

# Environmental Management Policy

## AIMS AND DEFINITION OF OBJECTIVES FOR GOOD ENVIRONMENTAL MANAGEMENT PREVENTION OF ECO-OFFENCES

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### Background and purpose

The purpose of this document is to describe the operating procedures and responsibilities in relation to the following issues:

- Identification and assessment of environmental impact aspects associated with SCAGLIA INDEVA S.p.A.'s work processes and activities;
- Identification of measures aimed at eliminating and mitigating the risk of occurrence of environmental offences, related to the above-mentioned potential environmental implications of the production activity;
- Planning of improvement objectives and environmental sustainability targets for each process and production activity, in line with the requirements of national and supranational legislation.

On the basis of these objectives, this protocol identifies the environmental assessment methodology and rules of conduct in accordance with the Confindustria 2014 and Assoambiente 2016 Guidelines.

Detailed forms and operating instructions for the concrete management and traceability of activities with a significant environmental impact form an integral and dynamic part of this protocol. In order to ensure that processes, activities, products and services do not generate negative environmental impacts, the Company periodically assesses the environmental aspects of the activities, products and services provided, by means of internal checks, also with reference to abnormal or emergency conditions.

### Environmental offences

It is a primary objective in the *business* policies of SCAGLIA INDEVA S.p.A. prevention of the risk of occurrence of conduct or events that may constitute the typical elements of environmental crimes and in particular the types of crimes, identified in art. 25 undecies of Legislative Decree 231/2001, which may result in an administrative liability for crime by the Company:

- Environmental pollution (Article 452 bis of the Criminal Code)
- Environmental disaster (Article 452 quater of the Criminal Code)
- Culpable offences against the environment (Article 452 quinquies of the Criminal Code)
- Trafficking in and abandonment of highly radioactive material (Article 452 sexies of the Criminal Code)
- Obstruction of control (Article 452 septies of the Criminal Code)
- Environmental aggravating circumstance (Article 452 novies of the Criminal Code)
- Failure to clean up (Article 452 terdecies of the Criminal Code)
- Carrying out or maintaining industrial waste water discharges without authorisation (Article 137 of Legislative Decree 152/2006)
- Unauthorised waste management activities (Article 256 of the Criminal Code)
- Violation of the obligations to communicate, to keep compulsory registers and forms (Article 258 of Legislative Decree 152/2006)
- Illegal waste trafficking (Article 259 of the Criminal Code)
- Activities organised for the illegal trafficking of waste (Article 260 of the Criminal Code)
- Violation of the provisions on the use of harmful substances (Art. 3 L. 549/1993) This list is

periodically updated in accordance with the relevant regulatory changes.

## RELEVANT ENVIRONMENTAL ASPECTS AND IMPACTS

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### Environmental identification and assessment

The identification of environmental aspects and the assessment of environmental impacts is a four-step process:

1. Identification of the activity, product or service to be checked for environmental aspects;
2. Identification of environmental aspects related to the activity, product or service under consideration Environmental aspects can be broadly categorised into
  - a) emissions into the atmosphere;
  - b) water discharges;
  - c) waste management;
  - d) consumption of natural resources;
  - e) noise;
  - f) management of hazardous substances;
  - g) odours;
  - h) vibrations.

The presence or absence of such environmental aspects must be assessed under normal, abnormal and emergency operating conditions.

3. Identification of the environmental impacts resulting from the identified environmental aspects;
4. Assessment of the significance of the environmental impact, documented in the analysis environmental.

The company uses the following two-parameter model to correctly assess impacts:

- o P indicates the probability of the event occurring
- o G indicates the severity of the consequences

The factor S. "Significance of the impact" is defined as the product  $P \times G$  ( $S = P$

x G). P. probability of the event occurring

Score	Criterion
1	Given the activities and products used, the probability of occurrence is estimated to be practically zero.
2	Given the activities and products used, the probability of occurrence is estimated to be at least once every 10 years.
3	Given the activities and products used, the probability of occurrence is estimated to be at least once a year.
4	Given the activities and products used, it is estimated that the probability of occur more than once a year.

The assessment of parameter P shall take into account the positive or negative differential of the values of analyses and sampling carried out on the company site with respect to the legal limits or those provided for by administrative authorisations.

