



Corporate Sustainability Policy

Magic S.p.A.

APPROVED BY THE BOARD OF DIRECTORS ON

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1. Introduction

Magic S.p.A. (hereinafter “Magic”, “the Company” or “the Organisation”) is an Italian family-owned company founded in 1987 in Oleggio (in the province of Novara), specialising in the production of absorbent solutions for the medical, food and personal care sectors.

Its product range include compostable solutions certified OK COMPOST INDUSTRIAL, such as Spongel, G-pad and Airlgel g-grade.

Building on the vision of Luciano Giani, who initially developed an innovative absorbent laminate for food packaging, Magic has progressively expanded and diversified its operations over the years. In 1999, the Company entered the medical sector and began ongoing research and development activities focused on environmental sustainability and product innovation.

Today, the company is one of Europe’s leading players in absorbent solutions and its current portfolio includes:

- **Spongel:** a super absorbent biodegradable compostable powder with a high organic content;
- **Airlgel g-grade:** high absorption compostable airlaid containing Spongel;
- **PulpForm:** a cellulose-based airlaid that can be dry-molded to create high-protection, structured packaging with low environmental impact, developed through circular economy projects and continuous innovation.

The company’s guiding principles, sustainability, integrity and community spirit, are at the heart of Magic’s strategy and guide every decision.

Magic’s commitment is reflected in its ambition to create positive environmental value, contribute to the development of the local community, and operate transparently and responsibly.

Innovation is also central to the Company’s distinctive approach. By investing time and resources in research and development, Magic aims to continually raise standards in its sector, creating sustainable and responsible solutions that combine technological efficiency with respect for the environment.

ESG governance is entrusted to the Chief Executive Officer/CFO, who directly coordinates the management of sustainability matters and the implementation of the responsible investment policy, with operational support from the company’s various business units.

This Sustainability Policy is a key tool through which Magic shares with its stakeholders the commitments made, and the initiatives implemented to integrate ESG criteria into its strategy and day-to-day operations.

2. ESG Areas of Commitment

2.1 Sustainable innovation and environmental management

Magic promotes the responsible use of resources and works continuously to reduce the environmental impact of its activities. Through energy efficiency measures, supported by ongoing consumption monitoring, the Company aims to reduce the emissions associated with its operations.

Magic also focuses on finish products to be used on advanced technologies with lower environmental impact, such as the dry moulding process used for PulpForm which requires less water than traditional wet moulding methods.

As part of its circularity efforts, the company has also adopted a system for reusing certain production scraps. The objective is to progressively extend this approach to other stages of the production chain.

The adoption of Life Cycle Analysis (LCA) for products such as Spongel and Airgel has enabled the company to map environmental impacts in detail. Based on this analysis, Magic will be able to optimise formulations and other parameters within the model boundaries, for example by reducing the use of critical substances, with the aim of further minimising environmental impacts.

The Company's environmental management system is certified according to ISO 14001, ensuring the regular planning, monitoring and review of activities with an environmental impact. Magic has also obtained PEFC certification, confirming that its cellulose is sourced from sustainably managed forests, and OK COMPOST INDUSTRIAL certification for products such as Spongel, G-pad and Airgel g-grade, confirming their industrial compostability.

2.2 People, health and safety

Magic places health, safety and well-being of its employees at the heart of its corporate strategy. Its primary objective is to ensure a safe and secure working environment, including through the pursuit of ISO 45001 certification and the continual strengthening of accident prevention measures. Particular attention is given to internal training on these topics, which is considered a strategic lever for promoting a culture of safety.

Magic supports talent development through apprenticeships and advanced professional training programmes. The Company firmly believes that knowledge transfer creates a virtuous circle, in which the sharing of know-how and experience becomes a key driver of growth and continuous improvement. With this in mind, Magic creates accelerated development pathways that offer young people the opportunity to build practical, specialist skills in a dynamic environment. Training therefore becomes not only an educational activity, but also a form of active collaboration with universities and training institutions, based on a shared commitment to supporting and developing talent and preparing people to take on roles of responsibility and leadership. The objective is not to retain knowledge, but to pass it on, fostering an environment of continuous exchange that encourages collective growth and individual professional fulfilment.

At the same time, work-life balance and family support initiatives have been launched to support individual well-being, alongside ongoing training programmes focused on health, safety and personal development. The Company is also committed to valuing diversity and promoting inclusion, including by progressively increasing the presence of women in managerial roles.

2.3 Product quality and safety

Product quality and safety are a top priority for Magic. The Company has adopted a quality management system compliant with ISO 9001, ensuring process control and continuous improvement. To further strengthen its reliability and guarantee the highest standards, Magic is certified according to BRCGS Packaging Materials, a GFSI-recognised standard that confirms the Company's commitment to hygiene and safety. In addition, Magic periodically carries out rigorous conformity tests to ensure that its products are suitable for their intended use.

2.4 Responsible supply chain

Magic considers it essential to ensure a sustainable and responsible supply chain aligned with the Company's values. For this reason, the Company has introduced an ESG questionnaire for suppliers, which enables it to assess practices and risks across the supply chain. The questionnaire will increasingly be used to guide the selection of business partners and collaboration with them.

2.5 Governance, ethics and transparency

Responsible governance, ethics and transparency are central components of Magic's sustainability strategy. The Company is committed to defining ESG roles and responsibilities at Board of Directors and management level with increasing clarity, while progressively integrating sustainability indicators into its corporate incentive systems.

The Code of Ethics and Model 231 are regularly updated and communicated both internally and externally through publication on the Company's website. Magic has also obtained a legality rating, which confirms its compliance with the principles of transparency, fairness and legality in corporate management, strengthening the Company's credibility with stakeholders, customers and partners.

3. Key future objectives for improving sustainability performance

ESG Area	Future objectives and continuous improvement actions
Sustainable innovation and environment	• Maintaining ISO 14001 certification • Maintaining PEFC certification • Maintaining OK COMPOST INDUSTRIAL certification • Increasing the share of renewable energy in total energy consumption • Implementation targeted energy efficiency initiatives • Conducting research and development activities to improve the sustainability profile of products
People, health and safety	• Maintaining ISO 45001 certification • Conducting an employee satisfaction survey • Formalising an employee skills development plan • Continuing to develop talent and enhance skills
Product quality and safety	• Maintaining ISO 9001 certification • Maintaining BRC IoP certification
Responsible supply chain	• Administering the new supplier questionnaire and evaluating the responses received
Governance, ethics and transparency	• Maintaining Model 231 and delivering the related employee training • Maintaining the legality rating • Achieving ISO 27001 certification