

ENVIRONMENTAL POLICY



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1. PURPOSE

The purpose of this document is to define the high-level objectives regarding the environmental management of Valpharma Group, particularly concerning Energy, Water, Waste, Air Emissions, and Transport.

2. FIELD OF APPLICATION

- Valpharma S.p.A.
- Valpharma International S.p.A.
- EuroHolding S.p.A.
- Erbavita S.p.A.

3. DEFINITIONS

- **SDGs:** The 17 Sustainable Development Goals (SDGs) and their 169 associated targets form the core of the 2030 Agenda. They take into account, in a balanced way, the three dimensions of sustainable development, namely economic, social, and ecological.
- **Waste Management Hierarchy:** The waste hierarchy is an order of priority set out in the Waste Framework Directive (Directive 2008/98/EC), which establishes regulations and policies for waste treatment in the European Union. It consists of several approaches to managing waste with the least possible environmental impact. The hierarchy is composed by:
 - **Prevention:** Attempts to avoid producing waste at the source or at least reduce its quantity.
 - **Reuse:** Through control, cleaning, or repair/maintenance activities, it is possible to give a second life to a product or material once its primary function has been exhausted, without further specific treatments.
 - **Recycling:** Actions aimed at recovering useful materials from waste for reuse.
 - **Other Recovery:** The possibility of obtaining electricity or heat from non-recyclable waste that would otherwise end up in landfills.
 - **Disposal:** The deposit of waste in landfills.
 - **E-waste:** Electrical and electronic equipment that is discarded, obsolete, or has reached the end of its life cycle.

4. DESCRIPTION

Valpharma Group (hereinafter “Valpharma”) is aware that only by acting responsibly towards the environment can a long-term sustainable growth path be built. Valpharma considers sustainability and environmental compliance as fundamental elements of its business strategy. For this reason, it is aligned with the goals set by the 2015 Paris Agreement, namely to keep global temperature rise well below 1.5°C compared to pre-industrial levels.

In managing its significant impacts, Valpharma draws inspiration from the Sustainable Development Goals set by the United Nations in 2015 and identifies the following goals as its own:

Nr 3 Health and Well-being: Ensure healthy lives and promote well-being for all at all ages.

Nr 6 Clean Water and Sanitation: Ensure availability and sustainable management of water and sanitation for all.

Nr 7 Affordable and Clean Energy: Ensure access to affordable, reliable, sustainable, and modern energy for all.

Nr 9 Industry, Innovation, and Infrastructure: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.

Nr 12 Responsible Consumption and Production: Ensure sustainable consumption and production patterns.

Nr 13 Climate Action: Take urgent action to combat climate change and its impacts.

Nr 14 Life Below Water: Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.

Nr 15 Life on Land: Protect, restore, and promote the sustainable use of terrestrial ecosystems.

The purpose of this policy is to define and encourage effective solutions in terms of organizational management and individual behaviors to produce a positive environmental impact by encouraging responsible behaviors regarding the use of the planet’s resources to:

- Combat climate change.
- Limit environmental impact by optimizing the use/reuse of resources and reducing emissions.
- Reduce product-generated impacts.
- Promote a sustainable culture within the organization.
- Engage external stakeholders in achieving sustainability goals.
- Promote the Circular Economy.
- Protect biodiversity.

The group identifies the following areas of intervention to ensure sustainable development and preserve natural resources:

- Energy Management
- Waste Management
- Water Management
- Air Emissions Management
- Transport Management

4.1. Energy Management

Valpharma is committed to continuously improving the energy efficiency of its processes within the various plants of the Group to contribute to the reduction of greenhouse gas emissions and the conservation of resources used. In line with SDG 7 “Ensure access to affordable, reliable, sustainable, and modern energy for all”, Valpharma aims to:

- Optimize energy procurement and efficiency in energy consumption.
- Adopt a system for monitoring, controlling, and periodically reporting progress at each site in achieving the objectives, based on indicators as GRI 302 referenced in the document “GRI Consolidated Standards Series”, dated 2024.
- Prioritize the consumption and purchase of renewable energy.
- Encourage the adoption of renewable energy production systems (e.g., photovoltaic).
- Evaluate the environmental impacts of new activities or processes by adopting operational solutions with the lowest possible environmental impact and Best Available Technologies (BAT).
- Implement continuous improvements in energy management based on monitoring consumption and using efficient processes.
- Reduce pollutant emissions and greenhouse gases.
- Minimize resource consumption, respecting and protecting green areas and biodiversity.

