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# QUALITY, HEALTH, SAFETY, ENVIRONMENT AND SUSTAINABILITY POLICY

## Ilpea Group

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*Ilpea Group is a leading international manufacturer and supplier of plastic, magnetic and rubber components, primarily for household appliances, for the automotive and building sector.*

*Each Ilpea plant has its own unique context, operates in its own environment, acts in compliance with applicable legal requirements, and locally assesses the factors of the context that can affect or be affected by the organization.*

## QUALITY POLICY

The Customer's satisfaction, the continuous search for cost competitiveness and a profit which makes the necessary investments for the expansion of our company sustainable and which ensures an acceptable return for our shareholders are the main and priority objectives for our Company's success.

In order to reach them effectively, we pursue the following strategies:

- Partnership with the Customer with the aim to pursue the continuous improvement of the services offered.
- Product quality, with the aim of zero faults.
- Just in time deliveries.
- Continuous search for innovative and competitive solutions.
- Continuous improvement of company processes.
- Resources' growth and motivation with the aim to get efficiency and competitiveness in the performed activities.
- Effective application of the concept of "Internal Customer".
- Cooperation and support to our suppliers' growth.
- Company management system based on the ISO 9001: 2015 and IATF 16949:2016 standards.
- Standardization of the company management system in all the group's premises.
- Definition, comprehension and check of the supplied products' compliance with the Customer's requirements and the existing laws.
- Assessment and minimization of the potential risks linked to any productive process and solutions of the possible problems which could potentially generate non-compliances of the products and services offered.
- Focus on Customer satisfaction growth.
- Promotion of the "Cultural Quality" through:
  - the continuous communication about the importance of the compliance of all production processes and all activities performed in the sites with the quality management system requirements.
  - the active involvement of all staff in the continuous improvement of the processes and of all the activities performed in the sites in order to increase the effectiveness of the quality management system.
  - the support to technical leadership activities of "process owners", by defining the related application and validity areas.
  - the systematic check of the achievement of the expected results by the quality management system.

# HEALTH, SAFETY, ENVIRONMENT AND SUSTAINABILITY POLICY

## 1. INTRODUCTION

Ilpea's Health, Safety, Environment and Sustainability Policy (hereinafter also the "Policy") is developed by Ilpea Group (hereinafter also "Ilpea", or the "Group", or the "Company") and implemented in the whole Group, including its more than 30 plants in 5 continents all over the world.

### **1.1 Ilpea's commitment and Policy Purpose**

Ilpea intends to constantly improve its performance by integrating sustainability into its corporate strategy and defining policies and objectives. This Policy is a clear example of the attention paid by Ilpea to Environmental, Social and Governance (ESG) issues.

The purpose of the Policy is therefore to introduce the principles and objectives that Ilpea undertakes in order to operate in a sustainable way.

### **1.2 International, National & Legal Reference Framework**

This Policy and its principles support the following main standards and guidelines issued:

- The United Nations Sustainable Development Goals (SDGs);
- The 10 principles of the UN Global Compact;
- International standards: SA 8000, ISO 26000, ISO 45001, ISO 14001;
- All international and national Laws and Regulations applicable in countries where Ilpea operates.

### **1.3 Internal Reference Framework**

In order to ensure consistency and uniformity, Ilpea's Health, Safety, Environment and Sustainability Policy integrates the information contained in the following Group's policies and procedures:

- Code of Ethics;
- Suppliers Code of Conduct;
- Conflict Minerals Policy;
- Whistleblowing Procedure;
- Quality Policy;
- Anti-Bribery Policy;
- Human Rights Policy;
- Privacy Policy.

### **1.4 Scope of application and Recipients**

Ilpea Group is aware that, in order to contribute to sustainable development, it is necessary to guarantee sustainability of its activities along its entire value chain.

For this reason, Ilpea's Health, Safety, Environment and Sustainability Policy is addressed internally to employees of all Group legal entities worldwide, and it is a common reference document for all suppliers, commercial partners and collaborators.

## **2. GOVERNANCE**

### **2.1 Governance**

Supervision of this Policy is headed by the ESG (Environmental, Social, Governance) Function, at Corporate level, which ensures that the Policy and its Principles are periodically reviewed and, if necessary, updated, and also guarantees its correct application.

ESG Function, at Corporate level, also takes care of Policy dissemination in all different operational sites, while the accountable Managers of each operational site ensure its implementation at local level.

### **2.2 Compliance and Integrity**

Ilpea Group carries out all its business activities in compliance with applicable regulations, directives and standards and ensures compliance with all international and national Laws and Regulations applicable in the various countries where Ilpea operates.

## **3. RELATIONS WITH STAKEHOLDERS**

### **3.1 Stakeholder Engagement**

Listening to stakeholders, i.e. all interested parties who influence and/or are influenced by Ilpea's activities (e.g. employees, customers, suppliers, etc.), represents for the entire Group an important aspect for the creation of a long-term shared value.

With regards to internal stakeholders (e.g. employees), Ilpea:

- assigns clear tasks and responsibilities and ensures actions aimed at improving the professionalism and awareness of its employees;
- requires all employees to strictly observe the relevant laws, procedures and operating instructions and established company regulations.

With regard to external stakeholders (customers, suppliers, etc.), Ilpea:

- carries out periodic surveys on stakeholders, in order to identify strengths and weaknesses and pursue continuous improvement;
- manages external communication, relating to environmental, social and governance issues;
- ensures transparency and communication towards the Control Bodies and Competent Authorities.

