
ASI CERTIFICATION
PERFORMANCE
STANDARD



PRESENTED TO

CARCANO ANTONIO S.p.A.

CERTIFICATE
NUMBER

87

ASI
STANDARD

PERFORMANCE
STANDARD
(V2 2017)

CERTIFICATION
LEVEL

CERTIFICATION

ASI ACCREDITED
AUDITOR

BUREAU
VERITAS
CERTIFICATION

DATE OF ISSUE

24 JULY 2020

DATE OF EXPIRY

23 JULY 2023

CERTIFIED SINCE

24 JULY 2020

AUTHORISED BY

A handwritten signature in black ink, appearing to be 'John' or similar, written over a white background.

Aluminium Stewardship Initiative Ltd
ACN 606 661 125, Australia
info@aluminium-stewardship.org

*Validity of this Certificate is subject to continued
conformance with the applicable ASI Standard
and can be verified at
www.aluminium-stewardship.org*

CERTIFICATION SCOPE

Rolling of aluminium foil at Production Unit in Delebio (SO) - Italy; Lacquering of aluminium flexible film and lamination of lacquered aluminium foils for food, pharma, technical applications at Production Unit in Mandello del Lario (LC) - Italy and at Production Unit in Andalo Valtellino (SO) - Italy.

SUMMARY AUDIT REPORT

PERFORMANCE

STANDARD

OVERVIEW

| | |
|-------------------------|---|
| MEMBER NAME | Carcano |
| ENTITY NAME | Carcano Antonio S.p.A. |
| CERTIFICATION SCOPE | Rolling of aluminium foil at Production Unit in Delebio (SO) - Italy; Lacquering of aluminium flexible film and lamination of lacquered aluminium foils for food, pharma, technical applications at Production Unit in Mandello del Lario (LC) - Italy and at Production Unit in Andalo Valtellino (SO) - Italy. |
| SUPPLY CHAIN ACTIVITIES | <ul style="list-style-type: none">• Semi-Fabrication• Material Conversion (Production and Transformation) |
| ASI STANDARD | <ul style="list-style-type: none">• Performance Standard V2 |
| AUDIT TYPE | <ul style="list-style-type: none">• First Certification Audit |
| AUDIT FIRM | Bureau Veritas Certification |
| AUDIT DATE | <ul style="list-style-type: none">• 10 - 12 June 2020 |
| AUDIT REPORT SUBMISSION | <ul style="list-style-type: none">• 8 July 2020 |
| AUDIT SCOPE | <p>The audit scope covered:</p> <ul style="list-style-type: none">• Headquarters and Converting Production Unit in Mandello del Lario (LC) . Italy• Converting Production Unit in Andalo Valtellino (SO) . Italy• Rolling Production Unit in Delebio (SO) - Italy <p>Supply chain activities included in the audit scope:</p> <ul style="list-style-type: none">• Semi-Fabrication• Material Conversion (Production and Transformation) <p>All relevant criteria in the ASI Performance Standard were included in the audit scope.</p> |
| AUDIT OUTCOME | <ul style="list-style-type: none">• Certification |

AUDIT
METHODOLOGY
DECLARATION

The Auditors confirm that:

- The information provided by the Entity is true and accurate to the best knowledge of the Auditor(s) preparing this report.
- The findings are based on verified Objective Evidence relevant to the time period for the Audit, traceable and unambiguous.
- The Audit Scope and audit methodology are sufficient to establish confidence that the findings are indicative of the performance of the Entity's defined Certification Scope.
- The Auditor(s) have acted in a manner deemed ethical, truthful, accurate professional, independent and objective.

CERTIFICATION
PERIOD

24 July 2020 - 23 July 2023

NEXT AUDIT
TYPE

Re-certification Audit

NEXT AUDIT
DUE DATE

23 July 2023

CERTIFICATE
NUMBER

87

SUMMARY OF FINDINGS

| CRITERION | RATING | COMMENT |
|--|-------------|---|
| PRINCIPLE 1 BUSINESS INTEGRITY | | |
| 1.1 Legal Compliance | Conformance | ISO 14001 certification and Management System conforming to Italian law decree 231/01 grant information on legal matters. Procedure is number PASC 12 LEX "OBBLIGHI DI CONFORMITA+(compliance obligations) revised 5 November 2019. Internal audits for legal compliance are undertaken. |
| 1.2 Anti-Corruption | Conformance | The Entity has a Management System, conforming to Italian law decree 231/01 that requires both a code of ethic and internal audits on anti-corruption carried out by a supervising body called OdV (Organismo di Vigilanza: Vigilating Body) The code of ethics is available at this link: https://www.carcano.com/en/our-history . |
| 1.3 Code of Conduct | Conformance | The Entity has a Management System, conforming to Italian law decree 231/01 that requires both a code of ethic and internal audits on anti-corruption carried out by a supervising body called OdV (Organismo di Vigilanza: Vigilating Body) The code of ethics is available at this link: https://www.carcano.com/en/our-history . |
| PRINCIPLE 2 POLICY & MANAGEMENT | | |
| 2.1a Environmental, Social, and Governance Policy (implement and maintain) | Conformance | A policy has been documented and has received endorsement by top management. Policy is available at this link: https://www.carcano.com/en/processo/sistemi-e-certificazioni |
| 2.1b Environmental, Social, and Governance Policy (senior management) | Conformance | A policy has been documented and has received endorsement by top management. Policy is available at this link: https://www.carcano.com/en/processo/sistemi-e-certificazioni |
| 2.1c Environmental, Social, and Governance Policy (communication) | Conformance | The Policy is available on the public website; is communicated to workers during induction process and available both on the intranet and at company premises. Link to public website is the following: https://www.carcano.com/en/processo/sistemi-e-certificazioni |

