

Annex 1 MSGE	<b>ENERGY POLICY</b>	Date: 14 May 2020
		Revision no. 1
		Page: 1

Alcantara S.p.A. has decided to adopt an **Energy Management System** in compliance with **UNI CEI EN ISO 50001:2018**, thanks to which, Upper Management commits to support the Company's development by paying particular attention to the Company's energy performance and by considering energy issues in the context of the Company's growth strategies.

In relation to specific production activities, Alcantara S.p.A. identifies the **Significant Uses of Energy** and establishes control and monitoring methods in order to implement the processes needed to reduce energy consumption and, as a result, to reduce the environmental impact and energy costs.

Upper Management plans to take the Energy Policy forward by focusing on some fundamental aspects:

- **A commitment to comply with the requirements relating to the interested parties**, including legal and other requirements concerning energy performance and the Energy Management System;
- **Distributed responsibility** with regard to energy consumption and the **commitment to continuous improvement** in the Company's energy performance;
- **A commitment to making data and information available** that is needed to establish and to review the energy goals set in accordance with this policy;
- **Optimisation** in the use of resources as far as technically and economically sustainable;
- **A guarantee of the resources** and the means necessary to implement the Energy Management System and to verify its effectiveness;
- **Informing the interested parties** of the organisational, technical, and economic efforts undertaken in order to improve energy performance;
- **Designing and purchasing energy efficient products and services** aimed at improving the Company's energy performance, including projects to recover the energy dispersed in the production processes and the use of renewable energy sources;
- **Controlling** the effect of every activity carried out on the site in terms of its energy impact, by monitoring energy consumption and the Significant Uses of Energy.

P.P.  


Annex 1 MSGE	<b>ENERGY POLICY</b>	Date: 14 May 2020
		Revision no. 1
		Page: 2

In order to verify the consistency of the energy goals with the Energy Policy, and to ensure the commitments undertaken are maintained, Upper Management checks, at least annually, the level to which the goals proposed have been achieved and the effectiveness of the Energy Management System.

This Policy is:

- communicated to all personnel and all suppliers of goods and services, who are required to operate in accordance with the principals set out therein;
- made available to interested parties (clients, public administration, control bodies).

Nera Montoro, 14/05/2020

Technical Department  
**ALCANTARA s.p.a.**  
TECHNICAL MANAGER  
(Giovanni Belloni)



## **POLICY FOR QUALITY AND SOCIAL ACCOUNTABILITY**

Alcantara S.p.A. has chosen to set up its competitive strategy around quality and considers the culture of quality as fundamental asset of the company's heritage.

This Policy is consistent with company strategies and considers as the main references mandatory requirements, needs and expectations of customers and stakeholders of Alcantara S.p.A.

In the present Policy the Top Management has also defined the commitment to comply with the requirements of SA8000 standard and any other requirements to which the company subscribes for Social Accountability, ensuring commitment to comply with national and other applicable laws, and to respect the international instruments and their interpretation:

- ILO Conventions 29 and 105 (Forced & Bonded Labour)
- ILO Convention 87 (Freedom of Association)
- ILO Convention 98 (Right to Collective Bargaining)
- ILO Conventions 100 and 111 (Equal remuneration for male and female workers for work of equal value; Discrimination)
- ILO Convention 135 (Workers' Representatives Convention)
- ILO Convention 138 & Recommendation 146 (Minimum Age and Recommendation)
- ILO Convention 155 & Recommendation 164 (Occupational Safety & Health)
- ILO Convention 159 (Vocational Rehabilitation & Employment/Disabled Persons)
- ILO Convention 177 (Home Work)
- ILO Convention 182 (Worst Forms of Child Labour)
- Universal Declaration of Human Rights
- The United Nations Convention on the Rights of the Child
- The United Nations Convention to Eliminate All Forms of Discrimination Against Women

### **PRINCIPLES**

The company policy highlights the need of identifying objectives and approaches aiming to:

- guarantee the Safety and Quality of products introduced in the market, going beyond the customer's needs to get his loyalty through his growing satisfaction;
- develop diversification processes with new businesses and products;
- increase control over management processes;
- continually improve management systems.

### **GENERAL OBJECTIVES**

On this basis, Alcantara S.p.A. sets itself the following general quality objectives:

- identify the customer's needs, ensuring his/her increasing satisfaction;
- define and respect of product, process and service specifications;
- constant monitoring of compliance with legal and other applicable regulations;
- extremely high service levels;
- operational efficiency of processes;
- continual improvement of processes and products;
- meet established objectives and goals;
- respect for general principles of Toray Group's philosophy, which Alcantara S.p.A. is part of.