G. Severity of consequences

Score	Criterion
1	Consequences limited in both time and extent of impact. Impact void.
2	There may be a local and non-lasting disturbance. The situation should not be underestimated
3	The damage becomes significant for both humans and the environment.
4	The damage is extensive with long-lasting effects. Involvement of the population.

S. Significance of impact

Evaluation		
1 – 4	Not very significant	Formulate objectives; in cooperation with the managers concerned, initiate monitoring. Possible actions to be taken are medium to long term (6 months).

5 – 8	Significant	Formulate objectives and operational instructions; in cooperation with the relevant managers, initiate monitoring. The actions to be taken are short-term (3 months).
9 – 16	Very significant	Defining objectives, targets in order to contain or eliminate the impact. The actions to be taken are urgent (however immediately secure the machine/plant).

In the event of deviations from the parameters laid down by current legislation and in the event of reports from interested parties regarding the environmental aspects considered, the environmental impact will automatically be considered very significant and the company will take appropriate action in a very short time to reduce it and in any case fall within the limits of the law.

The Company shall carry out periodic environmental controls to be performed at production sites and in relation to activities considered relevant, also by drawing up an environmental monitoring plan.

## 2.2. Liability

Responsibility for defining the hazards, emissions and risks associated with new production or the use of new products lies with the Company Management, which may, in turn, identify a party to be assigned the management and monitoring of environmental impact activities, as well as the implementation of the periodic control and monitoring plan, in particular by making use of the resources of the coordination offices of the production departments.

## 3. GENERAL PRINCIPLES OF CONDUCT

Recipients involved in activities with an environmental impact must observe rules of conduct that comply with the following provisions. In particular, they must:

- comply with the laws in force and the principles set out in the Company's Code of Ethics and Environmental Policies;
- operate in accordance with the existing system of delegated and proxy powers;
- comply with the content of the job description and company organisation chart;
- operate in compliance with the information flows to the Supervisory Board;
- comply with the environmental legislation applicable to its activity;
- report any anomaly or risk to the Company Management and the Supervisory Board for the environment relevant for the purposes of Legislative Decree 231/2001 of which they become aware;
- participate in training sessions organised by the Company on proper environmental management and prevention of eco-crimes;
- comply with the company instructions aimed at ensuring the prevention of pollution and prompt response to environmental emergencies and in general the management of environmental aspects considered significant, in particular the instructions and operating procedures distributed by the company management.

The persons who, within the organisation of the Company, are involved, in various capacities and with different responsibilities, in the management of the fulfilments provided for by the regulations in force on environmental protection, each one within the scope of his competence, shall also:

- apply for and obtain in advance all environmental permits required for the performance of its activities, and update/renew existing ones where necessary;

- drafting/updating specific environmental operating procedures/instructions, training staff on their contents and ensuring compliance with their application;
- keep up to date and comply with the body of regulations and the system of powers of attorney and delegation in environmental matters in force;
- to disseminate the principles of good environmental practice at every level of the organisation and to raise the awareness of all its suppliers so that they provide products and services in line with these principles.

It is expressly prohibited to:

- engage in, contribute to or cause the commission of conduct which, taken individually or collectively, directly or indirectly constitutes the types of offence referred to above (Article 25-undecies of Legislative Decree No. 231/2001);
- derogate from the ban on direct discharges into the sewage system;
- violate the ban on direct discharges of pollutants onto the ground;
- initiate or cause violations of the behavioural principles contained in this protocol, in the Code of Ethics, in the Corporate Rules or in other procedural compendia or operating instructions adopted and disseminated by the Company.

Finally, the above-mentioned persons are prohibited from doing so:

- carrying out waste collection, transport, recovery, disposal, trade and intermediation activities without the prescribed authorisation, registration or communication or in breach of the requirements laid down by law for carrying out such activities;
- omit the necessary remediation measures or violate the provisions of the remediation project approved by the competent authority in the case of polluting events in the soil, subsoil, surface water or groundwater that exceed the risk threshold concentrations provided for by the legislation in the sector and omit the relevant communications required by law;
- preparing or using during transport a waste analysis certificate containing false information on the nature, composition and chemical and physical characteristics of the waste;
- receive or carry out waste shipments from and to one or more Member States of the European Union or from and to the European Union territory in the absence of notification to the competent Authorities or of their authorisation or in the case of authorisations obtained fraudulently, and in all other cases constituting illegal trafficking pursuant to EEC Reg. 259/1993 as amended;
- transferring, receiving, transporting, exporting, importing or, in any case, illegally managing large quantities of waste, including radioactive waste, carrying out operations or resorting to continuous organised means and activities, in order to obtain an unjust profit;
- preparing a waste analysis certificate providing false information on the nature, composition and chemical and physical characteristics of the waste or including a false certificate in the data to be provided for the purposes of waste traceability;
- using, during transport, a certificate of analysis containing false information on the nature, composition and chemical and physical characteristics of the waste transported or a paper copy of the SISTRI form which has been fraudulently altered;