| CRITERION | RATING | COMMENT |
|--|-------------|---|
| 2.2 Leadership | Conformance | <p>The organizational development director is the senior manager appointed for compliance to ASI standard.</p> <p>Letter of appointment is the internal communication 12/2019 dated 3 July 2019.</p> |
| 2.3a Environmental and Social Management Systems (environmental) | Conformance | <p>The Entity is ISO 14001 certified.</p> <p>The certificate is available at this link: https://www.carcano.com/en/processo/sistemi-e-certificazioni</p> |
| 2.3b Environmental and Social Management Systems (social) | Conformance | <p>Ethical code and Organizational Model are consistent with the requirements of a social Management System: there are statements and policies about recruiting, HR management and health and safety. HR department has its own procedures to continuously deliver conformity to national CBA (Collective Bargaining Agreement) for work-related matters like wages and working hours. Ethical code is available at this link: https://www.carcano.com/en/our-history</p> <p>CBA is available to workers and on several websites this is one example (website of one of the three main Trade Unions in Italy) : https://www.fiom-cgil.it/net/index.php/industria-privata-e-installazione-impianti/ccnl-federmeccanica</p> <p>CBA (in Italian is called CCNL: Contratto Collettivo Nazionale di Lavoro, Collective National Work Agreement) and is in Italian only.</p> |
| 2.4 Responsible Sourcing | Conformance | <p>The integrated policy (as referenced in criterion 2.1) references suppliers and sub-contractors. The ethical code also addresses this.</p> <p>There is also a procedure "PGC06UA - SUPPLYING" rev 4 dated 24 June 2019.</p> <p>Due diligence shows that main risks for ethics are linked with subcontractors rather than in aluminium suppliers.</p> <p>For all suppliers a reminder of code of ethics is included in purchasing documents - subcontractors are also required to sign and agree with specific clauses on occupational health and safety, anti-corruption and ethics.</p> |
| 2.5 Impact Assessments | Conformance | <p>The Entity has a procedure "PGC 00 SG" Rev 4 dated 19 October 2018 titled "Context analysis, interested parties identification and risk assessment". Using this procedure a risk assessment was performed and resulting</p> |

| CRITERION | RATING | COMMENT |
|---|-------------|--|
| | | <p>document is dated November 2019. This risk assessment is concentrated on environmental and quality matters.</p> <p>There are also three different documents, one per facility for risk evaluation in Health and Safety matter as required by Italian law decree 81/2008; these documents are dated as follows: Mandello Facility 7 January 2020 Delebio Facility 7 January 2020 Andalo Facility 11 January 2019.</p> <p>Ethics has its own risk assessment dated 2015. A draft of new release that will be dated in 2020 was shown.</p> |
| 2.6 Emergency Response Plan | Conformance | <p>Emergency response plans are requirements of ISO 14001, where valid certification is held. Certificate is available at: https://www.carcano.com/en/processo/sistemi-e-certificazioni</p> |
| 2.7 Mergers and Acquisitions | Conformance | <p>During interview with top management, it was stated that there are no mergers or acquisitions planned. However, if a merger or acquisition is planned, advisors will be hired following procedure PGC 22 AFC "Management of strategic advices" revision 0 dated 10 March 2017.</p> |
| 2.8 Closure, Decommissioning and Divestment | Conformance | <p>During interview with top management, it was stated that there are no closures, decommissioning and divestments planned. If a closure, decommissioning and divestment is planned, advisors will be hired following procedure PGC 22 AFC "Management of strategic advices" revision 0 dated 10 March 2017.</p> |
| PRINCIPLE 3 TRANSPARENCY | | |
| 3.1 Sustainability Reporting | Conformance | <p>The Entity has a sustainability report available at: https://www.carcano.com/en/sustainability; in this report data about environmental impacts can be found, data available on the website are limited. A Life Cycle Perspective analysis on environmental impacts of Carcano is also available on request.</p> <p>Financial statements (conforming to Italian Civil Code) are available on request at Chamber of Commerce, main social initiatives are two: "Accademia 13" - description is available at: https://www.carcano.com/en/home and funding</p> |

