



# FRATELLI COSULICH GROUP SUSTAINABILITY POLICY

Approved by Board of Directors on 25th March 2024

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## Scope and guiding principles

Fratelli Cosulich Group (the “Group” or “Fratelli Cosulich” or “we”) develops its sustainability journey through the adoption of an overarching approach which aims to **balance business growth and financial solidity** with social and environmental responsibility, generating **shared value in the long term to preserve the planet and the interests of future generations**.

This Sustainability Policy represents a milestone in the **Group’s governance and strategy**, its main objectives are defining the **sustainability guidelines and guiding principles that steer the Group’s activities as well as enhancing and promoting an holistic approach to sustainability in business strategy and operations**.

Guiding principles of this policy are:

- Compliance with all applicable laws and regulations in every jurisdiction in which Companies of the Group operate;
- Promotion towards all our stakeholder of actions to contribute to the achievement of UN Development Goals;
- The International Charter of Human Rights of the United Nations, including the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights;
- The Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO) and related applicable covenants;
- The OECD Guidelines for Multinational Enterprises;
- The Group Code of Ethics and the Organisation and Management Models pursuant to Italian Legislative Decree 231/01 where adopted by the Companies of the Group;
- Achievement - where possible - of all relevant certifications (ISO and others) to promote an internal culture of continuous improvement.

**At the core of the Group’s sustainability policy there are the Group’s five key values (Accountability, Customer Focus, Behavior Role Model, Teamwork, and Learning mindset), that play a pivotal and vital role in guiding behaviours towards all stakeholders.**

**The present Sustainability Policy is valid in all countries where we are present** and addresses the Holding Fratelli Cosulich Spa, its controlled companies and their respective employees, third-party collaborators, suppliers, business partners and, in general, all the stakeholders impacted by the activities of the Group.

The present **Sustainability Policy strengthens and supports the content of the Group Code of Ethics** and represents a framework that includes different topics that might be managed at each Country and Company level.

## Embracing Sustainability and Innovation: our ESG commitment

“At Fratelli Cosulich, our long-lasting legacy underscores our adaptability to new challenges, our dedication to innovation, and our significant contribution to the global shipping industry while striving to produce a positive impact in terms of environmental and social challenges”.



**Giulia Cosulich**  
ESG Corporate Director of Fratelli Cosulich Group

Sustainability shall steer every action, process and decision to continuously **shape a more resilient, inclusive, and environmentally conscious Group**.

Our aim is leading by example and the Group's **five key values** are a compass that can lead to a pivotal role in crafting fields and sectors in which the Group operates.

Fratelli Cosulich believes in a holistic and integrated approach, consistently aligning its business practices with sustainable principles. Our aim is not only to contribute to positive environmental and social outcomes but also to cultivate long-term business resilience.

Our commitment is expressed by all the efforts not only to be compliant with all laws and regulations, but also **to exceed legal requirements where possible**, testifying our will to go beyond the minimum standards.



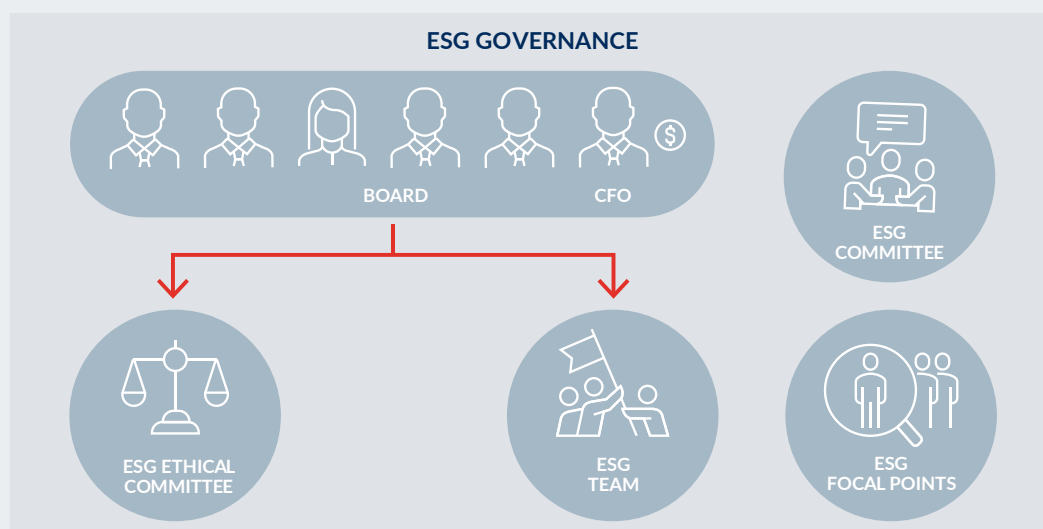
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## Governance