- determine, in the operation of establishments involving emissions into the atmosphere, that the air quality limit values are exceeded through infringement of the emission values set out in the authorisation or imposed by the competent administrative authority or the values set out in the legislation.

Lastly, with regard to third party contractors (collaborators, partners, suppliers, customers), the Company undertakes to define contractual clauses aimed at obtaining a commitment to comply with Legislative Decree no. 231/2001, the Organisation, Management and Control Model and the internal Code of Ethics, as well as additional and specific company regulations and instructions aimed at preventing offences and proper environmental management, the violation of which will be considered a cause for termination of the contractual relationship.

#### 4. MANAGEMENT OF WASTE PRODUCED WITHIN THE COMPANY

This protocol defines responsibilities and operating procedures for the management of waste produced by within the company, regarding:

- waste production activities;
- ways of cataloguing, collecting, sorting and subsequent storage;
- disposal and transport;
- administrative management of these processes in compliance with the regulations in force. SCAGLIA INDEVA S.p.A. aims, with its environmental policies, to continuously respect the internal and external working environment. The management of waste or the management of collection activities, handling, delivery of the same to authorised external parties and their management

is a primary objective in the company's corporate policy. This instruction applies to every stage of the process and to all company activities.

##### 4.1. Waste collection, sorting and storage

Waste consisting of paper, plastic and glass is delivered externally, in particular to a waste management company.

of waste removal by the municipal administration.

Other types of waste are delivered to third parties authorised for transport and disposal on the basis of the reference codes.

The analytical list of the types of waste produced is contained in the EWC CODES table, which is an integral part of this operating instruction.

When identifying any new type of waste, the company management, in cooperation with the technical and production departments, must:

- characterise the waste, using an external laboratory for analysis if necessary;
- identify the most appropriate collection area/container, taking into account the specific requirements imposed by law for hazardous and non-hazardous waste, and ensuring that liquid waste awaiting disposal is stored in suitable containers that may in turn be placed in containment basins to prevent percolation or spillage onto the ground. The CER code is placed on these containers and on the collection containers;
- identify the correct collection, transport, recovery or disposal activities to which the waste is to be sent and the persons carrying them out;
- request copies of the authorisations required by the legislation in force from the persons carrying out the above operations;
- update the table of waste produced in the above-mentioned EWC CODES table.

The company shall train and inform all personnel working in the company so that waste is managed correctly according to this protocol.

Containers of various types are available in specific areas for the separate collection of waste, to prevent its abandonment. All containers are labelled with the type and classification of waste.

If non-compliance is detected, the instruction will be repeated and the awareness raised. further staffing.

Storage areas must be kept clean and tidy at all times.

All containers (bins, drums, boxes, etc.) must be in good condition, as any damage or breakage could lead to the risk of the waste escaping and polluting the soil, subsoil and atmosphere.

Different wastes should never be mixed, especially hazardous special waste with hazardous special waste.

Any containers of liquid waste awaiting disposal must always be stored inside of containment basins to prevent spills.

In the case of liquid waste, containers should never be filled to their maximum capacity, thus avoiding possible spills and operational difficulties for waste handling activities.

Containers must be kept closed after filling; this measure must also be carried out during any handling of the waste, and any drains in the surrounding pavement must be closed to prevent possible water pollution.

The transport and handling of waste, if carried out directly by Company personnel, must always be carried out using the PPE provided for by the safety regulations in force.

#### 4.2. Waste transport and disposal

Waste consisting of paper, plastic and glass is delivered externally, in particular to a waste management company.

of waste removal by the municipal administration.

Other types of waste are delivered to third parties authorised for transport and disposal on the basis of the reference codes.