| CRITERION | RATING | COMMENT |
|---|-----------------------|---|
| | | of "Fondazione Ercole Carcano" for children education. |
| 3.2 Non-compliance and liabilities | Conformance | Information is available on request. Top management stated that no significant fines were raised. |
| 3.3a Payments to governments (legal and contractual) | Conformance | The Entity has a Management System, conforming to Italian law decree 231/01 that requires both a code of ethic and internal audits on anti-corruption carried out by a supervising body called OdV (Organismo di Vigilanza: Vigilating Body). Code of ethics is available at: https://www.carcano.com/en/our-history All payments made to government and public administration are undertaken legally. |
| 3.3b Payments to governments (disclosure . bauxite mining) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| 3.4 Stakeholder complaints, grievances and requests for information | Minor Non-Conformance | A grievance mechanism is publicly available and is explained in the ethical code at page 6/53 of the document. A form "contact us" is publicly available at this link: https://www.carcano.com/en/contatti , however it is not clear what kind of information is required and what types of grievances can be raised. |
| PRINCIPLE 4 MATERIAL STEWARDSHIP | | |
| 4.1a Environmental Life Cycle Assessment (life cycle impacts) | Conformance | A Life Cycle Perspective Evaluation was developed taking into account cycle impacts of major products and process according to ISO14001. |
| 4.1b Environmental Life Cycle Assessment (cradle to gate) | Conformance | The brochure "Environmental performance analysis" is available at: https://www.carcano.com/en/sustainability . |
| 4.1c Environmental Life Cycle Assessment (public communication) | Conformance | The brochure "Environmental performance analysis" is available at: https://www.carcano.com/en/sustainability and contains underlying assumptions including system boundaries. |
| 4.2 Product design | Conformance | R&D department has specific objectives on pollution reduction. The Entity implemented procedures and processes that include objectives in the design and development process for products to enhance sustainability, of the end product |

| CRITERION | RATING | COMMENT |
|---|-------------|--|
| | | <p>containing aluminium. R&D procedures: PGAM 09SG sampling of materials of evaluation of new components; and, PQAM 13RS development of new products.</p> |
| 4.3a Aluminium Process Scrap (targets) | Conformance | <p>As per ISO 14001 Management System, the Entity has developed its own improvement plan with environmental objectives. The document is linked to management review and targets are measurable. Data are monitored and are available on monthly basis with details for department, product and plant.</p> |
| 4.3b Aluminium Process Scrap (alloy separation) | Conformance | <p>Scrap and wastes are separated - coupled aluminium is separated from plain aluminium, aluminium coupled with paper. Paper or plastic is disposed externally while plain aluminium is disposed internally in Delebio plant, aluminium used is of two different alloys "series 1000" and "series 8000" - smelting facility in Delebio can use both alloys together, it is not necessary to separate alloys.</p> |
| 4.4a Collection and recycling of products at end-of-life (strategy) | Conformance | <p>Each one of the three Entities has its own environmental authorization conforming to Italian law Dlgs. 152/2006 - this authorization includes waste management, the name of authorization is AIA (Autorizzazione Integrata Ambientale: Environmental Integrated Authorization). Following the principles of authorization company, each year the Entity must communicate to public administration its production of wastes and the final destination of wastes. The name of this declaration is MUD (Modello Unico di Dichiarazione: Unique Form of Declaration). AIA Mandello n° 385 released by province of Lecco dated 5 July 2014 expires in 2026. AIA Delebio n° 295 released by province of Sondrio dated 19 December 2015 expires in 2025. AIA Andalo n° 274 released by province of Sondrio dated 14 November 2016 expires in 2028. MUD Mandello sent 15 April 2020. MUD Delebio sent 15 April 2020. MUD Andalo sent 15 April 2020.</p> |
| 4.4b Collection and recycling of products at end-of-life (engagement) | Conformance | <p>Each one of the three facilities has its own environmental authorization conforming to</p> |

| CRITERION | RATING | COMMENT |
|--|-------------|---|
| | | <p>Italian law Dlgs. 152/2006 - this authorization includes waste management, the name of authorization is AIA (Autorizzazione Integrata Ambientale: Environmental Integrated Authorization). Following the principles of authorization company, each year the Entity must communicate to public administration its production of wastes and the final destination of wastes. The name of this declaration is MUD (Modello Unico di Dichiarazione: Unique Form of Declaration).</p> <p>AIA Mandello n° 385 released by province of Lecco dated 5 July 2014 expires in 2026.</p> <p>AIA Delebio n° 295 released by province of Sondrio dated 19 December 2015 expires in 2025.</p> <p>AIA Andalo n° 274 released by province of Sondrio dated 14 November 2016 expires in 2028.</p> <p>MUD Mandello sent 15 April 2020.</p> <p>MUD Delebio sent 15 April 2020.</p> <p>MUD Andalo sent 15 April 2020.</p> |
| PRINCIPLE 5 GREENHOUSE GAS EMISSIONS | | |
| 5.1 Disclosure of GHG emissions and energy use | Conformance | <p>The Entity has an Energy Management System conforming to ISO 50001:2011.</p> <p>A detailed energy analysis was performed and data are available for every single machinery. Procedure for energy analysis is PEC 02 AE Rev 2 dated 26 November 2019.</p> <p>Energy consumption is recorded in kWh for electricity and in standard cubic meters of natural gas then conversion in TOE (Tonnes Oil Equivalent) and CO₂ is made.</p> <p>Public disclosure is granted by annual communications to public administration and some data are available at this link: https://www.carcano.com/it/sostenibilit%C3%A0</p> |
| 5.2 GHG emissions reductions | Conformance | <p>The Entity has an Energy Management System conforming to ISO 50001:2011.</p> <p>A detailed energy analysis was performed and data are available for every single machinery. Procedure for energy analysis is PEC 02 AE Rev 2 dated 26 November 2019</p> <p>energy consumption is recorded in Kwh for electricity and in standard cubic meters of natural gas then conversion in TOE (Tonnes Oil Equivalent) and CO₂ is made.</p> <p>Public disclosure is granted by annual</p> |