## 4. OCCUPATIONAL HEALTH AND SAFETY

### **4.1 Occupational Health and Safety**

Ilpea is committed to promoting and safeguarding occupational health and safety in order to prevent accidents and diseases and promote people wellbeing.

Ilpea believes that health and safety is part of the company's assets and is a value to be safeguarded in every location.

The Company therefore requires all personnel to ensure that business activities are always carried out in such a way as not to put their own safety and their colleagues' safety at risk.

Any work carried out or intended to be carried out within the Company must always be combined with a specific risk prevention activity related to it, aimed at protecting health and safety of personnel present in the Company, in agreement with mandatory requirements.

In order to pursue these principles, the following strategies are applied:

- preventive risk assessment of each new activity to be carried out with particular reference to occupational health and safety;
- design of any machine or equipment using the best available technologies and observing the regulations in force;
- specific training to all personnel involved in the use of machines, systems and equipment, in order to make them aware of their operation, safety devices and maintenance rules;
- maintenance of machines or equipment and performance of work activities in full compliance with mandatory requirements regarding the prevention of accidents;
- minimization of any risk through continuous verification of new technologies that can improve activities carried out;
- periodic reviews of accidents, injuries and risk situations occurring, in order to verify the effectiveness of corrective actions previously undertaken and the need for further actions to be developed, in order to achieve the objective to eliminate accidents;
- engagement and awareness of all personnel in the application of this policy through specific training, education and updating activities on health and safety.

## 5. ENVIRONMENT

### **5.1 Energy and Decarbonisation**

Ilpea pursues the goal of reducing and minimizing direct and indirect energy consumption.

To this end, Ilpea undertakes to:

- develop processes that minimize both the absorption of energy and their emissions;
- reuse the energy dissipated by production processes for the production of additional energy that is used to heat the workplace or to operate the company production;
- promote and increase the use of energy from renewable sources;
- minimize energy consumption in the various operational sites.

### **5.2 Climate Change**

Ilpea recognizes the need to invest in research and development of new technologies and processes aimed at mitigating the effects of climate change, reducing emissions and improving the energy efficiency of production processes along the entire value chain.

Ilpea actively monitors the risks deriving from climate change and defines appropriate mitigation and adaptation measures for its activities in all procurement, production and distribution areas.

### **5.3 Circular Economy**

Ilpea promotes a production and consumption model based on the reuse and recycling of materials aimed at extending the life cycle of products, reducing waste and minimizing the environmental impact of its products.

In this regard, Ilpea undertakes to:

- carry out preventive analyzes of raw materials that can be used to produce a certain component, focusing the choice on those with a lower environmental impact;
- carry out Life Cycle Assessment (LCA) analyzes to quantify the environmental impacts that are associated with the goods produced and their end of life;
- provide customers with correct information on final destinations of their products, in order to facilitate collection, reuse, recovery of products, as well as promote the correct waste separate collection;
- develop technical proposals for products that can be recycled at the end of their life and, therefore, reused as secondary raw materials for any other purpose;
- implement sustainable packaging solutions, preferring recyclable packaging and reducing the use of single-use packaging;

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- favour, where possible, the recovery rather than the disposal of industrial waste;
- manage the generated waste optimally and efficiently, disposing of it correctly in accordance with applicable legislation.

#### **5.4 Water Management**

The Group recognizes access to water as a universal human right and is committed to preserving water resources in all its activities and areas where it operates, in line with the United Nations Sustainable Development Goals (SDGs).

Ilpea is aware of the impact generated by the Group's production activities and the importance of water resources along all industrial processes, also in consideration of the growing critical issues caused by climate change (e.g. drought, desertification) and dependence of operational sites on water supply.

Water withdrawals in operational sites are provided by: surface water (eg rivers), groundwater or water supplied by local water service. Where possible, internal reuse is carried out within the operational sites, with particular attention to areas at risk of water scarcity (water stressed areas).

Ilpea aims at a continuous monitoring (qualitative and quantitative) of water resources and to reduce its water footprint.

To achieve its objectives, Ilpea adopts the following actions:

- reduce water consumption through the development of innovative systems, technologies and infrastructures;
- adopt qualitative and quantitative monitoring plans for water withdrawals/discharges;
- adequately manage the impacts generated by water discharges;
- minimize and prevent the contamination of freshwater and groundwater;
- promote the improvement of water efficiency in the areas where it is present;
- promote the improvement of water efficiency along the supply chain;
- monitor and ensure that water used by both employees and anyone who accesses the operational site complies with the hygienic-sanitary requirements.

The Group promotes a responsible behavior and consumption of water resources through specific awareness initiatives and training of all employees in order to encourage a common commitment to protect water resources.

#### **5.5 Pollution**

Ilpea constantly monitors its direct and indirect environmental aspects and pursues the prevention of pollution. To this end, Ilpea undertakes to:

- use the best available technologies to prevent pollution of air, water and soil;

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- carry out, within the Company's operational sites, periodic monitoring of environmental aspects, such as chemical and microbiological analysis of water, checks on air pollutants and monitoring of soil characteristics.

### **5.6 Biodiversity**

Ilpea recognizes the importance of protecting biodiversity and ecosystems. In this regard, the Group verifies the presence of protected areas that are significant for biodiversity in all contexts where it operates.

The Group constantly measures the potential impacts of its activities on biodiversity in order to implement mitigation actions and minimize their effects.

## **6. COMMUNICATION AND TRAINING**

Ilpea communicates and ensures the application of this Health, Safety, Environment and Sustainability Policy by engaging and raising awareness of all employees and its entire value chain.

The Policy is also always available to the public and interested stakeholders on Group's website at [www.ilpea.com](http://www.ilpea.com).