raw materials and procured goods and services throughout the supply chain.

Key targets include:

- achieve **sustainability assessment coverage for 80% of strategic suppliers** by 2030, baseline 2023, integrating ESG criteria into supplier selection and qualification processes.
- roll-out of the **Supplier Code of Conduct** across the entire Group by 2030.



The Group extends its ***Policy on human rights, diversity, equity & inclusion*** to encompass its entire supplier base.

5.4 Stakeholder engagement and transparency

The Organization is committed to transparent communication of ESG performance to inform strategic decision-making and build trust. It communicates ESG performance transparently through annual sustainability reports and conducts materiality assessments to identify and prioritize ESG topics relevant to the Company and its stakeholders.

Key targets include:

- engage **100% of internal stakeholders** and **at least 5% of external stakeholders** in the impact materiality assessment process by 2030.

6. IMPLEMENTATION AND MONITORING

6.1 Performance measurement and reporting

To ensure effective implementation of this ESG Policy, the Group has established a structured framework for monitoring, measuring, and reporting ESG performance. The framework includes the definition of key performance indicators (KPIs) aligned with the Group's sustainability objectives and the preparation of the annual Sustainability Report in accordance with GRI Standards. The Group adopts management systems that comply with internationally recognized standards, whose certifications strengthen risk management, regulatory compliance, and continuous improvement of ESG performance.

The list of current certifications (applicable to the Group's operations in Italy, France and Germany) is reviewed and updated periodically, and it is available in the sustainability report and on the website.

In addition, the Group regularly engages in external ESG assessments and ratings to benchmark its performance against industry standards and best practices. Progress is also continuously tracked with respect to the United Nations Sustainable Development Goals (SDGs), ensuring alignment with globally recognized sustainability priorities.

The Company is committed to the regular review and updating of the current policy, ensuring relevance and effectiveness over time.

7. DOCUMENT INFORMATION AND APPROVAL

Revision date	09/09/2026

This Policy is approved by the Chief Executive Officer of Industrie Celtex S.p.A. and is effective as of Q2 2026.



Andrea Bernacchi
President & CEO