| CRITERION | RATING | COMMENT |
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| | | communications to public administration and some data are available at this link: https://www.carcano.com/it/sostenibilit%C3%A0 |
| 5.3a Aluminium Smelting (Management System) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| 5.3b Aluminium Smelting (up to and including 2020) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| 5.3c Aluminium Smelting (after 2020) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| PRINCIPLE 6 EMISSIONS, EFFLUENTS AND WASTE | | |
| 6.1 Emissions to Air | Conformance | Each one of the three Entities has its own environmental authorization conforming to Italian law Dlgs. 152/2006 - this authorization includes waste management, the name of authorization is AIA (Autorizzazione Integrata Ambientale: Environmental Integrated Authorization). Following the principles of authorization company, each year the Entity must communicate to public administration its air emissions. Check of this communication is part of ISO 14001 certification. AIA Mandello n° 385 released by province of Lecco dated 5 July 2014 expires in 2026. AIA Delebio n° 295 released by province of Sondrio dated 19 December 2015 expires in 2025. AIA Andalo n° 274 released by province of Sondrio dated 14 November 2016 expires in 2028. |
| 6.2 Discharges to Water | Conformance | Each one of the three facilities has its own environmental authorization conforming to Italian law Dlgs. 152/2006 - this authorization includes waste management, the name of authorization is AIA (Autorizzazione Integrata Ambientale: Environmental Integrated Authorization). Following the principles of authorization company, each year the Entity must communicate to the public administration its water emissions. |
| 6.3a Assessment and Management of Spills and Leakage (assessment) | Conformance | The Entity has a Management System conforming to ISO 14001 - a risk assessment including spills and leakages has been performed, last update was in November 2019. In addition to risk assessment every worker is |

| CRITERION | RATING | COMMENT |
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| | | <p>trained to report situations that may affect both health and safety and environmental issues using a form called "Stato di Insicurezza" (Unsafe Situation) - spills and leaks considered as an Unsafe situation are to be reported. There is no evidence of spills or leakages outside company premises.</p> |
| 6.3b Assessment and Management of Spills and Leakage (management) | Conformance | <p>Every worker is trained to report situations that may affect both health and safety and environmental issues using a form called "Stato di Insicurezza" (Unsafe Situation) - spills and leaks considered as an Unsafe situation are to be reported. There is no evidence of spills or leakages outside company premises. External communication plan states that information is available on request to all interested parties; major spills and leakages that may affect must be reported to public administration as a rule of environmental authorization.</p> |
| 6.4a Reporting of Spills (immediate disclosure) | Conformance | <p>Each one of the three Entities has its own environmental authorization conforming to Italian law Dlgs. 152/2006 - this authorization includes waste management, the name of authorization is AIA (Autorizzazione Integrata Ambientale: Environmental Integrated Authorization). Following the principles of authorization company, each year the Entity must communicate to public administration spills and leakages. A spill or a leakage is also considered a Nonconformity under ISO 14001 and, if happens, is recorded. No evidence of spills or leakages outside factories were found. AIA Mandello n° 385 released by province of Lecco dated 5 July 2014 expires in 2026. AIA Delebio n° 295 released by province of Sondrio dated 19 December 2015 expires in 2025. AIA Andalo n° 274 released by province of Sondrio dated 14 November 2016 expires in 2028.</p> |
| 6.4b Reporting of Spills (regular reporting) | Conformance | <p>Each one of the three facilities has its own environmental authorization conforming to Italian law Dlgs. 152/2006 - this authorization includes waste management, the name of authorization is AIA (Autorizzazione Integrata Ambientale: Environmental Integrated</p> |

