



Environmental and Climate Change Policy

As one of the largest meat processing companies in the world, Morliny Foods is committed to taking action to protect the environment and address climate change by deploying strategies and programs to advance a sustainable and low carbon business model from farm to fork.

Our policy is designed to comply with the requirements of ISO 14001:2015 Environmental Management Systems and align with the objectives of the Corporate Sustainability Reporting Directive (CSRD).

COMMITMENTS

1. Compliance with Laws and Standards

We are committed to complying with all applicable environmental legislation and regulations at local, national and international levels, as well as with other requirements to which we voluntarily subscribe, including ISO 14001 and the EU CSRD. We strive to meet and exceed these requirements where feasible by:

- **Regularly reviewing environmental** legislation to ensure our operations are fully compliant and up to date.
- **Implementing best practices** and industry standards beyond basic compliance, seeking to establish a culture of environmental excellence throughout our operations.
- **Training and awareness programs** for our employees to ensure they understand their compliance responsibilities and are well-informed about applicable environmental laws and standards.
- **Engaging with stakeholders** to gather insights and feedback that will enhance our compliance efforts and adapt to evolving regulatory landscapes.
- **Conducting regular audits and assessments** of our compliance status, identify areas for improvement, and implement corrective actions as necessary to address any compliance gaps.

2. Climate Change Mitigation (Greenhouse Gas (GHG) Emission Reduction)

We are committed to reducing greenhouse gas (GHG) emissions throughout our operations by:

- **Setting measurable targets** to reduce GHG emissions across Scope 1, 2, and 3 in alignment with international climate agreements and the latest scientific recommendations. Our approach will include transitioning to renewable energy, optimizing energy efficiency, and collaborating closely with suppliers and stakeholders to achieve our targets.



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- **Identifying and mitigating climate change impacts** while adapting our business strategy to seize future climate change related risk and opportunities. This includes conducting regular risk assessments and utilizing climate scenario analysis to inform our decision-making.
- **Establishing climate change strategies and programs** designed to facilitate transition to renewable energy sources and enhance energy efficiency across all our operations. This involves investing in sustainable technologies and practices, as well as ongoing training and engagement for our employees.
- **Regularly disclosing the GHG emissions data** in line with the CSRD reporting framework and the EU Taxonomy Regulation. This will include both qualitative and quantitative information about our emissions, the measures taken to reduce them, and our progress towards achieving our targets, ensuring accountability to our stakeholders.

3. Climate Change Adaptation

We are dedicated to adapting to climate change to guarantee the sustainability and resilience of our operations, including:

- **Regularly assessing and identifying climate risks**, such as droughts and floods, and developing proactive strategies to manage these risks effectively.
- **Collaborating with research institutions** to foster innovation in climate-resilient agricultural practices and technologies.
- **Developing and implementing strategies** to enhance water efficiency and resilience, including the use of drought-tolerant crop varieties and advanced irrigation systems within our operations. Our efforts will also include watershed management practices to ensure water quality and availability.
- Promoting conservation agriculture and sustainable land-use planning to protect natural ecosystems that support biodiversity and resource stability.

4. Pollution Prevention and Control

We are dedicated to identifying, assessing, managing, and remediating of pollution of air, water, and soil within our operations through responsible practices that consider the climate and environmental impact of our operations and products:

- **Pollution prevention measures** to prevent pollution across all activities, ensuring that air, water, and soil are protected from harmful emissions and waste generation.
- **Establishing targets for reducing emissions** and discharges into air, water, and soil, regularly measuring our progress and adjusting strategies as needed to meet or exceed these targets.
- **Conducting regular environmental impact assessments** to evaluate the potential pollution risks associated with our operations and ensure compliance with relevant regulations.



- **Establishing a monitoring and reporting framework** to track emissions, discharges, and waste generation, ensuring transparency and accountability in our pollution control efforts.
- **Developing plans for the remediation and restoration** of any contaminated air, water, or soil resulting from our operations, prioritizing actions that support ecosystem recovery.
- **Adoption of Best Available Technologies** and practices to minimize our environmental impact, focusing on innovations that reduce emissions and waste generation at every stage of our operations.

