

ASI CERTIFICATION PERFORMANCE STANDARD



PRESENTED TO

Carcano Antonio S.p.A.

CERTIFICATE NUMBER
87

ASI STANDARD
PERFORMANCE
STANDARD
(V3 2022)

CERTIFICATION LEVEL
FULL
CERTIFICATION

ASI ACCREDITED
AUDITING FIRM
BUREAU VERITAS
CERTIFICATION

DATE OF ISSUE
24 JULY 2023

DATE OF EXPIRY
23 JULY 2026

CERTIFIED SINCE
24 JULY 2020

AUTHORISED BY

A handwritten signature in black ink, appearing to be 'J. Hall'.

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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 the Production Unit in Delebio (SO), Italy; Lacquering of aluminium flexible film and lamination of lacquered aluminium foils for food, pharma, and technical applications at the Production Unit in Mandello del Lario (LC), Italy; and the 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 the Production Unit in Delebio (SO), Italy; Lacquering of aluminium flexible film and lamination of lacquered aluminium foils for food, pharma, and technical applications at the Production Unit in Mandello del Lario (LC), Italy; and the Production Unit in Andalo Valtellino (SO), Italy.
SUPPLY CHAIN ACTIVITIES	<ul style="list-style-type: none">Semi-FabricationMaterial Conversion
ASI STANDARD	<ul style="list-style-type: none">Performance Standard V3
AUDIT TYPE	<ul style="list-style-type: none">Initial Certification Audit (10 – 12 June 2020)Surveillance Audit (24 January 2022)Re-Certification Audit and Scope Change (17 – 19 July 2023)
AUDIT FIRM	Bureau Veritas Certification
AUDIT DATE	<ul style="list-style-type: none">10 – 12 June 2020 (Initial Certification Audit)24 January 2022 (Surveillance Audit)17 – 19 July 2023 (Re-Certification Audit and Scope Change)
AUDIT REPORT SUBMISSION	<ul style="list-style-type: none">8 July 2020 (Initial Certification Audit)6 April 2022 (Surveillance Audit)24 July 2023 (Re-Certification Audit and Scope Change)
AUDIT SCOPE	<p><u>Initial Certification Audit (10 – 12 June 2020)</u></p> <p>The audit scope covered:</p> <ul style="list-style-type: none">Headquarters and Converting Production Unit in Mandello del Lario (LC) – ItalyConverting Production Unit in Andalo Valtellino (SO) – ItalyRolling Production Unit in Delebio (SO) – Italy <p>Supply chain activities included in the audit scope:</p> <ul style="list-style-type: none">Semi-FabricationMaterial Conversion (Production and Transformation) <p>All relevant criteria in the ASI Performance Standard were included in the audit scope.</p> <p><u>Surveillance Audit (24 January 2022)</u></p> <p>The audit scope included the Headquarters and production unit in Mandello del Lario and the Andalo Valtellino and Delebio sites.</p> <p>Supply chain activities included in the audit scope:</p> <ul style="list-style-type: none">Semi-Fabrication

-
- Material Conversion (Production and Transformation)

All relevant criteria in the ASI Performance Standard were included in the audit scope.

Re-Certification Audit and Scope Change (17 - 19 July 2023)

The audit scope included the Headquarters and the production units in Mandello del Lario, Andalo Valtellino and Delebio sites.

Supply chain activities included in the audit scope:

- Semi-Fabrication
- Material Conversion

All relevant criteria in the ASI Performance Standard were included in the audit scope.

AUDIT OUTCOME • 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 2023 - 23 July 2026

NEXT AUDIT TYPE Surveillance Audit

NEXT AUDIT DATE 23 January 2025

CERTIFICATE NUMBER 87



If you have an inquiry or complaint about this Certification, go to the third-party EthicsPoint portal at: <https://aluminium-stewardship.ethicspoint.com/>

EthicsPoint is a comprehensive and confidential reporting tool that enables complaints to be securely raised, managed and responded to. This enables anonymity to be maintained where desired by complainants, or as relevant to whistleblowing situations.

Information is available in five languages – English, French, Chinese, German and Portuguese (Brazil). Translation services provided by EthicsPoint enable complaints and correspondence to be managed in multiple languages.