| CRITERION | RATING | COMMENT |
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| | | <p>Authorization).</p> <p>Management stated that they will give information on request.</p> <p>No spills and leakages happened in 2019 so report is unnecessary.</p> <p>AIA Mandello n° 385 released by province of Lecco dated 5 July 2014 expires in 2026.</p> <p>AIA Delebio n° 295 released by province of Sondrio dated 19 December 2015 expires in 2025.</p> <p>AIA Andalo n° 274 released by province of Sondrio dated 14 November 2016 expires in 2028.</p> |
| 6.5a Waste management and reporting (strategy) | Conformance | <p>Wastes are one of environmental aspects of the Entity and is considered in environmental analysis requested by ISO 14001 - company is certified - objectives to reduce scrap and wastes are set for production department.</p> <p>In addition a specific accountability of wastes produced and their final destination is mandatory for Italian law Decree 152/2006 a report called MUD (Modello Unico di Dichiarazione: Unique Form of Declaration) must be sent to public administration every year - a MUD for each facility has been sent to public administration.</p> |
| 6.5b Waste management and reporting (disclosure) | Conformance | <p>Wastes are one of environmental aspects of the Entity and is considered in environmental analysis requested by ISO 14001 - company is certified - objectives to reduce scrap and wastes are set for production department.</p> <p>In addition a specific accountability of wastes produced and their final destination is mandatory for Italian law Decree 152/2006 a report called MUD MUD (Modello Unico di Dichiarazione: Unique Form of Declaration) must be sent to public administration every year - a MUD for each facility has been sent to public administration.</p> <p>Information is publicly available and can be requested via this link https://www.carcano.com/en/contatti</p> |
| 6.6a Bauxite Residue (storage construction) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| 6.6b Bauxite Residue (integrity checks and controls) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |

| CRITERION | RATING | COMMENT |
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| 6.6c Bauxite Residue (water discharge) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| 6.6d Bauxite Residue (marine and aquatic environments) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| 6.6e Bauxite Residue (start of the art technologies) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| 6.6f Bauxite Residue (remediation) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| 6.7a Spent Pot Lining (SPL) (storage and management) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| 6.7b Spent Pot Lining (SPL) (recovery and recycling) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| 6.7c Spent Pot Lining (SPL) (Untreated SPL) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| 6.7d Spent Pot Lining (SPL) (review of alternatives) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| 6.7e Spent Pot Lining (SPL) (marine and aquatic environments) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| 6.8a Dross (recovery) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| 6.8b Dross (recycling) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| 6.8c Dross (review of alternatives) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |

PRINCIPLE 7 WATER STEWARDSHIP

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|---------------------------------|-------------|--|
| 7.1a Water assessment (mapping) | Conformance | <p>The Entity is certified against ISO 14001:2015, environmental analysis required by this standard includes a mapping of water sources and water usage. Last analysis was dated November 2019.</p> <p>Each one of the three facilities has its own environmental authorization conforming to Italian law Dlgs. 152/2006 - this authorization includes quotas of water withdrawal; the name of authorization is AIA (Autorizzazione Integrata Ambientale: Environmental Integrated Authorization).</p> <p>AIA Mandello n° 385 released by province of Lecco dated 5 July 2014 expires in 2026.</p> |
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| CRITERION | RATING | COMMENT |
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| | | <p>AIA Delebio n° 295 released by province of Sondrio dated 19 December 2015 expires in 2025.</p> <p>AIA Andalo n° 274 released by province of Sondrio dated 14 November 2016 expires in 2028.</p> |
| 7.1b Water assessment (risk assessment) | Conformance | <p>The Entity is certified against ISO 14001:2015, environmental analysis required by this standard includes a mapping of water sources and water usage. Last analysis was dated November 2019. Following environmental analysis there is a risk assessment also for water usage, main risk is to exceed the limits of Environmental Authorization.</p> <p>Each one of the three facilities has its own environmental authorization conforming to Italian law Dlgs. 152/2006 - this authorization includes quotas of water withdrawal; the name of authorization is AIA (Autorizzazione Integrata Ambientale: Environmental Integrated Authorization)</p> <p>AIA Mandello n° 385 released by province of Lecco dated 5 July 2014 expires in 2026.</p> <p>AIA Delebio n° 295 released by province of Sondrio dated 19 December 2015 expires in 2025.</p> <p>AIA Andalo n° 274 released by province of Sondrio dated 14 November 2016 expires in 2028.</p> |
| 7.2a Water management (management plans) | Conformance | <p>The Entity is certified against ISO 14001:2015, environmental analysis required by this standard includes a mapping of water sources and water usage. Last analysis was dated November 2019. Following environmental analysis there is a risk assessment also for water usage, main risk is to exceed the limits of Environmental Authorization. Internal audits and operational control measures are in place to monitor water usage.</p> <p>Each one of the three facilities has its own environmental authorization conforming to Italian law Dlgs. 152/2006 - this authorization includes quotas of water withdrawal; the name of authorization is AIA (Autorizzazione Integrata Ambientale: Environmental Integrated Authorization)</p> <p>AIA Mandello n° 385 released by province of Lecco dated 5 July 2014 expires in 2026.</p> <p>AIA Delebio n° 295 released by province of</p> |