### **GUIDELINES**

For all of the above the Top Management is committed to play an active role in promoting and guiding all the activities that can lead to an improvement. The guidelines for meeting the above objectives are:

- develop, implement and continuously update the System of processes related to the Management of Quality, Safety and Environment adopted by Alcantara S.p.A., and ensure that it complies with all applicable regulations and laws;
- spread, as widely as possible, the Policies for Quality, Safety, Environment and Corporate Social Responsibility, and work to ensure that related objectives and goals are pursued by all company personnel;
- oversee ongoing improvement of processes/products, relying on proper tools and with involvement of all personnel;
- continually monitor the system's level of compliance with regulations, applicable laws and other requisites subscribed by Alcantara S.p.A., managing any deviations with appropriate corrective actions;
- carry out periodical reviews of the status and performances of Management Systems for Quality, Safety, Environment and Corporate Social Responsibility, and all requisites for general improvement also through specific meetings with the Top Management;
- make sure that the requisites of the interested parties in each system are widely known and understood within the company;
- keep an active contact with interested external parties with regard to issues that are relevant to each system;
- promote and execute staff training programs at all employment levels in order to develop acquaintance with Quality, Safety, Environment and Corporate Social Responsibility Policies, provide the competences necessary to guarantee the satisfaction of the customer and interested parties, and facilitate the overall improvement of the Management Systems;
- introduce preventative actions useful to prevent any deviations from product, process and system standards;
- involve suppliers, by introducing and implementing processes and procedures aiming at continuous performance improvement;
- maintain adequate levels of communication, internally and externally, also through official notices and the drawing up of specific reports.

### **RESPONSIBILITY AND EXECUTION**

The Top Management defines the quality objectives in the Operational Plans. The heads of departments at Alcantara S.p.A. take part in setting of Operational Plans and guarantee their execution for the achievement of established objectives.

Management Systems and, in particular, the present Policy and Operational Plans are periodically reviewed to ensure their adequacy and efficacy.

Top Management and all personnel are responsible for implementing the Management Systems for Quality, Safety, Environment and Corporate Social Responsibility, to meeting customers' satisfaction, to ensure a development compatible with the requirements of the interested parties and to achieve the objectives and goals of their own specific areas of interest.

This document is in the public domain.

## HEALTH, SAFETY AND THE ENVIRONMENT POLICY

### ALCANTARA S.p.A.

Alcantara S.p.A. is the Italian company globally producing and marketing the luxury material of the same name, **Alcantara®**, renowned for its aesthetic, sensorial, and functional properties. The result of unique, proprietary technology, protected by numerous industrial patents, Alcantara® is a registered trademark owned by Alcantara S.p.A.

Alcantara is, today, among the most appreciated expressions of Made in Italy in the world, having developed, over the years, a broad portfolio of clients that includes some of the largest global luxury brands operating in various sectors: fashion and accessories, automotive, interior design and home décor, nautical, aeronautical, and consumer electronics.

Founded in 1972 as a joint venture between the ENI Group and Toray Industries Inc., today Alcantara S.p.A. has an equity structure divided between the Toray Group (70%) and the Mitsui Group (30%). Based in Italy since its foundation, Alcantara S.p.A. is, and has always been, led by an Italian management team: Andrea Boragno has been CEO since 2004 and Chairperson too since 2006. The company operates throughout the world through two main locations: **Milan** - headquarters, legal and administrative offices, logistics, sales, marketing and communication, style and technical marketing office - and **Nera Montoro (Terni)** - production facilities, analysis laboratories, research and development, offices and warehousing, for an overall area of 450,000 m<sup>2</sup>.

### PRODUCT AND APPLICATIONS

The subject of numerous attempts to imitate it, Alcantara® defines its own, separate product category. The material is created with sophisticated technological know-how, still unmatched even today: a series of industrial processes are integrated in a unique way to create a "nonwoven fabric" characterised by a "nappa" appearance and an extraordinary combination of aesthetic, sensorial, and functional properties: elegance, softness, resistance, ease of maintenance, and the ability to be used in a wide range of customisations, in terms of colour, design, and technical performance. The product is, in fact, subjected to a series of final transformation treatments depending on its intended use: the Applications Development Centre at the Nera Montoro production facility is responsible for developing innovative application solutions, to adapt Alcantara's versatility to the specific demands of the various sectors. Thanks to this extreme versatility, Alcantara can be used to cover any surface and shape, adding a sense of prestige and durability; the main sectors enjoying the benefits of Alcantara are:

- automotive (for a car's interior)
- fashion and accessories (clothing, bags, belts, hats, footwear)
- interior and exterior design (private and contract, in the home décor, nautical, aviation segments)
- consumer electronics (accessories for smartphones, tablets, and audio devices)

### HEALTH, SAFETY AND THE ENVIRONMENT: A CONCRETE, CERTIFIED COMMITMENT

Alcantara S.p.A. holds certified **Management Systems**, **OHSAS18001** and **ISO14001** (Health, Safety and the Environment), **ISO50001** (Energy) **UNI EN ISO 9001**-(Quality) and is **SA 8000** certified (Social Accountability). The Company also holds **Oeko-Tex®** certification which certifies the absolute conformity of Alcantara products when coming into contact with a person.