ENTITY OVERVIEW

Carcano Antonio S.p.A (the "Entity") is a vertically integrated company from ingot smelting to the transformation of foil into flexible packaging. The Entity has been situated in the north of Italy since 1880 and has three production units that produce two product categories - aluminium foil and aluminium-based packaging or insulating solutions that serve the pharmaceutical (blister, cold forming, sachet, and strip and stick pack), packaging, food and beverage (capsules, confectionery and lid foil), and technical applications (cables and insulation) industries.

The Andalo Valtellino Facility covers an area of 2.5 hectares, commenced operation in 2017 and has approximately 62 employees. The Facility's primary activity is the conversion of aluminium foil into tapes and sheets for flexible packaging and has an annual production of 8,000 tonnes. The nearest township is Sondrio, 20 kilometres from the Facility and the nearest sensitive receptor is Lesina River. Key external Stakeholders include the Municipality of Andalo Valtellino and the Mountain Community.

The Mandello del Lario Facility covers an area of 4.7 hectares, commenced operation in 1895 and has approximately 210 employees. The Facility's primary activity is the conversion of aluminium foil into tapes and sheets for flexible packaging and has an annual production of 7,000 tonnes. The nearest township is Lecco, 10 kilometres from the Facility and the nearest sensitive receptors include a residential area and the Meria River. Key external Stakeholders include the Municipality of Mandello del Lario.

The Delebio Facility covers an area of 5.5 hectares, commenced operation in 1948 and has approximately 50 employees. The Facility's primary activity is the melting of aluminium ingots and rolling to produce foil in 60 different thicknesses and in over 40 different lengths and has an annual production of 44,000 tonnes. The nearest township is Sondrio, 20 kilometres from the Facility and the nearest sensitive receptor is a residential area. Key external Stakeholders include the Municipality of Delebio Mountain Community.

MATURITY RATINGS

A rating of maturity (low, medium or high) determined by the Auditor that provides a general assessment in terms of systems, Residual Risk and performance assigned to a Sustainability Component.

Maturity ratings are not a direct assessment of conformance to the Standard.

	GOVERNANCE	ENVIRONMENT	SOCIAL	COMBINED RATING
SYSTEMS	High	High	High	High
RISKS	High	Medium	High	High
PERFORMANCE	High	High	High	High
OVERALL		HIGH		

FINDINGS

CRITERION	RATING	COMMENT
1. BUSINESS INTEGRITY		
1.1 Legal Compliance	Conformance	The Entity has implemented an ISO 14001 certified Management System conforming to Italian law decree 231/01 that details information on legal matters. Internal audits for legal compliance are undertaken.
1.2 Anti-Corruption	Conformance	The Entity has implemented a Management System conforming to Italian law decree 231/01 that requires both a Code of Ethics and internal audits on anti-Corruption undertaken by a supervising body, the OdV (Organismo di Vigilanza: Vigilating Body). The Code of Ethics is available at: https://www.carcano.com/en/company
1.3a-e Code of Conduct	Conformance	The Entity has implemented a Management System conforming to Italian law decree 231/01 that requires both a Code of Ethics and internal audits on anti-Corruption undertaken by a supervising body (OdV). The Code of Ethics is available at: https://www.carcano.com/en/company Review of the Code of Conduct is according to the annual ISO management reviews, annual issue of the Sustainability Report or in cases of modification to Applicable Law, customer requests or Stakeholder requests.
2. POLICY AND MANAGEMENT		
2.1a-f Environmental, Social, and Governance Policy	Conformance	The Entity's Policies are available on the website, the intranet and at the Entity's premises, and communicated to Workers during the induction process: https://www.carcano.com/en/quality
2.2a-c Leadership	Conformance	The Organizational Development Director is the senior manager appointed for compliance with, and implementation of, the ASI Performance Standard. The Entity has established a training plan to implement the Standard.
2.3a Environmental and Social Management Systems - Environmental	Conformance	The Entity's Management System is ISO 14001 certified. The certificate and the Entity's Policies are available at: https://www.carcano.com/en/quality
2.3b Environmental and Social Management Systems - Social	Conformance	The Entity has implemented both the Code of Ethics and Organizational and Management Model, which are consistent with the requirements of a social Management System and include statements and policies on recruiting, human resources management and health and safety. The Human Resources department has procedures to continuously deliver conformity to the national Collective Bargaining Agreement (CBA) for work-related matters including wages and working hours. The Code of Ethics is available at: https://www.carcano.com/en/company