### 3.a INTERNAL GOVERNANCE STRUCTURE

The Group governance system is based on a plurality of systems and bodies that can oversee impacts, risks and opportunities arising from our businesses and operations.

Our structure has been defined to spread an effective sustainability system to combine top-down and bottom-up approaches, involving every colleague, department and Company within the Group. We aim to build a shared governance system, to be translated into a wide involvement in sustainability for all people across bodies, departments and companies. Sustainability objectives are an integral part of our operations at all levels.



**Fratelli Cosulich Board of Directors has the ultimate responsibility for sustainability topics** as well as for embedding sustainability in our overall corporate strategy: every update of Group standards, materiality assessment and targets is subject to approval by the Group Board.

Our **Chief Financial Officer** is who, within the Board of Directors, has been appointed to be responsible for sustainability and the **ESG Team** reports directly to the CFO. This role ensures the integration of topics and impacts within an overall risk management approach: it guarantees the best possible answer to current and future regulation requirements - in terms of reporting - and it ensures a proper responsiveness to the information needs of financial stakeholders.

Our **Board of Directors** has a well-proven experience across all Group business units given the long lasting experience of family members in the last six generations; the **ESG Corporate Director** has a solid background in implementing sustainability in many different



sectors; at least two specific **Board meetings** are held every year to update the Board about the development of sustainability related activities and to get approval for future ESG plans and developments.

**Materiality analysis, its results and the consequent impacts, risks and opportunities are submitted to the Board** for further evaluations and to define a plan to best manage them.

The ESG Team oversees daily operations and serves as a facilitator to promote the integration of sustainability in our activities. The ESG Team is also responsible for monitoring developments, informing and developing action proposals for the Board and for the coordination and management of data collection.

We consider materiality analysis not just a base for reporting, but a management tool: we have established the **ESG Committee**, with a structure aligned with material topics. Colleagues chosen as components of the Committee are “owner” of one or more specific material topics to ensure a proper management and monitoring of the topic itself and of the related targets.

Structure and components of the Committee are:

- ESG Team
- Energy Manager
- HR Manager
- Group Legal Counsel
- Head of New Fuels
- Health and Safety Manager
- Ship Manager
- Group Finance Manager

The Committee is a body which has the role of both consultancy and implementation of actions aimed at achieving those targets defined in our ESG plan. Committee meetings are held at least every quarter. In addition, the BoD and the Committee closely monitor the progress we make to achieve our objectives.

To ensure a growing awareness of sustainability within the Group, we have appointed over thirty **ESG Focal Points** in over fourteen countries, as point of contacts for every Business Unit or single Company: they are fundamental to provide insights and inputs, for the implementation of all the sustainability related initiatives and to support in data collection.

The Group is committed to provide all the **professional updates and training needed to the ESG Team as well as any member of the ESG Committee**. Moreover, individual sessions are held every year with **Focal Points to update their sustainability skills** and keep a high awareness on material topics.

