



CIRCULAR  
ECONOMY  
POLICY

## INDEX

1. Purpose and Objectives of the Policy .....	3
2. Scope of Application .....	3
3. SICIT Group's Approach to Circular Economy.....	3
4. Relevant Regulations and Standards .....	4
5. Principles of Conduct.....	4
5.1. Value Chain and Innovation.....	4
5.2. Waste Management .....	5
5.3. Development of Sustainable and Eco-Friendly Products.....	5
6. Reporting .....	5
7. Implementation and Monitoring.....	6
8. Review, Communication and Training.....	6

## 1. Purpose and Objectives of the Policy

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This Policy reflects the philosophy of SICIT Group S.p.A. (“SICIT”) and its subsidiaries and affiliates (collectively, “SICIT Group”) and aims to create value through the adoption of circular economy practices—particularly the recovery of animal and plant-based residues to produce high-quality products—by integrating sustainability principles into all operations carried out with integrity and responsibility, in order to actively contribute to building a more sustainable and resilient future for present and future generations.

Specifically, this Policy sets out the principles and guidelines designed to promote the continuous improvement of SICIT’s sustainability performance, in compliance with applicable laws. It aims to establish a circular economy system that considers not only economic aspects, but also environmental, social, and governance (ESG) factors.

## 2. Scope of Application

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This Policy establishes the principles and standards relating to the circular economy that apply to all companies within the SICIT Group.

In particular, it applies to directors and to all individuals working for or collaborating with SICIT Group at any level or in any capacity, including managers, supervisors, permanent and temporary employees, interns, seconded staff, occasional workers, and volunteers, regardless of location.

The Policy also applies to agents, suppliers, business partners, consultants, contractors, and any other third parties engaged by SICIT Group.

While exercising its oversight and coordination activities, SICIT Group respects the managerial autonomy of each controlled or affiliated company, while maintaining overall governance and control in line with the legitimate interests of both majority and minority shareholders, and in compliance with applicable local laws and confidentiality requirements.

## 3. SICIT Group’s Approach to Circular Economy

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SICIT Group’s operating model is rooted in the principles of the circular economy. The Group sources specific residues from the tanning industry, offering an alternative solution to more expensive treatment and disposal methods. This option enables tanneries to manage residues in a safe and sustainable way—preventing materials from ending up in landfills or being destroyed through high-impact methods.

Over time, SICIT has built stable, long-term relationships with its partner tanneries, becoming a key point of reference in the sector.

In full alignment with circular economy principles, SICIT has developed an economic system designed to reuse materials across multiple production cycles, while committing to mitigate and manage its environmental impacts, expand opportunities, and minimize risks related to waste and resource consumption.

Alongside its production of animal-based protein hydrolysate, SICIT Group also manufactures plant-based products.

Among these, seaweed-based biostimulants stand out. Their production process enables carbon dioxide (CO<sub>2</sub>) absorption, helping mitigate climate change while regenerating agricultural soils without the use of chemical fertilizers.

In line with its business model, SICIT Group pursues the following objectives in carrying out its operations:

- Promote accountability for the protection of natural resources and the environment;
- Minimize resource consumption and waste generation;
- Reduce the environmental impact of existing operations and anticipate the potential impacts of new activities, in order to prevent and manage emergencies;
- Ensure environmental safeguards are incorporated into the design of new products and processes;
- Set environmental goals and targets aligned with site operations and the company's development strategies.

## 4. Relevant Regulations and Standards

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In carrying out its activities, SICIT Group is committed to applying and promoting the following reference principles and standards:

- The **European Green Deal**, a package of strategic initiatives by the European Union aimed at guiding the EU toward a green transition, with the ultimate goal of achieving climate neutrality by 2050;
- The **Circular Economy Action Plan**, adopted by the European Commission as a concrete tool to drive the transition to circularity through technical standardization, seen as the point of contact between organizations and European policies;
- The **four directives** of the **2018 Circular Economy Package**, in particular the directives on **waste** and **packaging** (Directive (EU) 2018/851 and Directive (EU) 2018/852, respectively);
- The **2030 Agenda for Sustainable Development**, especially Goal 11 (*Sustainable Cities and Communities*) and Goal 12 (*Responsible Consumption and Production*);
- The **Code of Ethics** of SICIT Group.

In this context, SICIT Group recognizes that the European Union assigns a key role to industry in the transition toward climate neutrality—as a driver of change, innovation, and growth. For this reason, the Group is committed to respecting and disseminating the principles and standards identified above, and to developing its operations with the goal of consolidating its circular economy practices.