CRITERION	RATING	COMMENT
		<p>The CBA (the, Collective National Work Agreement) is available (in Italian) at:</p> <p>https://www.fiom-cgil.it/net/index.php/industria-privata-e-installazione-impianti/ccnl-federmeccanica</p>
2.4a-e Responsible Sourcing	Conformance	<p>The Entity's integrated Policy addresses suppliers and subcontractors. The Code of Ethics also addresses responsible sourcing. The Entity has also implemented a specific procedure to manage sourcing. The Entity's Due Diligence identifies the main risks for ethics are linked with subcontractors rather than aluminium suppliers. For all suppliers, the Entity's Code of Ethics is included in purchasing documents and subcontractors are also required to sign and agree with specific clauses on Occupational Health and Safety, anti-Corruption and ethics. The Policy is available at:</p> <p>https://www.carcano.com/en/company</p>
2.5a-g Environmental and Social Impact Assessments	Not Applicable	<p>This Criterion is not applicable, as the Entity is not currently implementing any New Projects or Major Changes to existing Facilities. However, the Entity has a specific procedure to manage environmental and social Impact Assessments.</p>
2.6a-h Human Rights Impact Assessment	Not Applicable	<p>This Criterion is not applicable, as the Entity is not currently implementing any New Projects or Major Changes to existing Facilities. However, the Entity commits to comply with Human Rights and provides a Code of Ethics to all employees and issues an annual Sustainability Report that reports on the Entity's performance.</p>
2.7a-f Emergency Response Plan	Conformance	<p>The Entity's Management System is certified to ISO 14001:2015 and the Entity conforms with the requirements of Italian Law (D. Lgs 81:2008) that address the requirement for emergency response plans. The Entity has implemented an emergency response plan that addresses crisis organisation, procedures, assessments for insurance, on-site fire brigades, and yearly evacuation tests. The emergency response plan is available to Stakeholders upon request at:</p> <p>https://carcano.com/en/contact</p>
2.8a-d Suspended Operations	Conformance	<p>The Entity has periodically assessed business, environmental and safety risks in accordance with Italian Laws (D. Lgs. 81/08 - D. Lgs. 231/01). The Entity has established procedures that address situations outside the Entity's control where management of environmental, social and governance issues are managed.</p>
2.9a-b Mergers and Acquisitions	Conformance	<p>At present, no mergers or acquisitions are planned at the Entity. However, the Entity has established a dedicated procedure to address the review of environmental, social and governance practices in case of future merger or acquisition activity.</p>
2.10a-b Closure, Decommissioning and Divestment	Conformance	<p>At present, no closures, decommissioning and divestments are planned at the Entity. However, the Entity has established procedures to manage the review of environmental, social and governance practices in the planning process for any future activity.</p>