The integrated Safety and Environmental Management System applies to the design, development, and production of Alcantara® for those sectors listed above through fibre production, carding, and needle punching processes, polyurethane production, chemical impregnation and extraction, mechanical finishing, dyeing and finishing, third-party processing, and production of the finished products (IAF04). Alcantara was also among the first companies in Europe to begin a serious, committed path towards **Sustainability**, in all its dimensions: economic, social, and environmental. Since 2007, the Nera Montoro production facility has held **Environmental Integrated Authorisation (Autorizzazione Integrata Ambientale)**: the macro types of environmental impact are related to the use of energy from highly energy efficient plants, the storage and use of chemical products, atmospheric emissions, discharges into bodies of surface water, waste generation and management, the internal disposal site for the sludge from the water treatment plant, the life cycle of solvents, the use of natural resources, and noise emissions. In addition, thanks to the goals achieved in reducing CO<sub>2</sub> emissions and in developing projects related to alternative energy, Alcantara has, since 2009, been certified **Carbon Neutral**: the Company has, in fact, measured, reduced and compensated for all the CO<sub>2</sub> emissions linked to the product's entire life cycle, from the procurement of raw materials to the final product's use and ultimate disposal.

To document the commitment and the actions taken in favour of Sustainability, Alcantara S.p.A. prepares and publishes an annual Sustainability Report, which is certified and validated by an internationally recognised, third-party certification body. In addition to maintaining and strengthening the results achieved so far, Alcantara's commitment to Sustainability is, today, focused on further reductions in the use of natural resources, on preparing a Water Footprint Report, on developing a project to eliminate hazardous substances from the production cycle, and on implementing a Chemical Management System based on the 4sustainability protocol.

### MISSION

Alcantara actively engages in the health and safety of its employees and contractors, seeking to minimise the risk of accidents and occupational diseases. In fact, the Company goes beyond mere compliance with the mandatory standards by supplementing them with optional directives and with awareness and involvement initiatives aimed at building a real culture of health and safety.

In relation to the specific production activities, the product itself, and the context of reference, Alcantara carries out a risk/opportunity assessment for the environment and the organisation, in the perspective of the life cycle, and identifies a series of significant environmental aspects that it can keep under control and that it can affect by minimising the impacts of its processes and products, always taking account of the innovations or changes connected to the activities, products, processes, technologies, and services.

These commitments, that constitute one of Alcantara's most important priorities, are based, mainly, on the implementation of a Policy of reducing the exposure to environmental risks and risks to the health and safety of workers, ensuring constant health monitoring, including with regard to work stress.

### THE 10 ACTION PRINCIPLES (HEALTH, SAFETY and THE ENVIRONMENT)

The **Management team** is committed to implementing management systems designed to ensure constant control regarding environmental protection and health and safety at work.

1. To comply with legal and other requirements (compliance obligations) and, where necessary, to establish and to uphold internal provisions and requirements.
2. To activate and maintain cooperation with local entities regarding health, safety, and the environment, undertaking, in particular, to control energy consumption, energy wastage, production waste and to reduce greenhouse gas emissions.
3. To maintain a reporting system for health, safety and environmental events, defining a system of indices to be disclosed to the relevant interested parties and to be used both in the Risk Assessment and to monitor the environmental indicators.
4. To provide information and control measures in order to ensure that the suppliers operating on the site apply rules, procedures, and plans appropriate to the risks related to their activities and to those inherent in the areas in which the activities are to be carried out (both in terms of the environment and in terms of health and safety at work).
5. To define emergency plans and to implement procedures to deal with, in an effective and timely way, emergency situations or incidents that may arise from an activity being carried out. To provide the maximum information and utmost cooperation to public authorities regarding events that might have an impact outside the site.
6. To adopt, apply, and share an organisational model on administrative responsibility - as per Italian law 231/2001, consistent with the policy on health and safety at work and the environment and with the Company's internal activities - with the managers of all the main processes.
7. To inform the interested parties of the organisational, technical, and economic efforts undertaken in favour of the environment, health and safety, the level of performance achieved, the objectives, and the planned improvement programmes.
8. To ensure the competence, training and awareness of all personnel in order to protect health and safety, especially in the areas at greater risk, and to make personnel aware of their contribution to the effectiveness of the Management System.
9. To ensure adequate resources and means are available to apply the policy, to implement the Management System, to verify that it is adequate and correctly applied, to carry out periodic reviews, and to implement preventive actions and improvement measures.
10. To commit to preventing pollution, accidents, and illness at work, and to continuously improve management and performance in terms of health, safety and the environment.

This policy is to be applied through the definition of objectives and improvement targets, the implementation of annual Operational Plans, the implementation of the Environmental and Health and Safety Management Systems, with maximum distribution at every level in the organisation.

The Management team is responsible for ensuring that the Policy is respected.

The Management team will ensure the means and the delegation system for the safety, environmental and social accountability management system, so that the Policy can be implemented throughout the Company's organisation.

It is every employee's duty to behave in a manner which is consistent with and complies with the provisions in the Policy.

This document, available to the public, complies with the statement made in the Health and Safety and Environmental Management Manual.

**The Employer, Chairperson and CEO**  
Andrea Boragno