

ENVIRONMENTAL POLICY

Sogefi believes that ensuring respect of the environment is an essential value with respect to its employees, customers and the community in which it operates. The Group, thus, is committed to meet the need of its customers and to create value for its stakeholders, whilst reducing its environmental impact. Furthermore, Sogefi promotes the environmental respect throughout its entire value chain.

This Policy outlines Sogefi's commitment to sustainable development and compliance with the relevant regulations relating to the environment. Furthermore, it provides a framework for the definition of specific targets related to the environmental protection.

In order to foster the environmental protection in its approach to business, Sogefi adheres to the following principles.

- Operate in full **compliance with existing laws** and voluntary requirements.
- Employ **environmental management systems** – such as ISO 14001 – in order to better achieve the environmental commitment to protect the environment and to reduce and control environmental risks and impacts (including the prevention of pollution). In particular, almost all Sogefi sites are covered with ISO 14001 standard, and Sogefi is committed to cover all the production sites with ISO 14001 2015 standard by the end of 2018.
- Seek for new opportunities for environmental performance improvement through the identification of significant impacts that the organization may cause, and the establishment of **specific targets of improvement**.
- **Define roles and responsibilities** for environmental management, and ensure that senior executives translate these guidelines into operational procedures.
- Improve the manufacturing processes with focus on **energy efficiency and reduction of GHG emissions** (with special attention to CO2 emissions on products as well as on engines)
- Ensure the **responsible sourcing of raw materials**, clearly stating composition and using the International Material Data Systems to report all the materials used.
- **Minimize the production of waste**, and actively promote recycling both internally and amongst customers and suppliers.
- **Minimize the use of hazardous substances** and reduce the toxic emissions, thus protecting the air, water, soil and biodiversity.
- **Encourage efforts to reduce the impact of logistics processes**, and promote this commitment throughout the **entire supply chain**
- Provide the necessary **training and support** to each member of the personnel in order to raise awareness of environmental issues and to enlist their contribution in improving the company's performance.
- Conduct **regular audits on the Group's facilities** environmental performance and establish a program for monitoring any significant impact that the organization activities may cause.

Sogefi will review and update this Policy periodically to ensure that it remains relevant to the organization and compliant with the latest regulations and standards. Sogefi will periodically monitor its performance and update annually stakeholders on key data and other information relating to environmental impacts in its sustainability report.



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