CRITERION	RATING	COMMENT
3. TRANSPARENCY		
3.1a-b Sustainability Reporting	Conformance	<p>The Entity has disclosed its environmental impacts in the Sustainability Report:</p> <p>https://www.carcano.com/en/sustainability</p> <p>A life cycle perspective analysis on environmental impacts of the Entity is also available on request.</p>
3.2 Non-compliance and Liabilities	Conformance	<p>General information regarding non-compliance and liabilities is available in the Sustainability Report:</p> <p>https://www.carcano.com/en/sustainability</p> <p>Senior management confirmed that no significant fines were raised.</p>
3.3a-c Payments to Governments	Conformance	<p>Payments to governments are regulated and guaranteed by Applicable Law (Decree 231/01) and addressed in both the Entity's Organizational and Management Model and the Code of Ethics, which ensure no financial or in-kind political payments are made:</p> <p>https://carcano.com/en/company</p> <p>Senior management confirmed that all payments made to government and public administration are undertaken legally.</p>
3.4a-f Stakeholder Complaints, Grievances and Requests for Information	Conformance	<p>The Entity has established a Grievance Resolution Mechanism that is publicly available and is explained in the Code of Ethics. A 'contact us' form is publicly available at:</p> <p>https://www.carcano.com/en/contact</p>
4. MATERIAL STEWARDSHIP		
4.1a Environmental Life Cycle Assessment	Conformance	<p>The Entity has undertaken a Life Cycle Assessment (LCA) that addressed the life cycle impacts of its major Products and processes, according to ISO 14001, ISO 14040 and ISO 14044.</p>
4.1b-c Environmental Life Cycle Assessment - Disclosure	Conformance	<p>The Entity has developed an LCA on specific Products (macro categories) that is based on a 2022 reference year and includes a technical data sheet, flow chart, application, impact method (EN 15804), impact evaluation and data interpretation. The LCA is available upon request to Stakeholders. General information on the LCA is included in the Sustainability Report:</p> <p>https://www.carcano.com/en/sustainability</p>
4.2 Product Design	Conformance	<p>The Entity has implemented procedures and processes that include objectives in the design and development process for Products to enhance sustainability. The Entity's Research and Development Department has specific objectives, which are outlined in the Sustainability Report.</p>
4.3a-b Aluminium Process Scrap	Conformance	<p>As per the ISO 14001 Management System, the Entity has developed an improvement plan with environmental objectives. The document is linked to management review and targets are measurable. Data are monitored and are available monthly with details for the department, product and plant.</p>

CRITERION	RATING	COMMENT
		Scrap and wastes are separated – coupled Aluminium is separated from plain Aluminium and Aluminium coupled with paper. Paper or plastic is disposed of externally and plain Aluminium is recycled internally at the Delebio Facility. The Aluminium used includes two different alloys (series 1000 and 8000) and Delebio can use both alloys together and it is not necessary to separate the alloys.
4.4a-c Collection and Recycling of Products at End of Life – Material Conversion and other Manufacturing	Conformance	<p>The Entity manages waste according to its ISO 14001 Management System, which includes objectives for the Production department to reduce scrap and waste.</p> <p>The Entity complies with Applicable Law (D. 152/2006) and submits a Declaration (Modello Unico di Dichiarazione 'MUD') to the public administration annually to account for wastes. Public disclosure is granted by the public administration and some data are available on the Entity's website:</p> <p>https://carcano.com/en/sustainability</p>
4.4d Collection and Recycling of Products at End of Life	Conformance	The Entity's recycling strategy plan is identified in the Sustainability Report, which addresses the Products containing Aluminium at End of Life. Studies, prevailing industry standards, official statistics, sector reports on recycling rates for the industry sector, and monitoring records showing recycling rates are increasing for the Entity's sector and/or that the strategy or plan is effective.
5. GREENHOUSE GAS EMISSIONS		
5.1a-b Disclosure of GHG Emissions and Energy Use	Conformance	<p>The Entity has an energy Management System conforming to ISO 50001:2018. A detailed energy analysis was performed and data are available for all machinery, and the energy analysis is updated every three years. The Entity has a specific procedure to manage the energy analysis. Disclosure of Greenhouse Gas (GHG) emissions is included in annual reporting to the public administration and data are included in the Sustainability Report and GHG Report:</p> <p>https://carcano.com/en/sustainability</p>
5.2a Aluminium Smelter GHG Emissions Intensity – Started production after 2020	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
5.2b Aluminium Smelter GHG Emissions Intensity – In production up to and including 2020	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
5.3a-e GHG Emissions Reduction Plans	Conformance	<p>The Entity has committed to the Science Based Target initiative (SBTi) and established 2028 reduction targets in line with a 1.5°C scenario. A suppliers list defining GHG emissions (tonnes CO₂e) has been established to further consider Scope 3 emissions. The Entity has established a plan that defines annual reductions. Public disclosure is granted by annual communication to the public administration and some data are included in the Sustainability Report and GHG Report:</p> <p>https://carcano.com/en/sustainability</p>

