



CREALIS GROUP

CIRCULAR ECONOMY AND RESOURCE EFFICIENCY POLICY

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By Board of Directors Crealis Group

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1. Introduction

1.1. Aims of the Policy

The purpose of this **Circular Economy and Resource Efficiency Policy** is to set out the Crealis Group's commitments and guidelines on sustainable resource management, waste prevention and the promotion of circular production practices.

In line with the Group's founding values and with a focus on responsible innovation and environmental protection, this Policy is part of the Group's broader journey towards a sustainable business model. The objective is to progressively reduce environmental impacts throughout the entire product life cycle, from design and production to end-of-life and waste management.

Specifically, the Policy intends to:

- steer product development towards **eco-design** and **reduce the use of virgin resources**;
- promote the **recovery and valorization of production waste**, both through internal processes and through collaborations along the value chain;
- encourage **reuse and recyclability** solutions for **packaging**, adopting a systemic approach that prioritizes circular design;
- ensure **responsible management of materials in accordance with the principles of the 'waste hierarchy'** with a focus on prevention, effective separation, and recycling.

Through the implementation of this Policy, the Group is committed to progressively integrating circular economy principles into its industrial strategy, decision-making processes, and business models, thereby strengthening its competitiveness, reputation, and actively contributing to the preservation of natural resources and the fight against climate change.

1.2. Scope and Addressees

This Policy, adopted by **Crealis S.p.A.** (hereinafter also referred to as “**Parent Company**”) applies to all **companies belonging to the Crealis Group**, subject to compliance with applicable local laws and regulations, and with due consideration of the legal and cultural specificities of the different countries where the Group operates. Each Group Company is required to implement and adhere to the principles and provisions of this Policy, supplementing them, where necessary, with specific regulations or operating procedures, provided these are consistent with local legal requirements.

This Policy covers all activities and processes related to:

- the selection, procurement and use of raw materials and materials;
- the stages of design, production and packaging;
- the management and treatment of industrial waste and production scrap.

Addressees of the Policy are:

- employees and collaborators working in areas related to design, production or resource management;
- direct and indirect suppliers of Group companies;
- partners and third parties involved in activities that may affect the circularity or efficiency of resources along the value chain.

Furthermore, the Group is also committed to promoting the principles contained in this Policy to relevant partners and stakeholders, encouraging the sharing of good practices throughout the value chain.

1.3. Reference Principles

The Crealis Group's Circular Economy and Resource Efficiency Policy is grounded in the values and principles expressed in the Group's Code of Ethics and Sustainable Procurement Policy.

Furthermore, it is inspired by internationally recognised frameworks and guidelines on environmental sustainability and responsible resource management, including:

- the OECD Guidelines for Multinational Enterprises;
- the principles of the UN Global Compact;
- Directive 2008/98/EC establishing European environmental policy on the environment and waste;
- the framework for setting eco-design requirements for sustainable products established by the European Union;
- Regulation (EU) 2025/40 of the European Parliament and of the Council on Packaging and Packaging Waste (EU PPWR);
- the 2015 Paris Climate Agreement;
- the United Nations Environment Program (UNEP);
- the European Green Deal, particularly in its circularity, climate neutrality and resource efficiency pillars.

1.4. Relevant impacts, risks and opportunities

As part of the materiality assessment conducted by the Group, the key positive and negative impacts generated by the company's activities concerning resource management and the circular economy have been identified. In parallel, through specific risk management processes, the Group has identified the main risks associated with these issues. The identified impacts and risks affect both the natural environment and the broader economic and social context in which the Group operates, as detailed below:

Material topic	Identified impacts or risks	
Circular economy, sustainable design and waste management	Significant waste generation and consumption of raw materials exceeding production requirements due to inadequate production management.	Negative impact
	Promotion of sustainable product design, including through investment in research and development, to reduce their environmental impact and encourage a shift towards more durable, recycled, bio-based and biodegradable materials.	Positive impact
	Environmental pollution caused by the generation and disposal of hazardous and non-hazardous waste.	Negative impact
	Non-compliance with recyclability rules under EU PPWR – forced product re-design and added operational costs.	Risk

	Regulatory band on non-recyclable plastics – forced discontinuation of products.	Risk
	Customer expectations on recyclability/eco labels – loss of market share and brand trust from non-compliance with eco-expectations.	Risk
	Lack of recycled material availability – inability to meet packaging standards or targets, leading to cost and market impact.	Risk
	Penalties from non-compliance with EPR schemes – Fines and fees, direct cost increase and loss of retail access.	Risk
	Inadequate recyclability of product packaging – failure to meet regulatory and consumer expectations, affecting sales and image.	Risk
	Increased cost of bio-based materials – cost burdens reducing competitiveness or slowing innovation adoption.	Risk

2. Group Commitment

2.1. Sustainable use of resources and reduction of material consumption

For the Group, respect for the environment and trust in innovation are key drivers for promoting sustainable business development while minimizing environmental impact. In this context, the Group adopts an integrated approach based on eco-design, circular economy principles, and process innovation, fostering the reduction of material consumption and the optimization of resources throughout the entire product life cycle.