5. Water Resources

We are dedicated to sustainable water management through the following practices:

- **Implementing sustainable water management practices** across all our operations, aiming to optimize water use efficiency and minimize overall consumption.
- **Protecting the quality of water resources** in our areas of operation to prevent pollution and degradation of local water bodies.
- **Conducting regular assessments of water-related risks**, including scarcity and pollution, and develop strategies to mitigate these risks.

6. Biodiversity Protection

We are committed to protecting global biodiversity and ecosystems through sustainable practices across our operations and supply chain. Our key initiatives include:

- **Supporting and engaging in responsible sourcing initiatives** for feed and raw materials. We prioritize partnerships with suppliers that adhere to sustainable practices, thereby minimizing our ecological footprint and promoting the conservation of critical habitats.
- **Conducting thorough assessments** to identify and evaluate actual and potential impacts on biodiversity and ecosystems at our operational sites as well as throughout our upstream and downstream value chains.
- **Implementing sustainable land use practices** and ensuring compliance with the European Union Deforestation Regulation (EUDR).
- **Fostering strong partnerships with farmers** to promote the adoption of sustainable agricultural practices aimed to protect soil health, reduce deforestation, and safeguard biodiversity.

7. Resource Use Efficiency

We are committed to enhancing resource efficiency by:

- **Optimizing resource use** in all aspects of our operations, including the responsible sourcing of materials, minimizing waste generation, and improving energy and water efficiency throughout our processes.



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- **Reducing our water footprint** throughout the entire value chain - own operations and both the upstream and downstream - by establishing and maintaining water management programs and targets, with particular focus on areas at risk of water scarcity.
- **Implementing actions** to prevent or mitigate actual or potential negative environmental impacts, addressing risks and opportunities throughout the entire life cycle of our products.
- **Increasing circular design and the rate of circular material usage** while minimizing the use of primary raw material associated with resource inflows and outflows. This will include waste, products and materials, by integrating circular economy principles within our management and strategic programs.
- **Implementing waste reduction and management strategies** aimed at reducing waste generation and enhancing recycling. This includes diverting organic waste through composting and repurposing by-products from our production processes to minimize landfill impact.

8. Continuous Improvement

We are dedicated to fostering a culture of continuous improvement in our environmental performance across our operations through:

- **Establishing clear, measurable environmental objectives and targets** to drive performance and continuous improvement. We will regularly monitor our progress and conduct audits and reviews of our ISO 14001:2018 Environmental Management System to assess our environmental management practices, identify gaps, and initiate corrective actions that facilitate ongoing improvement.
- **Engaging our employees and stakeholders** through targeted training, awareness programs, and collaborative projects that promote a shared commitment to environmental excellence.

9. Stakeholder Transparency and Reporting

We are committed to ensuring stakeholder transparency and effective reporting on the environmental performance within our operations. Our initiatives include:

- **Regularly reporting** on environmental performance and sustainability progress in accordance with CSRD and other relevant reporting standards, such as the **European sustainability reporting standards (ESRS)** and Task Force on Climate-Related Financial Disclosures (TCFD).
- **Providing clear and accessible information** on our environmental initiatives, practices, and results to stakeholders, ensuring that our reporting is comprehensive and easily understandable.



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- **Actively engaging with stakeholders** (including employees, suppliers, customers, and local communities) to ensure transparency and foster collaboration in addressing shared environmental challenges.
- **Implementing feedback mechanisms** for stakeholders to provide feedback on our environmental reporting and initiatives, encouraging dialogue and continuous improvement

Implementation and Accountability

This policy is implemented through an ISO 14001-certified Environmental Management System, overseen by our ESG Committee. Accountability for environmental performance rests with all employees, with clearly defined responsibilities assigned at every level of the organization. Progress is reported annually to the Board of Directors and included in our sustainability reports.

Review

This policy is reviewed annually to ensure it remains relevant, effective, and aligned with evolving standards, stakeholder expectations, and regulatory requirements.



Luis Cerdan

CEO Morliny Foods Holding Limited

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