CRITERION	RATING	COMMENT
5.4 GHG Emissions Management	Conformance	The Entity has implemented a Management System consistent with ISO 14064 and ISO 14001, which includes management reviews, an improvement plan, and reporting (GHG Inventory Report Year 2022). The Entity has implemented a context analysis (SWOT analysis as a result of context analysis).
6. EMISSIONS, EFFLUENTS AND WASTE		
6.1a-f Emissions to Air	Conformance	<p>The Entity's Facilities each have an environmental authorisation (Autorizzazione Integrata Ambientale, AIA) conforming to Italian law (Dlgs. 152/2006), which addresses waste management and requires each Facility to communicate to the public administration its Emissions to Air and plans to minimise exposure to, and impacts from, Emissions to Air.</p> <p>Reporting to the public administration is addressed in the Entity's ISO 14001 Management System and action plans are prepared and reviewed during the annual management review. The Entity's SBTi commitment letter and the GHG emissions report (targets and action plan for emissions reduction) are available to Stakeholders upon request.</p>
6.2a-g Discharges to Water	Conformance	<p>The Entity's Facilities each have an environmental authorisation (Autorizzazione Integrata Ambientale, AIA) conforming to Italian law (Dlgs. 152/2006), which addresses waste management and requires each Facility to communicate to the public administration its water consumption.</p> <p>Reporting to the public administration is addressed in the Entity's ISO 14001 Management System and action plans are prepared and reviewed during the annual management review. Data are available at:</p> <p>https://carcano.com/en/sustainability</p>
6.3a-g Assessment and Management of Spills and Leakages	Minor Non-Conformance	<p>The Entity has an ISO 14001 certified Management System and has undertaken a risk assessment for Spills and Leakages. There is a dedicated procedure for the emergency plan, evacuation and first aid. Workers receive training on reporting situations that may impact both health and safety and the environment. There is no evidence of Spills or Leakages outside the Entity's premises.</p> <p>External communication plans are available upon request to all interested parties. Major Spills and Leakages must be reported to the public administration as a requirement of the environmental authorisation. The Entity carries out emergency drills and evacuation tests.</p> <p>However, for the Entity's recent emergency drills, there was no specific planning according to risks.</p>
6.4a-b Public Disclosure of Spills and Leakages	Minor Non-Conformance	<p>The Entity's external communication plan requires that information on Spills and Leakages is available to all interested parties upon request. Any major Spills and Leakages must be reported to the public administration as a requirement of each Facility's environmental authorisation. Disclosure of Spills and Leakages to the public administration is required annually.</p> <p>The Entity discloses data to the CDP (Carbon Disclosure Program). Data are also available at:</p>

CRITERION	RATING	COMMENT
		<p>https://carcano.com/en/sustainability</p> <p>However, the Entity doesn't show any Impact Assessments of Material Spills and Leakages, root causes and remediation actions taken on an annual basis.</p>
6.5a-c Waste Management and Reporting	Conformance	<p>The Entity has an ISO 14001 certified Management System to manage waste and established objectives for the production department to reduce scrap and waste generation. The Entity's Facilities each report waste generation and disposal to the public administration annually as per the environmental authorisation.</p> <p>Waste data is also available in the Sustainability Report, under the 'Industrial Courage' section, available at:</p> <p>https://carcano.com/en/sustainability</p> <p>The Entity's Material impacts to human well-being and Waste management strategy are available upon request to Stakeholders.</p>
6.6a-g Bauxite Residue	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7a-f Spent Pot Lining (SPL)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.8a-d Dross	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
7. WATER STEWARDSHIP		
7.1a-b Water Assessment and Disclosure	Conformance	<p>The Entity is certified against ISO 14001:2015, which requires the Entity to undertake an environmental analysis that includes mapping its water sources and water usage. The Entity's Facilities each report on water withdrawal to the public administration annually as per the environmental authorisation. Public disclosure is granted by annual communications to public administration. The Entity discloses data to the CDP (Carbon Disclosure Program). Data are also available at:</p> <p>https://carcano.com/en/sustainability</p>
7.2a-e Water Management	Conformance	<p>The Entity's water management is addressed in an improvement plan. The Entity discloses data to the CDP (Carbon Disclosure Program). General data and results are also presented in the Sustainability Report, available at:</p> <p>https://carcano.com/en/sustainability</p>
8. BIODIVERSITY AND ECOSYSTEM SERVICES		
8.1a Biodiversity and Ecosystem Services Risk and Impact Assessment	Conformance	The Entity has undertaken a risk assessment on Biodiversity and Ecosystem Services as part of the general environmental risk assessment as required for the Entity's ISO 14001 certification and conformance with Applicable Law (Decree 231/01). The assessment determined there was no significant risk affecting Biodiversity or Ecosystem Services.
8.1b Biodiversity and Ecosystem Services Risk	Not Applicable	This Criterion is not applicable, as the Entity's risk assessment determined there was no significant risk to Biodiversity or Ecosystem Services.