Priority actions include:

- designing products with lower environmental impact during production and at end-of-life;
- selecting materials with reduced emissions impact;
- using renewable, recycled, and recyclable resources;
- reducing the use of fossil-based materials, where technically feasible;
- providing clear and accurate information to support the proper end-of-life management of products.

Where possible, internal recycling processes are implemented to optimize material use and minimize waste.

With regard to products whose current composition does not allow for effective material separation for direct recycling, the Group is focusing on researching alternative solutions designed according to eco-design principles, with the aim of reducing resource consumption and improving recyclability.

A key priority for the Group is the use of bio-based and alternative solutions, such as fiber-based materials, to reduce dependence on fossil-based resources. In this respect, experimental projects have been launched to test innovative materials compatible with the safety and performance standards required by the sector, with the goal of progressively increasing their integration into products.

2.2. Circular economy products and processes

The Group's commitment to **responsible innovation** and **environmental sustainability** is based on strong values of respect for natural resources and social responsibility. In line with these principles, the Group has embarked on a path to implement circular economy models, adapting them to the peculiarities of its production sector.

Crealis adopts a product management approach based on the **'9R' framework** (Refuse, Rethink, Reduce, Reuse, Repair, Refurbish, Remanufacture, Repurpose, Recycle), which guides decisions related to design, procurement and production.

The Group is focused on developing and testing alternative solutions that enhance sustainability in line with the highest levels of the waste hierarchy. At the same time, every innovation must comply with food safety and quality standards, respect technical application constraints, and maintain the recognized economic value of its products. Crealis also ensures that customers can apply capsules and closures on their existing equipment with minimal adjustments, while preserving efficiency, speed, and reliability in their processes.

The Group's circular economy approach applies to all forms of products and packaging. This includes products sold as final solutions to customers, such as bidules, as well as capsules and closures that are integrated into packaging placed by customers on the market, and the packaging used to safely ship and protect products during transport. In the latter case, Crealis also works on reuse practices, for example through pallets. In all these cases, Crealis applies the same principles of eco-design and circularity, working to improve recyclability, optimize material use, and explore sustainable alternatives without compromising safety, quality, or functionality.

In this regard, efforts are focused on:

- Improving the **intrinsic recyclability** of products;
- Introducing **mono-material solutions and selecting materials that support high-quality recycling**;
- Designing products for **end-of-life management**, adopting a cradle-to-cradle approach to minimize material loss and maximize resource recovery.

The Group is also committed to monitoring and measuring progress in the implementation of circular economy principles through environmental key performance indicators (KPIs).

Simultaneously, as part of its collaboration with suppliers and local entities, the Group has launched industrial symbiosis projects with companies located near its plants. These initiatives seek to integrate and optimize respective production cycles, **transforming waste into resources** and significantly reducing waste volumes. Building on the positive outcomes achieved, the Group continues to actively pursue new opportunities for industrial cooperation and synergy across its various production sites.

2.3. Waste management

Aligned with its core values of **environmental responsibility** and **sustainable innovation**, the Group adopts a proactive waste management approach that goes beyond mere compliance with applicable national and local regulations across its plants.

Waste management is structured around traceability, monitoring, and continuous improvement principles and is integrated into existing environmental management systems, in accordance with

recognized standards such as **ISO 14001**. Monitoring is conducted in compliance with legislative requirements, with particular attention to sites hosting the most critical operations, such as molding. In these contexts, priority is given to:

- waste prevention at the source;
- valorization of waste through recovery practices;
- testing and adoption of automated material sorting and separation technologies;
- recycling of all non-reusable materials.

This approach is consistent with the principles of the **9R** framework of **the circular economy**, in which prevention and material recovery precede recycling.

With the aim of promoting a sustainable **end-of-life cycle**, the Group also places great emphasis on the careful selection of materials and labelling practices. An example of this is the use of compostable materials, which are capable of biodegrading through industrial composting processes, resulting in a reduced impact on the environment.

Finally, in packaging management, the Group is actively engaged in the search for more sustainable solutions:

- using of post-consumer recycled materials (PCR);
- exploring returnable vacuum systems where logistical conditions permit;
- designing carton packaging with optimized structure to reduce transport volume and enhance logistical efficiency.