4.2. Waste Management

Valpharma Group is committed to adopting sustainable waste management practices and complying with all regulations in force for the different types of waste generated. Valpharma aligns itself with achieving the goals contained in SDG 12 “Ensure sustainable consumption and production patterns” and SDG 15 “Protect, restore, and promote sustainable use of terrestrial ecosystems”.



Valpharma is aware that in order to reduce emission due to Waste Management is necessary to follow the “Waste Management Hierarchy”.

To achieve these goals, Valpharma will:

- Manage the different types of waste generated responsibly, complying with national and international regulations, developing, and adopting best practices for waste management and recovery.
- Continuously improve waste management based on monitoring consumption and utilizing efficient processes.
- Educate staff on the proper management of waste (plastics, e-waste, pharmaceutical waste, batteries, toner, etc.).
- Improve the collection system at all operational sites.
- Adopt a system for monitoring, controlling, and periodically reporting progress at each site in achieving the objectives, based on indicators reported in GRI 306 as referenced in the document “GRI Consolidated Standards Series”, dated 2024.
- Purchase environmentally friendly materials to promote more sustainable waste management practices or to recycle or reuse such materials.
- Explore innovative solutions to minimize or limit the quantity and/or toxicity of waste generated during business activities.
- Apply the principles of the Circular Economy wherever possible.

4.3. Water Management

Valpharma aligns itself with SDG 6 “Ensure availability and sustainable management of water and sanitation for all”. Valpharma is committed to using this essential resource sustainably by implementing the following:

- Reducing water consumption by avoiding waste and optimizing use.
- Continuously improving water management based on monitoring consumption and utilizing efficient processes.
- Protecting the quality of surface water and groundwater in areas surrounding the sites.
- Encouraging employees and third parties in the supply chain to demonstrate responsible behavior toward the sustainable use and protection of water.
- Adopting a system for monitoring, controlling, and periodically reporting progress at each site in achieving the objectives, based on indicators reported in GRI 303 referenced in the document “GRI Consolidated Standards Series”, dated 2024.
- Promoting the reuse/recycling of water for other purposes wherever possible.

4.4. Air Emissions Management

Valpharma has a mapping system for all emission points, which are periodically monitored through sampling and analysis to assess compliance and evaluate their actual impact on the relevant area. All data collected is annually published on the IPPC portal of the Emilia-Romagna Region and/or communicated to control authorities.

Valpharma’s goals regarding air emissions are:

- Maintain compliance conditions at emission points, ensuring periodic monitoring and control of systems and processes.
- Prevent unforeseen and incidental situations by managing facilities with emergency and extraordinary intervention activities.
- Implement the improvement of filtration and abatement systems and upgrade plants according to the evolution of BAT, investing in plant renewal programs aimed at reducing emissions.

4.5. Transport Management

Transportation significantly contributes to global warming. Valpharma is committed to reducing its impact in this area by:

- Promoting the use of smart working to reduce emissions generated by home-to-work travel of staff.
- Adopting a system for monitoring, controlling, and periodically reporting emissions generated by company vehicles.
- Selecting transport suppliers who ship materials sustainably and/or offset emissions generated along the route.
- Promoting the installation of electric vehicle charging stations within the facility.

To promote and implement the points outlined in this policy, Valpharma considers it essential to:

- Communicate and explain to staff the social and economic value of environmental sustainability and the initiatives and actions undertaken to put the principles into practice.
- Strengthen staff training on environmental sustainability and energy efficiency topics.
- Involve staff in environmental support campaigns.
- Raise staff awareness regarding sustainability issues.
- Collaborate with corporate stakeholders to improve sustainability performance.

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