CRITERION	RATING	COMMENT
and Impact Assessment – Priority		
8.2a-g Biodiversity Management	Not Applicable	This Criterion is not applicable, as the Entity's risk assessment determined there was no significant risk to Biodiversity or Ecosystem Services.
8.3a-c Management of Priority Ecosystem Services	Not Applicable	This Criterion is not applicable, as the Entity's risk assessment determined there was no significant risk to Biodiversity or Ecosystem Services.
8.4 Alien Species	Conformance	The Entity has established internal processes to prevent accidental or deliberate introduction of Alien Species, which includes instructions for suppliers to treat wooden pallets according to the International Standard on Phytosanitary Measures (ISPM).
8.5a-b Commitment to “No Go” in World Heritage Properties	Conformance	The Entity does not conduct operations or develop New Projects within the boundaries of sites included in the UNESCO World Heritage List.
8.6a-d Protected Areas	Conformance	The Entity complies with Italian law regarding Protected Areas. The Entity's Facilities are not located within a Protected Area.
8.6e Protected Areas - Bauxite Mining	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
8.7a-i Mine Rehabilitation	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
9. HUMAN RIGHTS		
9.1a-d Human Rights Due Diligence	Conformance	<p>The Entity commits to respecting Human Rights in its Code of Ethics: https://carcano.com/en/company</p> <p>The Code of Ethics is provided to all employees. The Human Resources Department sends a monthly report to all area managers that addresses social issues. The Code of Ethics is reviewed according to the annual ISO Management System reviews, the annual issue of the Sustainability Report, modification of laws, customer requests or Stakeholder requests. The mapping of Affected Populations and Organisations is available in the Sustainability Report.</p>
9.2a-e Gender Equity and Women's Empowerment	Conformance	<p>The Entity has undertaken a third party analysis on gender equity and women's empowerment (results will be available in the 2023 Sustainability Report). There are laws in Italy regarding Discrimination against women and for the protection of maternity leave and women's rights in the workplace, and the Entity's Policies address the commitment to being lawful. Female Workers interviewed confirmed they are comfortable with their role, colleagues and the Entity. For further information, refer to the Sustainability Report 2022, in the 'Passion and Expertise' section:</p> <p>https://carcano.com/en/sustainability</p>