Since 2024 we have established an **Ethical Committee**, with the aim of:

- Checking application and respect of the Code of Ethics by means of analysis and evaluation of the internal control system;
- Monitoring corporate processes having significant impacts on corporate ethics;
- Monitoring initiatives to raise awareness and understanding of the Code of Ethics;
- Receiving and analysing reports of violations of the Code of Ethics.

Components of the Ethical Committee are:

- Corporate Legal Counsel
- Group HR Manager
- ESG Corporate Director
- Independent and external Legal Advisors

### 3.b CORPORATE ESG PLAN

As a starting point, we have focused our efforts and attention on understanding our impacts on the environment and the whole Society.

We will constantly update an effective materiality analysis, exploiting interactions and synergies within the Group and engaging all the Business Units and departments. This process has been the starting point to build an ESG Plan where we define our targets and KPIs as a result of the collaboration and alignment between the Board of Directors, the ESG Committee and the ESG Team.

Negative impacts, both actual and potential, are analysed and tackled in order to be prevented or minimised. We modified and updated the ESG plan using results coming from materiality analysis.

**We focus our attention and our actions on those topics we identified as material.**



#### ENVIRONMENTAL ACTION

##### Decarbonization in Ship Building and Management



From inception to operation, we are dedicated to implement innovative solutions that can reduce and minimise carbon emissions across the entire lifecycle of ships.



#### **Transition towards New Marine Fuels:**

We are committed to assist our customers fostering the adoption of cleaner and sustainable marine fuels, aiming to decrease the environmental footprint of maritime transportation and propel the industry towards a greener future.



#### **Scope 1 and 2 GHG Emissions & Energy Efficiency Initiatives**

We actively work to curtail greenhouse gas emissions stemming directly from our operations (Scope 1) and purchased energy (Scope 2), implementing energy-efficient practices throughout our operations.



#### **Supply Chain Collaboration and Scope 3 Reporting**

Collaboration within our supply chain is paramount as we collectively strive to achieve sustainability objectives. Through active engagement with partners, we address Scope 3 emissions and uphold transparent reporting on our progress.



#### **Waste & Water Management**

Even though our operations are not waste and water intensive we also place emphasis on the best management possible of these aspects, minimizing waste generation, promoting recycling, and safeguarding precious water resources.



#### **Pollution Mitigation**

We are committed to preventing pollution and mitigating its adverse effects. Through our initiatives, we endeavour to preserve the health and vitality of our ecosystem.



### **SOCIAL RESPONSIBILITY**



#### **Talent Attraction & Retention**

We place priority on both attracting and retaining top talents, ensuring that we have a skilled and motivated workforce that share our values to propel our mission forward.



#### **People Development**

Investing in the development of our people is paramount. We strive to offer opportunities for growth, learning, and progression, fostering the potential of every individual within our Group.



#### **Health and Safety**

Ensuring the well-being and safety of our employees is non-negotiable, the highest attention is placed on operations that involve a higher degree of risk. We uphold stringent safety protocols and consistently endeavour to cultivate a safe and healthy work environment.





### **Welfare**

We prioritise the well-being of our employees, guaranteeing equitable treatment, assistance, and promoting their satisfaction and overall welfare.



### **Diversity, Equity & Inclusion**

Embracing diversity, promoting equity, and nurturing an inclusive working environment are fundamental goals. We strive to create a workplace where each person feels valued, respected, and empowered.



### **Supply Chain Management**

An effective management of the supply chain is vital for both sustainability and operational proficiency. We collaborate closely with our partners to uphold ethical standards, transparency, and efficiency at every stage of the supply chain.



### **Customer Satisfaction**

Customer satisfaction is at the hearth of all our operations. We strive to deliver excellent services, exceeding expectations, and building long-lasting relationships with our customers.



### **Community Support**

We believe in contributing to the communities we operate in. Our aim is to support local communities and contribute to their well-being and development.