## 5. Principles of Conduct

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The circular economy is an economic system that, through a systemic and holistic approach, aims to maintain the flow of resources in a closed loop—preserving, regenerating, or increasing their value—while contributing to sustainable development.

It represents a necessary paradigm shift to ensure that resources are used efficiently, minimizing waste and keeping materials circulating within the planet's ecosystems.

SICIT Group's production process is based on the principles of the circular economy. The Group is internationally recognized as a leading example of the green and circular economy: by collecting and transforming residues from the tanning industry into high-quality products, it significantly reduces waste generation and environmental impact.

SICIT's processes and investments are designed and carried out in ways that support the practical application of circular economy principles.

### 5.1. Value Chain and Innovation

SICIT Group considers it essential to analyze and manage every stage of the value chain in order to transition from a linear economy to a circular one.

Through its activities, SICIT contributes to reducing waste and the environmental impact of its value chain:

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- In the upstream production sectors, SICIT generates a positive environmental impact by recovering certain residues and transforming them into high-value-added products, thereby contributing to the sustainability of the entire tanning industry.
- In the downstream production sectors—such as agricultural biostimulants, industrial additives, and biofuels—SICIT helps drastically reduce the need to produce new raw materials from scratch by offering technologically advanced and fully green solutions to its customers.

To support this, SICIT continuously invests in innovation through the development of automated and technologically advanced production facilities, research and development programs, and the training and upskilling of its personnel.

## 5.2. Waste Management

SICIT is committed to managing and disposing of waste in accordance with applicable regulations and as part of its broader commitment to environmental protection. Specifically, waste is disposed of in compliance with the laws of the countries in which the Group operates.

Municipal waste generated from canteens and offices is collected separately and delivered to local collection services.

To meet its waste reduction goals, SICIT continually invests in research and development to improve plant efficiency and to map and record the main categories of waste produced—both hazardous and non-hazardous.

In addition, SICIT promotes and implements actions aimed at limiting the cross-border movement of hazardous waste by managing it locally whenever possible.

SICIT takes all necessary actions and precautions to prevent the commission of waste-related offenses, including:

- Unauthorized transport of waste, within or across national borders;
- Collaboration with criminal organizations involved in illegal waste disposal and environmental crimes;
- Disposal of waste at unauthorized sites or in violation of environmental regulations;
- Operation of waste treatment facilities without proper permits or in breach of the terms of such permits;
- Unauthorized accumulation or abandonment of waste, including the creation and operation of illegal landfills;
- Manipulation or falsification of documents related to waste management.

## 5.3. Development of Sustainable and Eco-Friendly Products

SICIT Group's commitment to circular economy practices also extends to the development of sustainable and eco-friendly products.

The Group's activities are aimed at designing products that support a climate-neutral economy, while ensuring both resource efficiency and alignment with their intended purpose.

The product development process incorporates innovative and strategic solutions—such as plant-based alternatives—without compromising high standards of quality and safety.

## 6. Reporting

SICIT Group encourages anyone who becomes aware of actions or behaviours that violate this Policy—or applicable laws and regulations on circular economy practices—to file a report.

For activities within Italy, SICIT Group has established a dedicated internal whistleblowing channel to ensure the confidentiality of the information provided and the protection of the whistleblower's identity:

Reports can be submitted by filling out the form available on the GlobaLeaks platform:

<https://whistleblowing.SICITgroup.com/#/>

## 7. Implementation and Monitoring

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SICIT Group is committed to assessing the effectiveness of its circular economy model as part of its operational activities.

Given the potential impacts of violations of this Policy, the Group prioritizes appropriate actions aimed at identifying, preventing, or mitigating such impacts across its value chains.

SICIT Group periodically evaluates and updates the progress of its commitments and communicates results annually through its Sustainability Report and other communication tools.

## 8. Review, Communication and Training

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This Policy is subject to periodic review to ensure its continued relevance and effective implementation. Any revision will be submitted to the Board of Directors for approval.

SICIT Group is committed to making this Policy accessible and available to all relevant stakeholders, both within and outside the company, through internal communication channels and publication on the corporate website:

<https://www.sicitgroup.com/policy-di-gruppo/>

Employee engagement is considered a key starting point to ensure the full implementation of this Policy. For this reason, SICIT Group delivers training and awareness programs to promote understanding of the principles set out herein, as well as of applicable legal requirements and the most rigorous internal standards and procedures.

SICIT Group S.p.A.

Chairman

Rino Mastrotto