These measures are aligned with the European objectives outlined in the Packaging and Packaging Waste Regulation (**EU PPWR**) and contribute to reducing environmental impact throughout the product life cycle. In compliance with the Regulation, the Group pays special attention to banning **PFAS substances** in food-contact packaging and implements a clear labeling system that informs about recyclability and correct disposal of products.

3. Implementation, control and monitoring

3.1. Roles and responsibilities

Promoting circular economy and resource efficiency requires a transparent governance model rooted in a corporate culture of sustainability, environmental responsibility, and continuous innovation. It is essential to ensure clear allocation of roles and responsibilities, alongside adequate awareness and training for all personnel involved, especially in processes and business areas with the greatest environmental impact.

Function/corporate body	Roles and responsibilities
Board of Directors of the Parent Company	• Approves the Group Policy on Circular Economy and Resource Efficiency. • Oversees the consistency of the Policy with the Group's strategic and sustainability objectives. • Promotes the adoption of measurable environmental objectives, consistent with the Group's international commitments.
Group Sustainability Manager	• Supports the definition and monitoring of environmental KPIs in cooperation with technical functions.

	• Promotes the dissemination of the culture of sustainability internally and externally, including through training and communication.
Purchasing team	• Encourages the sourcing of recycled, recyclable, bio-based or otherwise environmentally friendly materials, in addition to meeting standard criteria such as compliance with food safety regulations, quality, technical performance, reliability of supply, and cost efficiency. • Promotes supplier selection criteria consistent with circular economy principles. • Evaluates opportunities for packaging reduction and sustainable logistics.
R&D team	• Develops innovative product solutions according to the principles of eco-design and circularity, while ensuring: ◦ Compliance with food safety and quality standards; ◦ Technical feasibility and reliable performance in production; ◦ Preservation of product integrity and functionality; ◦ Compatibility with customers' existing equipment and processes, requiring minimal adjustments; ◦ Maintenance of production efficiency, speed, and economic value. • Identifies alternative materials with lower environmental impact, including through experimentation with recycled, bio-based and compostable materials. • Integrates life cycle analysis (LCA) criteria into development projects.

3.2. Reviewing and Updating the Policy

This Policy is subject to periodic review to ensure its operational effectiveness, its consistency with the Crealis Group's values and sustainability objectives, as well as its ongoing adherence to current regulations and best practices in the field of sustainable procurement, both nationally and internationally.

In addition, extraordinary reviews of the Policy may occur in case of:

- significant regulatory changes;
- major organisational changes within the Group;
- results from internal or external audits revealing critical issues;
- relevant reports received through the listening or complaint channels related to ESG issues.

Proposals for changes are made by the Group Sustainability Manager, shared with the Managing Director of the Parent Company and then submitted to the Board of Directors for approval. Approved updates are implemented by Group companies in line with local regulations and, if necessary, supplemented through context-specific operating procedures.

3.3. Policy Sharing and Dissemination

The Group ensures effective dissemination of this Policy at all organizational levels and among relevant stakeholders, through internal and external channels, consistent with principles of transparency and accessibility.

The Policy is made accessible to all relevant internal and external stakeholders via the Group's institutional website, ensuring full awareness and understanding in compliance with applicable laws and regulations.

3.4. Complaint and redress mechanisms

Any conduct that violates the principles of this Circular Economy and Resource Efficiency Policy may constitute a breach of trust and result in disciplinary action, in accordance with applicable legislation and collective and individual agreements.

The Group acknowledges the importance of fostering an environmental culture grounded in responsibility, transparency, and continuous improvement, also by enabling employees, collaborators, and stakeholders to report behaviors inconsistent with the Policy's principles or other unsustainable resource management practices.

To ensure an effective and uniform application of the rules, all Group companies adopt the **EQS Integrity Line platform**, which is protected by appropriate security measures, including the use of encryption tools, to safeguard the confidentiality of the reporting party, of any individuals mentioned in the Report, as well as the content of the Reports and any relevant documentation.

The Platform is accessible directly via the link <https://www.crealisgroup.com/en/international/whistleblowing-2/> where users will find instructions to submit a Report.

The Group encourages all individuals to report, in good faith and without fear of retaliation, any violations of this Policy, ensuring the protection of the reporting party in accordance with applicable laws and standards on reporting mechanisms.

4. Appendix

4.1. Appendix A - Correspondence with ESRS Standards

The new European Sustainability Reporting Standards (ESRS) approved under the Corporate Sustainability Reporting Directive (CSRD) provide companies with a comprehensive framework of disclosure requirements for reporting on environmental, social and governance issues. In line with these standards, this Policy specifically refers to:

- ESRS 2 MDR-P Policies adopted to manage material sustainability matters;
- ESRS E5 Resource use and the circular economy, in particular E5-1 Policies related to resource use and the circular economy.
- ESRS S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions.