CRITERION	RATING	COMMENT
9.3a-i Indigenous Peoples	Not Applicable	This Criterion is not applicable, as there are no Indigenous Peoples in the Entity's Area of Influence in Italy, as defined by Article 1 of ILO Convention 169.
9.4a Free, Prior, and Informed Consent (FPIC) - New Projects or Major Changes	Not Applicable	This Criterion is not applicable, as there are no Indigenous Peoples in the Entity's Area of Influence in Italy, as defined by Article 1 of ILO Convention 169 and there are no New Projects or Major Changes to existing Facilities.
9.4b Free, Prior, and Informed Consent (FPIC) - Bauxite Mining	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
9.4c Free, Prior, and Informed Consent (FPIC) - Demonstrate support	Not Applicable	This Criterion is not applicable, as there are no Indigenous Peoples in the Entity's Area of Influence, as defined by Article 1 of ILO Convention 169 and there are no New Projects or Major Changes to existing Facilities. The Entity is not engaged in Bauxite Mining.
9.5a Cultural and Sacred Heritage - Identification	Not Applicable	This Criterion is not applicable, as there are no Indigenous Peoples nor cultural or sacred assets located in the Entity's Area of Influence or within the industrial location of their Facilities.
9.5b Cultural and Sacred Heritage - Impacts	Not Applicable	This Criterion is not applicable, as there are no Indigenous Peoples nor cultural or sacred assets located in the Entity's Area of Influence or within the industrial location of their Facilities.
9.6a-i Displacement	Not Applicable	This Criterion is not applicable, as there are no New Projects or Major Changes to existing Facilities, nor any projects involving the resettlement or displacement of populations or local residents.
9.7a-h Affected Populations and Organisations	Conformance	<p>The Entity has implemented an external communication procedure, which identifies relevant Stakeholders, their rights and their interests and communication plans have been established. The Entity is in close contact with surrounding communities. Most of its employees are from the local area. The Entity supports social initiatives of the Local Communities, including Career Day and the Carcano Ercole Foundation. For further information, refer to the Sustainability Report, available at:</p> <p>https://carcano.com/en/sustainability</p>
9.8a Conflict-Affected and High-Risk Areas - Strong management systems	Conformance	<p>The Entity manages Conflict-Affected and High-Risk Areas (CAHRAs) with specific management procedures for suppliers, which addresses the qualification and monitoring of suppliers. As the Entity purchases raw materials on the London Metal Exchange (LME), the main risks are linked to subcontractors rather than Aluminium suppliers.</p> <p>The Entity provides suppliers with its Code of Ethics in its purchasing documents, and subcontractors are required to sign the agreement, which outlines specific clauses on Occupational Health and Safety, anti-Corruption and ethics. The Code of Ethics is periodically audited by an external supervisory body according to Italian law.</p> <p>The Entity also evaluates non-European suppliers (using CRIBIS), on information such as recent turnover, balance sheets, ratios and payment behaviour, to understand the suppliers Failure Score, Rating, Delinquency Score, Credit, and Paydex Score.</p>

CRITERION	RATING	COMMENT
9.8b Conflict-Affected and High-Risk Areas - Identify and assess risks	Conformance	The Entity manages CAHRAs with specific management procedures for suppliers, which addresses the qualification and monitoring of suppliers. As the Entity purchases raw materials on the London Metal Exchange (LME), the main risks are linked to subcontractors rather than Aluminium suppliers.
9.8c Conflict-Affected and High-Risk Areas - Strategy to respond to risks	Conformance	The Entity provides suppliers with its Code of Ethics in its purchasing documents, and subcontractors are required to sign the agreement, which outlines specific clauses on Occupational Health and Safety, anti-Corruption and ethics. The Code of Ethics is periodically audited by an external supervisory body according to Italian law.
9.8d Conflict-Affected and High-Risk Areas - Audit of due diligence	Conformance	The Entity's Due Diligence practices were audited as part of this Certification Audit.
9.8e Conflict-Affected and High-Risk Areas - Report annually	Minor Non-Conformance	The Entity exercises risk-based Due Diligence with appropriate corporate governance systems and implementation of procedures. However, there is no evidence that the Entity has annually reported on supply chain Due Diligence.
9.9 Security practice	Conformance	The Entity has contractual arrangements with security service providers that are authorised security companies (by the public administration) that are verified on their legality and implementation of a Human Rights policy. There was no evidence of a violation of Human Rights during the audit.
10. LABOUR RIGHTS		
10.1a-c Freedom of Association and Right to Collective Bargaining	Conformance	The Entity respects the rights of Workers to unite freely, seek representation and join the works council without interference. The National Collective Labor Agreement (CCNL) applies to all the Entity's Facilities: https://www.contrattometalmeccanici.it In Italy all Workers are covered by a Collective Bargaining Agreement (CBA) agreed at a national level among trade Unions and industry representatives. The CBA recognises the freedom of trade union activity.
10.1d Freedom of Association and Right to Collective Bargaining - Alternative means in context of Applicable Law	Not Applicable	This Criterion is not applicable, as the Entity operates in a country where the right to Freedom of Association and Collective Bargaining are not restricted.
10.2a Child Labour	Conformance	Child Labour is prohibited in Italy and the Entity does not use young Workers (15 - 17 years). Further information is available in the Entity's Code of Ethics.
10.3a-c Forced Labour	Minor Non-Conformance	The Entity respects the rights of Workers and the National Collective Labor Agreement (CCNL) (Italian labour law) applies to all the Entity's Facilities: https://www.contrattometalmeccanici.it