| CRITERION | RATING | COMMENT |
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| | | <p>Sondrio dated 19 December 2015 expires in 2025.</p> <p>AIA Andalo n° 274 released by province of Sondrio dated 14 November 2016 expires in 2028.</p> |
| 7.2b Water management (monitoring) | Conformance | <p>Company is certified against ISO 14001:2015, environmental analysis required by this standard includes a mapping of water sources and water usage. Last analysis was dated November 2019. Following environmental analysis there is a risk assessment also for water usage, main risk is to exceed the limits of Environmental Authorization. Internal audits and operational control measures are in place to monitor water usage.</p> <p>Each one of the three facilities has its own environmental authorization conforming to Italian law Dlgs. 152/2006 - this authorization includes quotas of water withdrawal.</p> <p>The name of authorization is AIA (Autorizzazione Integrata Ambientale: Environmental Integrated Authorization)</p> <p>AIA Mandello n° 385 released by province of Lecco dated 5 July 2014 expires in 2026.</p> <p>AIA Delebio n° 295 released by province of Sondrio dated 19 December 2015 expires in 2025.</p> <p>AIA Andalo n° 274 released by province of Sondrio dated 14 November 2016 expires in 2028.</p> |
| 7.3 Disclosure of water usage and risks | Conformance | <p>The Entity is certified against ISO 14001:2015, environmental analysis required by this standard includes a mapping of water sources and water usage. Last analysis was dated November 2019. Following environmental analysis there is a risk assessment also for water usage, main risk is to exceed the limits of Environmental Authorization. Internal audits and operational control measures are in place to monitor water usage. Internal reports are available.</p> <p>Each one of the three Entities has its own environmental authorization conforming to Italian law Dlgs. 152/2006 - this authorization includes quotas of water withdrawal; the name of authorization is AIA (Autorizzazione Integrata Ambientale: Environmental Integrated Authorization)</p> <p>AIA Mandello n° 385 released by province of Lecco dated 5 July 2014 expires in 2026.</p> |

| CRITERION | RATING | COMMENT |
|--|-------------|---|
| | | <p>AIA Delebio n° 295 released by province of Sondrio dated 19 December 2015 expires in 2025.</p> <p>AIA Andalo n° 274 released by province of Sondrio dated 14 November 2016 expires in 2028.</p> <p>Information is publicly available and can be requested via this link https://www.carcano.com/en/contatti</p> |
| PRINCIPLE 8 BIODIVERSITY | | |
| 8.1 Biodiversity assessment | Conformance | <p>A risk assessment on biodiversity is part of general environmental risk assessment dated November 2019 and undertaken for ISO 14001 certification.</p> <p>No significative risk affecting biodiversity was found.</p> |
| 8.2a Biodiversity management (biodiversity action plans) | Conformance | <p>A risk assessment on biodiversity is part of general environmental risk assessment dated November 2019 and undertaken for ISO 14001 certification.</p> <p>No significative risk affecting biodiversity was found.</p> |
| 8.2b Biodiversity management (consultation and mitigation hierarchy) | Conformance | <p>A risk assessment on biodiversity is part of general environmental risk assessment dated November 2019 and undertaken for ISO 14001 certification.</p> <p>No significative risk affecting biodiversity was found.</p> |
| 8.2c Biodiversity management (reporting) | Conformance | <p>A risk assessment on biodiversity is part of general environmental risk assessment dated November 2019 and undertaken for ISO 14001 certification.</p> <p>No significative risk affecting biodiversity was found.</p> |
| 8.3 Alien Species | Conformance | <p>A risk assessment on biodiversity is part of general environmental risk assessment dated November 2019 and undertaken for ISO 14001 certification.</p> <p>No significative risk affecting biodiversity was found.</p> <p>The introduction of alien species is a risk mitigated by internal processes like instructions for suppliers to treat wooden pallets according to international standards, such as the ISPM 15 Standard.</p> |

| CRITERION | RATING | COMMENT |
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| 8.4a Commitment to No Go-in World Heritage properties (exploration and new mines) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| 8.4b Commitment to No Go-in World Heritage properties (existing operations) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| 8.5a Mine rehabilitation (best available techniques) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| 8.5b Mine rehabilitation (financial provisions) | Not Applicable | This criterion is not applicable to the Entity's Certification Scope. |
| PRINCIPLE 9 HUMAN RIGHTS | | |
| 9.1a Human Rights Due Diligence (policy) | Conformance | Policy with commitment towards human rights is available at this link: https://www.carcano.com/en/processo/sistemi-e-certificazioni |
| 9.1b Human Rights Due Diligence (process) | Conformance | Due diligence was undertaken in 2015 and it is undergoing a renewal, both the original and the final draft of new due diligence was shown, and no particular risks were evidenced. |
| 9.1c Human Rights Due Diligence (remediation) | Conformance | No evidence of adverse human rights impacts have been documented. Both management and workers did not state that they were aware of human rights adverse impacts. |
| 9.2 Women's Rights | Conformance | In Italy discrimination against women is illegal and there is a law, decree 151/2001 to protect maternity and all laws related to work state about women rights. The integrated policy (as referenced in criterion 2.1) states about being lawful, no evidence of law breaking was found. Female workers interviewed stated that are comfortable with their job, colleagues and company. |
| 9.3 Indigenous Peoples | Conformance | In the Entity's area of influence - lake of Como and Valtellina in northern Italy there are no indigenous people as defined by Article 1 of ILO Convention 169. |
| 9.4 Free, Prior, and Informed Consent (FPIC) | Conformance | In the Entity's area of influence - lake of Como and Valtellina in northern Italy there are no indigenous people as defined by Article 1 of ILO Convention 169. Top management stated that there are no projects with impact on indigenous people. |