NON-HAZARDOUS waste must be removed at intervals of no more than three months, ensuring that no more than 20 m<sup>3</sup> of non-hazardous waste is stored.

HAZARDOUS waste must be removed at intervals of no more than three months without exceeding the temporary storage limit of 10 m<sup>3</sup>.

The technical and production departments are obliged to control the quantity and quality of waste stored in order to avoid exceeding the established limits.

Waste pick-ups may only be carried out by third parties with the necessary authorisations in accordance with current legislation.

The Company Management, through its officers, undertakes to request copies of the authorisations of suppliers and to check them periodically.

#### 4.3. Administrative waste management

The Company's Management, with the cooperation of the technical and production departments, draws up and keeps up-to-date a list of the types of waste produced (Waste table resulting from the EWC CODES table), specifying

- EWC code
- Description
- Destination
- Production Area
- Carrier/Receiver
- Authorisations
- Deadlines

The administrative staff directly notes the quantities produced in the (paper) loading and unloading register ("loading" operation).

The same persons, in possession of copies of the permits of the companies involved in transport and disposal/recovery, are responsible for checking the validity of these permits.

All outgoing waste must be accompanied by a fully completed identification form.

The loading and unloading registers must be updated as the movement is carried out. Copies of the identification form must be kept for three years.

The company's administrative offices are responsible for archiving and making accessible the following documentation relating to waste management:

- loading and unloading registers
- identification forms for the transport of waste
- communications from waste transporters and recipients, including copies of registrations in the Register of Environmental Managers (for transporters) and of authorisations and/or registrations in the provincial register of companies carrying out recovery and/or disposal activities
- chemical-physical analysis of certain wastes to determine their characterisation.

## 5. MANAGEMENT OF HAZARDOUS SUBSTANCES

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This protocol also defines the operating procedures and responsibilities for the management of chemicals used within the company and in particular regulates the activities of purchase, identification, use and storage of chemicals that may have a significant environmental impact according to current legislation.

The aim of the procedures is, therefore, to avoid the pollution of soil and storm water run-off.

The use and handling of products and chemicals in production and related processes must meet requirements:

- technical: use of staff who are properly trained and aware of the technical and hazard characteristics of the products and chemicals used;
- Prevention: employing personnel who are adequately informed of the safety rules related to the use and handling of chemicals, and in particular of the procedures aimed at preventing contamination and managing emergencies;
- environmental respect: to avoid or limit as far as possible negative environmental impacts such as emissions of polluting gases or vapours into the atmosphere, discharges of products and chemicals into water and soil, production of waste.

### 5.1. Acquisition of hazardous substances

The purchase of new products and chemicals must be preceded by examination of the relevant Safety Data Sheet.

At the time of purchase, or delivery of the material on trial by the supplier, the Purchasing Office, in agreement with the Environment and Safety Manager, must request the simultaneous transmission of the Safety Data Sheet for the relevant substance, checking in particular that it complies with the regulations in force, and that it is drawn up in Italian and understandable to future users of the material.

The Environment and Safety Manager is also responsible for filing and maintaining the safety data sheets, a copy of which is given to operational staff when substances are used.

### 5.2. Identification and storage of hazardous substances

All products and chemicals are stored in dedicated areas.

The containers stored and those in any case present in the establishment are identified with types and classification symbols referring to the specific risks.

### 5.3. Handling and transfer of hazardous substances

The handling and transfer of products and chemicals shall only be carried out by personnel who are adequately trained in how to handle and use chemicals, with particular regard to environmental and safety aspects.

In all cases, the delivery of chemicals to operating personnel is followed by the provision of the necessary personal protective equipment (PPE).

The products contained in cylinders (O<sub>2</sub>, acetylene, etc...) are uniquely identified and stored, in accordance with the regulations in force, outside or in very well ventilated areas and on supports with appropriate locking systems.

#### 5.4. Checks

The Environment and Safety Manager periodically checks the correct storage of hazardous substances, recording the results (by signature) in a written report.

If drums/containers are found that are not located in the designated storage areas, this party is obliged to take all useful steps to restore safety conditions.

#### 5.5. Emergency management

In the event of a chemical spill, absorbent and collection products are used and subsequently disposed of. These emergency kits are available to staff, appropriately identified and present in the chemical storage areas.

With regard to how to intervene in emergency situations, the specific operating instructions provided by the company's safety management system apply.