CRITERION	RATING	COMMENT
		<p>A declaration on modern slavery is largely covered by Italian laws and the CCNL, which do not allow for any kind of conflict related to Human Rights. The Entity has made disclosures in its Code of Ethics, in the 'Human Rights' and 'Rights and Duties of Employees' sections, available at:</p> <p>https://carcano.com/en/company</p> <p>However, the Entity has not publicly disclosed an annual Modern Slavery Statement detailing their actions to address modern slavery.</p>
10.4a-c Non-Discrimination	Conformance	<p>The Entity's Code of Ethics states equal opportunities for all Workers and all Workers are covered by a Collective Bargaining Agreement. The Entity has established procedures that detail the rules for the hiring and selection of personnel, including a merit policy and setting out a 'Management by Objectives' system, consistent with the Code of Ethics.</p>
10.5 Communication and engagement	Conformance	<p>The Entity ensures open and direct communication with Workers and the representatives of the Workers' councils and has established a communication management procedure.</p>
10.6a-g Violence and Harassment	Conformance	<p>Disciplinary practices are ruled by the Collective Bargaining Agreement and by local law (Law 300/1970). There was no evidence of corporal punishment, mental or physical coercion, harassment, or gender-based violence including sexual harassment, or verbal abuse found during the audit. The Entity's Code of Conduct and Policies available at:</p> <p>https://carcano.com/en/company</p>
10.7a-c Remuneration	Conformance	<p>The National Collective Labor Agreement (CCNL) applies to all the Entity's Facilities:</p> <p>https://www.contrattometalmeccanici.it</p> <p>Payroll information conforms with the standard forms approved by the public administration. Interviewed Workers confirmed their understanding of the contents of payroll slips and that payments were made on time.</p>
10.8a-c Working Time	Conformance	<p>The Collective Bargaining Agreement (CBA) and local law (Decree 66/2003) establish the requirements for working hours, Overtime, Overtime payment rates and annual leave. The Entity prepares a monthly report with data on working hours, Overtime and leave. There is no evidence of a discrepancy between the CBA and data shown, nor discrepancies between the CBA and Overtime ratios.</p>
10.9a-b Informing Workers of Rights	Conformance	<p>The National Collective Labor Agreement (CCNL) applied at the Entity addresses informing Workers of their rights:</p> <p>https://www.contrattometalmeccanici.it</p> <p>There were no issues raised regarding communications with Workers on Worker rights.</p>

11. OCCUPATIONAL HEALTH AND SAFETY

CRITERION	RATING	COMMENT
11.1a Occupational Health and Safety (OH&S) Management System	Conformance	The Entity has implemented an Occupational Health and Safety (OH&S) Management System. The OH&S Management System is not certified. The risk assessment is updated, procedures are implemented and regular management reviews are undertaken.
11.1b-e Occupational Health and Safety (OH&S) Management System - Reviews and disclosure	Conformance	The Entity has implemented an OH&S Management System. Regular management reviews are undertaken. Information on the Entity's performance is available on the website and in the Sustainability Report: https://carcano.com/en/quality and https://carcano.com/en/sustainability
11.2 Employee engagement on Health and Safety	Conformance	All Workers receive training on reporting situations that may impact both health and safety and the environment. During interviews, Workers were aware of this mechanism and forms were available during the factory tour.

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DOCUMENT CONTROL AND VERSION HISTORY

REVISION	DATE	NOTES
0	24 July 2020	Issued (Initial Certification Audit)
1	18 January 2022	Next Audit Type and Date revised to Surveillance Audit, as required under the Overall Maturity Rating assigned by the auditor in the Initial Certification Audit.
2	14 April 2022	Surveillance Audit
3	31 October 2023	Re-Certification Audit and Scope Change - Full Certification; Scope Change to apply PS V3 (including Material Conversion no longer being categorised based on membership class).