| CRITERION | RATING | COMMENT |
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| 9.5 Cultural and sacred heritage | Conformance | There is no "Cultural and Sacred heritage" in the area of influence of the Entity, plants are located in industrial areas. |
| 9.6a Resettlements (avoid or minimise) | Conformance | The Entity does not have resettlement projects currently. |
| 9.6b Resettlements (where unavoidable) | Conformance | The Entity does not have resettlement projects currently. |
| 9.7a Local Communities (rights and interests) | Conformance | Due diligence did not identify issues regarding local communities. A communication channel is available to all interested parties is available at this link: https://www.carcano.com/en/contatti |
| 9.7b Local Communities (impacts) | Conformance | Due diligence did not identify issues regarding local communities. A communication channel is available to all interested parties is available at this link: https://www.carcano.com/en/contatti |
| 9.7c Local Communities (livelihoods) | Conformance | Due diligence did not identify issues regarding local communities. A communication channel is available to all interested parties is available at this link: https://www.carcano.com/en/contatti |
| 9.8 Conflict-Affected and High-Risk Areas | Conformance | The integrated policy (as referenced in criterion 2.1) references human rights. There is no evidence obtained in documents and in interviews that indicated company contribution in armed conflicts. |
| 9.9 Security practice | Conformance | Security services supplies are ruled by contracts and are authorized security companies, authorization released by public administration includes a check of legality that coincides with a human right policy. No evidence of violation of human rights was noted. |
| PRINCIPLE 10 LABOUR RIGHTS | | |
| 10.1a Freedom of Association and Right to Collective Bargaining (freedom of association) | Conformance | A majority of workers are union members and union representatives meet with top management on a regular basis. In Italy all workers are covered by a Collective Bargaining Agreement (CBA) agreed at national level among trade unions and industry representatives. CBA recognizes the freedom of trade union activity. |

| CRITERION | RATING | COMMENT |
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| 10.1b Freedom of Association and Right to Collective Bargaining (collective bargaining) | Conformance | In Italy all workers are covered by a Collective Bargaining Agreement (CBA) agreed at national level among trade unions and industry representatives, CBA recognizes the freedom of trade union activity. |
| 10.1c Freedom of Association and Right to Collective Bargaining (alternative means) | Conformance | In Italy applicable law does not restrict the right to freedom of association and collective bargaining. |
| 10.2a Child Labour (minimum age) | Conformance | During the hiring process, every worker has to show an ID card with date of birth and a copy is retained in the personal file of the worker. In Italy work under 15 years is illegal. |
| 10.2b Child Labour (hazardous) | Conformance | During the hiring process, every worker has to show an ID card with date of birth and a copy is retained in the personal file of the worker. In Italy work under 15 years is illegal. |
| 10.2c Child Labour (worst forms) | Conformance | During the hiring process, every worker has to show an ID card with date of birth and a copy is retained in the personal file of the worker. In Italy work under 15 years is illegal. |
| 10.3a Forced Labour (human trafficking) | Conformance | The Entity in its policy and code of ethics sustains human rights and legality. A sample of migrant workers were interviewed and also a sample of personal files of workers was checked, no evidence of forced labour was found. |
| 10.3b Forced Labour (deposits, fees, advances) | Conformance | The Entity in its policy and code of ethics sustains human rights and legality. A sample of migrant workers were interviewed and also a sample of personal files of workers was checked, no evidence of fees and deposits was found. |
| 10.3c Forced Labour (migrant workers) | Conformance | The Entity in its policy and code of ethics sustains human rights and legality. A sample of migrant workers were interviewed and also a sample of personal files of workers was checked, no evidence of fees and deposits was found. |
| 10.3d Forced Labour (debt bondage) | Conformance | The Entity in its policy and code of ethics sustains human rights and legality. A sample of migrant workers were interviewed and also a sample of personal files of workers |