### **Human Rights Protection**

Ensuring the respect of human rights is a fundamental responsibility. We are committed to upholding and protecting human rights in all aspects of our operations and business relationships.



## **GOVERNANCE**



### **Ethical Business & Transparent Communication to Stakeholders**

We place the highest level of priority on conducting our business ethically and fostering transparent communication with all our stakeholders. Our interactions and decisions are steered by integrity and honesty.






### **ESG Governance**

Sustainable governance forms an integral part of our organisation. It is an essential milestone to maintain high standards in environmental stewardship, social responsibility, and ethical governance practices.



### **E-Governance**

A proper electronic governance system is key to enhancing efficiency, transparency, and security in our organisational processes. We adopt digital solutions to streamline operations, procedures and decision-making processes.

ESG Area	Sub Area	Sustainability Topic	ESG Committee Owner
 <b>ENVIRONMENTAL ACTION</b>	Decarbonisation	→ Decarbonisation in Ship Building and Management →	Ship Managers
		→ Transition towards New Fuels →	Head of New Fuels
		→ Scope 1 and 2 GHG Emissions & Energy Efficiency Initiatives →	Energy and IT Manager
		→ Supply Chain Collaboration and Scope 3 reporting →	ESG Team ESG Focal Points
	Resources Management	→ Waste & Water Management →	ESG Team ESG Focal Points
	Environmental Risk Management	→ Pollution →	ESG Team Ship Managers ESG Focal Points
 <b>SOCIAL RESPONSIBILITY</b>	Employees Development	→ Talent Attraction & Retention →	HR Manager
		→ People Development →	HR Manager
	Employees Responsibility	→ Health And Safety →	Health and Safety Manager
		→ Welfare →	ESG Team HR Manager
		→ Diversity, Equity & Inclusion →	ESG Team HR Manager
	Sustainable Supply Chain	→ Supply Chain Management →	ESG Team ESG Focal Points
		→ Customer Satisfaction →	ESG Team ESG Focal Points
	Social Responsibility	→ Community Support →	ESG Team ESG Focal Points
		→ Human Rights Protection →	ESG Team ESG Focal Points
 <b>GOVERNANCE</b>	Responsible Business Model and Governance	→ Ethical Business & Transparent Communication to Stakeholder →	ESG Team Group Finance Manager
		→ Responsible Governance →	ESG Team Group Finance Manager
	E-Governance	→ E-Governance →	Energy and IT Manager



### 3.c ESG DATA COLLECTION PROCESS

Our ESG focal points and the ESG Team utilise a **proprietary web application for submitting and collecting data and associated documentation.**

Following the initial collection, the ESG team conducts a review, which is then followed by another assessment carried out by other analysts. Moreover, sample checks are performed as further instruments to verify the accuracy of data and processes. Lastly, data is prepared for a more comprehensive analysis, streamlining them through analytics applications and business intelligence dashboards.

Our web application is designed to uphold the highest standards of privacy ensuring data are shared when necessary, particularly concerning HR data. Each ESG focal point is assigned a specific profile with an individual authorization level tailored to the data collection objectives. Authorization levels are meticulously managed, with personal data encrypted and passwords securely stored.

Furthermore, data is stored to facilitate accessibility whenever needed, and a comprehensive track record is maintained to facilitate relevant comparisons and analysis.

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## Application and updating

Sustainability policy, assessed by the ESG Committee, was formally approved by the Board of Directors of Fratelli Cosulich Group on the 25th of March 2024.

In order to guarantee that the Policy is constantly effective, it will be subject to periodic and systematic reviews and therefore accordingly updated to allow us to maintain coherence with the evolving working environment, compliance with relevant standards and stakeholders' needs.

An appropriate diffusion of the Policy will be ensured through the publication on the intranet for the Group's employees and on the corporate website that will make the document available for all the interested stakeholders.



[cosulich.com](https://cosulich.com)

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