ESRS standards	Information	Section	Page	Comments
ESRS 2 MDR-P	65 (a) a description of the key contents of the policy, including its general objectives and which material impacts, risks or opportunities the policy relates to and the process for monitoring;	1 Introduction	3	
		1.1 Aims of the Policy	3	
		1.4 Relevant impacts, risks and opportunities	4	
ESRS 2 MDR-P	65 b) a description of the scope of the policy, or of its exclusions, in terms of activities, upstream and/or downstream value chain, geographies and if relevant, affected stakeholder groups;	1.2 Scope and Addressees	3	
ESRS 2 MDR-P	65 (c) the most senior level in the undertaking's organisation that is accountable for the implementation of the policy;	3.1 Roles and responsibilities	7	
ESRS 2 MDR-P	65 (d) a reference, if relevant, to the third-party standards or initiatives the undertaking commits to respect through the implementation of the policy;	1.3 Reference Principles	4	
ESRS 2 MDR-P	65 (e) if relevant, a description of the consideration given to the interests of key stakeholders in setting the policy;	1.4 Relevant impacts, risks and opportunities	4	
ESRS 2 MDR-P	65 (f) if relevant, whether and how the undertaking makes the policy available to potentially affected stakeholders, and stakeholders who need to help implement it.	3.3 Policy sharing and dissemination	8	
ESRS E5-1	13) The objective of this Disclosure Requirement is to enable an understanding of the extent to which the undertaking has policies that address the identification, assessment,	2. Group Commitment	5	

	management and/or remediation of its material impacts, risks and opportunities related to resource use and circular economy.			
ESRS E5-1	15) In the summary, the undertaking shall indicate whether and how its policies address the following matters where material: (a) transitioning away from use of virgin resources, including relative increases in use of secondary (recycled) resources; (b) sustainable sourcing and use of renewable resources	2. Group Commitment	5	
ESRS E5-1	16) Policies shall address material impacts, risks and opportunities in its own operations and along its upstream and downstream value chain.	1.4 Relevant impacts, risks and opportunities	4	
ESRS S4-4	34) The undertaking shall disclose whether and how it takes action to avoid causing or contributing to material negative impacts on consumers and/or end-users through its own practices, including, where relevant, in relation to marketing, sales and data use. This may include disclosing what approach is taken when tensions arise between the prevention or mitigation of material negative impacts and other business pressures.	2.1 Sustainable use of resources and reduction of material consumption	5	

4.2. Appendix B - Definitions

- **Addressees:** The target audience or the parties to whom the policy applies and who are required to comply with it.
- **Bio-based:** Products derived from renewable biological resources, meaning raw materials of plant, animal, microbial, or algal origin, excluding fossil sources.
- **Circular Economy:** An economic system that preserves the value of products, materials, and resources within the economy for as long as possible, while minimizing waste generation. It promotes the reuse, repair, remanufacture, or recycling of products and materials.
- **Code of Ethics:** A formal document that defines the principles, values, and rules of conduct guiding the actions of the company, its employees, contractors, and stakeholders.
- **Cradle-to-Cradle:** A design approach whereby materials are treated as circular resources, intended to be reused continuously within technical or biological cycles, thus eliminating waste generation.
- **Eco-design:** The systematic integration of environmental considerations into product design, with the aim of improving the product's environmental performance throughout its entire life cycle.
- **Extended Producer Responsibility (EPR):** Regulatory frameworks assigning producers financial and/or operational responsibility for the end-of-life management of the products they place on the market. The objective is to encourage recycling, reuse, and a reduction in environmental impact. Producer responsibilities may include collection, treatment, recycling, and disposal of products or packaging, in line with circular economy principles.
- **Fiber-based:** Materials primarily composed of natural fibers (e.g., cellulose from wood, plants, or agricultural residues) or synthetic fibers, used as an alternative to plastic in the production of goods such as packaging, textiles, or disposable items.
- **ISO 14001:** An international standard that defines the requirements for implementing an Environmental Management System (EMS), aimed at helping organisations monitor, control, and enhance their environmental performance, reduce negative impacts, and ensure regulatory compliance.
- **PFAS (Per- and Polyfluoroalkyl Substances):** A group of chemical substances highly resistant to water, oil, and heat, widely used in industrial applications and consumer goods. PFAS are known for their persistence in the environment and potential health risks, earning them the designation of "forever chemicals."
- **Post-Consumer Recycled (PCR) Materials:** Materials obtained by recycling products that have completed their intended use and have been discarded by end users. This includes household, commercial, or industrial waste that has been collected, processed, and reintegrated into the production cycle to create new products or packaging.
- **Report:** The written or oral communication of information concerning violations submitted by a reporting party through one of the established reporting channels.

- **Scope:** the range or extent of the area, subjects, activities, or individuals that a policy covers or applies to.