| CRITERION | RATING | COMMENT |
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| | | was checked, no evidence of debt bondage was found. |
| 10.3e Forced Labour (freedom of movement) | Conformance | The Entity in its policy and code of ethics sustains human rights and legality. A sample of migrant workers were interviewed and also a sample of personal files of workers was checked, no evidence of unreasonable restrictions was found. There is no on-site housing. |
| 10.3f Forced Labour (retention of identity papers, permits, certificates) | Conformance | The Entity in its policy and code of ethics sustains human rights and legality. A sample of migrant workers were interviewed and also a sample of personal files of workers was checked, no evidence of retention of documents was found. |
| 10.3g Forced Labour (freedom to terminate employment) | Conformance | People are free to leave the Entity with an advanced notice that is from 8 to 90 days depending on the job and seniority (e.g. a senior manager must advise 90 days before leaving while common workers must advise 8 days before) in compliance with law and collective bargaining. |
| 10.4 Non-Discrimination | Conformance | The Entity code of ethics states equal opportunities for all workers. The Collective Bargaining Agreement rules a production prize for all workers. PGC 03 SO rev 2 dated 4 Oct 2018 sets rules for hiring and selection of personnel. Procedures are consistent with code of ethics. PGC 08 SO rev 2 dated 14 March 2018 gives a Merit Policy and sets a Management By Objectives system. |
| 10.5 Communication and engagement | Minor Non-Conformance | Workers are engaged, and during interviews stated that they have access to supervisors and manager, or, if they feel uncomfortable to speak directly, they know that trade unions and trade unions representatives are available. No grievances were raised in the last two years. A grievance mechanism linked with ethical code is available and is explained in ethical code at page 6/53. Training on this matter was delivered to management. All persons in company are informed at hiring and an information note was delivered to workers however there is no |

| CRITERION | RATING | COMMENT |
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| | | evidence of this awareness training being delivered. |
| 10.6 Disciplinary practices | Conformance | Disciplinary practices are ruled by Collective Bargaining Agreement and by local law, Law 300/1970. No evidence of corporal punishment, mental or physical coercion, harassment, and gender-based violence including sexual harassment, or verbal abuse was found. |
| 10.7a Remuneration (living wage) | Conformance | According to national statistics the living wage is 758.68 " per month in 2019. The lowest wages paid by company are approximately 1,100" per month. |
| 10.7b Remuneration (method of payment) | Conformance | Payrolls are conforming to standard forms approved by public administration. Interviewed persons stated they understand the contents of payroll and that payments were always on time. |
| 10.8 Working Time | Conformance | Collective Bargaining Agreement and local law Decree 66/2003 rule working hours, overtime, overtime payment rates and annual leaves. A document called "HR Report" is prepared monthly with data on working hours, overtime and leave. No evidence of discrepancies between CBA and data shown. No evidence of discrepancies between CBA and overtime ratio. |
| PRINCIPLE 11 OCCUPATIONAL HEALTH AND SAFETY | | |
| 11.1a Occupational Health and Safety (OH&S) Policy (policy) | Conformance | Policy is publicly available at this link: https://www.carcano.com/en/processo/sistemi-e-certificazioni Procedure "PGC02SG Documentation" and "PGC00SG context analysis and risk assessment" states the rules for updating and communication of policy. |
| 11.1b Occupational Health and Safety (OH&S) Policy (workers and visitors) | Conformance | Policy is publicly available at this link: https://www.carcano.com/en/processo/sistemi-e-certificazioni Procedure "PGC02SG Documentation" and "PGC00SG context analysis and risk assessment" states the rules for updating and communication of policy. |

| CRITERION | RATING | COMMENT |
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| 11.1c Occupational Health and Safety (OH&S) Policy (applicable law and standards) | Conformance | Commitment to comply with Applicable Law on Workers' health and safety is included in the Policy. Italy has ratified ILO conventions and therefore compliance with Italian laws equates to compliance with ILO conventions. |
| 11.1d Occupational Health and Safety (OH&S) Policy (right to stop unsafe work) | Conformance | The right for workers to understand the hazards and safe practices for their work, and their authority to refuse or stop unsafe work are addressed by Italian law on occupational health and safety Decree 81/08 and in policy there is a commitment to comply with legal requirements. |
| 11.2 OH&S Management System | Minor Non-Conformance | The Entity has an occupational health and safety Management System that is not certified. Whilst the risk assessment is updated and there are a complete set of procedures and regular management reviews. There was also a noted lack of operational control in the quality control laboratory. |
| 11.3 Employee engagement on health and safety | Conformance | Every worker is trained to report situations that may affect both health and safety and environmental issues using a form called "Stato di Insicurezza" (Unsafe Situation) - During interviews, workers were aware of this mechanism and forms were available during factory tour. |
| 11.4 OH&S performance | Conformance | Procedure for monitoring Health and Safety performance is included in general monitoring procedure PGC 01 SG rev 7 dated 24 May 2018. As per local law decree 81/2008, an annual meeting to check Health and safety performance, with top management, workers representatives and competent doctor is mandatory. Minutes of meeting dated 8 January 2020 provided evidence of indicators on frequency and severity of injuries, near misses and result of medical survey. |

Document Control and Version History

| Revision | Date | Notes |
|----------|--------------|--------------------------------------|
| 0 | 24 July 2020 | Issued (Initial certification audit) |