

Somec S.p.A.

Environmental Policy

Contents

1. Purpose of the Policy	3
2. Scope	3
3. Our approach to protect the environment	3
4. General principles	4
4.1 Preventive approach.....	4
4.2 Ensuring compliance with the law	4
4.3 Reducing environmental impact.....	4
4.4 Continuous improvement	5
4.5 Responsible management of the supply chain	5
4.6 Raising staff awareness	5
4.7 Monitoring and communication	5

1. Purpose of the Policy

The purpose of this policy is to provide guidance to SOMECEC S.p.A. ("SOMECEC") and its controlled and affiliate companies (all together "SOMECEC Group"), directors, officers, employees, agents, consultants, intermediaries, controlled joint ventures, and other third-party representatives, to ensure compliance with applicable Environmental Laws and regulation.

Protecting the environment is a core value of the SOMECEC Group in conducting and developing its activities.

We are committed to working with and encouraging our business partners to uphold the principles in this Policy and to adopt similar policies within their businesses.

2. Scope

This policy applies as a minimum set of rules to all SOMECEC Group companies.

Locally each company may adopt more stringent rules and procedures, as needed.

While conducting its management and coordination activities, SOMECEC respects management autonomy of each affiliate within its Group, while managing and controlling the overall business, as per legitimate interests of majority and minority shareholders, considering confidentiality requirements and local applicable laws.

3. Our approach to protect the environment

We base our business activities on the respect of the values set out in our Ethics Code, in the belief that business conduct cannot disregard ethics and the protection of the environment related aspects. We are committed to complying with all applicable laws in all countries in which we do business.

We firmly believe to have the responsibility to operate in compliance with the rules of the countries where we have a presence, distinguishing ourselves as an enterprise capable of exporting the values that permeate our actions, by promoting them in the communities where we operate.

SOMECEC Group activities are governed by our Ethics Code and it was approved with SOMECEC S.p.A. Board of Directors motion for the adoption of the Organization, Management and Control Model as per Legislative Decree 231/2001.

SOMECEC considers of utmost importance the protection of the environment in which it operates and fosters the development of initiatives that gradually decrease the impact of its activities and improve the awareness and sensitivity of all stakeholders involved.

Our strategies for sustainable development pursue continuous improvement in environmental related aspects, taking into consideration the laws and regulations of each country where we operate and principles contained in applicable international guidelines and standards, including:

- UNI EN ISO 14001:2015 Standard;
- the Rio Declaration on Environment and Development;
- the Paris agreement 2015;
- Directive 2009/28 of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources, amended through Directive 2015/1513/EC;
- Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste;
- Directive (EU) 2015/1513 of the European Parliament and of the Council of 9 September 2015 amending Directive 98/70/EC relating to the quality of petrol and diesel fuels and amending Directive 2009/28/EC on the promotion of the use of energy from renewable sources.

4. General principles

As a general rule, in order to protect the natural environment, SOMEK Group aims to reduce the environmental impact of its operations, supply chain and customer solutions, designed to comply with all statutory and voluntary standards and regulations.

Environmental sustainability does not simply mean more efficient energy consumption and greenhouse gas emission reduction, but in a broader sense it also means having a more harmonious relationship with Nature. This results in having a deep sense of responsibility in the use of the resources needed for a proper performance of Group activities as well as in the management of the consequent impacts.

In our strategies and operations, we consider the following principles.

4.1 Preventive approach

We are committed to assessing the current and potential impact of our activities on the environment. We take a precautionary, preventive approach to managing environmental issues and promote the use of the best available technologies and raw materials with lower environmental impact.

Somek S.p.A. implemented an ISO 14001 environmental management system to build success over the long term and create options for contributing to sustainable development by protecting the environment by preventing or mitigating adverse environmental impacts. SOMEK encourages the extension of the ISO14001 certifications to the SOMEK manufacturing subsidiaries.

The ISO 14001 standard adopted by SOMEK relies on risk assessment along with preventive actions to minimize the impact that its business has on the environment. The aim of "strategic risk management" is to focus the Group's top management and team to both spend more time assessing, researching, and understanding aspects that may present risk to the environment, and execute these actions before any environmental impact is felt, as opposed to during or after.

4.2 Ensuring compliance with the law

We are committed to keeping legal and regulatory developments in the environmental arena under continual review, to ensure that processes already on its sites or newly introduced there always comply with the applicable legal requirements. We constantly monitor our activities to ensure effective compliance with laws and regulations and to prevent any unlawful practices.

4.3 Reducing environmental impact

We are committed to reducing the impact and extent of our emissions into the air, water and soil, to reducing our waste output, to managing waste correctly and re-using and recycling it before final disposal, to protecting biodiversity, and to containing greenhouse gas emissions. Actually, we are focused on the following key environmental objectives set out below:

- **energy efficiency and climate change:** to limit energy consumption, favoring efficient solutions and the dissemination of an energy saving culture in order to allow the reduction of the Group's general impact on climate change. Adopting all the measures needed to analyze the Company energy system and related consumption and define possible interventions of improvement in terms of energy efficiency. Furthermore, SOMEK is focused on progressively increasing the use of renewable sources for the purchase of energy (e.g., electricity);
- **waste management:** to promote efficient waste management and disposal of used materials, maximizing recycling and reuse. In accordance with current legislation, the Italian companies of the Group draw up an annual report of the waste by type and disposal. The foreign companies are required to evaluate the opportunity to adopt waste monitoring systems.

- **air emissions:** to limit emissions of atmospheric pollutants by adopting the best available technology and respecting environmental regulations. Company undertakes to not produce significant atmospheric emissions and it is constantly committed to reducing the emission of greenhouse gases, direct and indirect impact.
- **consumption of materials:** to provide transparency in the choice of materials used, ensuring compliance with quality standards and the limitation of environmental impacts;
- **water discharges:** SOMEC monitors the industrial, domestic and meteoric water discharges periodically, carrying out the necessary water analysis in order to analyze the content of the water discharges and, consequently, limiting the consumption of water and polluting discharges.

4.4 Continuous improvement

We are committed, where technically possible and economically feasible, to promoting environmental protection and to reducing its operations' environmental impact, by establishing improvement programs with short, medium and long-term objectives and targets. To this end, we want to ensure environmental protection in the design phase of new products and processes, periodically reviewing them to minimize their environmental impacts.

4.5 Responsible management of the supply chain

We promote environmental protection and management throughout our entire production chain, involving our business partners and suppliers and our own contractors as key players in our sustainability policy.

4.6 Raising staff awareness

We are committed to engaging our people at every level in implementing its environmental policy through all appropriate measures and initiatives. These include information and training efforts, specifically aimed at promoting environmentally friendly conduct, compliance with legal requirements and with the most stringent internal rules/procedures and ensuring that this policy is followed at all levels in the Group.

4.7 Monitoring and communication

All the top management of SOMEC Group commits itself to monitor and reduce the environment impacts. Somec is committed to establish and maintain documented procedures to monitor and measure, on a regular basis, the key characteristics of its operations and activities that can have a significant impact on the environment. This shall include the recording of information to track performance, relevant operational controls and conformance with the organizations environmental objectives and targets.

We are committed to making our environmental policy document accessible to all interested parties, internally and externally;

Finally we are committed to disclose relevant information about the environmental impacts and aspects through the annual preparation and communication of the Group Sustainability Report, containing performance indicators for the activity planned and implemented by the Group with regard to the Environment.

March 25, 2021


SOMEC Group
Chairman