



ENVIRONMENTAL POLICY OF CLN GROUP

The CLN Environmental Policy gives guidance and direction as to how the day to day operations undertaken by CLN Group companies should be managed in order to minimize damage to the environment and improve overall environmental performance. It also sets out the Group's intentions and principles on environmental issues and provides the framework for action and for managing the Group's ongoing environmental efforts, environmental objectives and targets.

This Environmental Policy is governed by the Board of Directors of the CLN Group, represented by the Chief Executive Officer.

OUR COMMITMENTS

CLN Group is committed to demonstrating to internal and external stakeholders that the whole organization is required to manage environmental impacts in a responsible way and to improve environmental performance.

CLN Group is committed to conserve energy and natural resources, to reduce pollution, to prevent adverse environmental incidents and to the use of technologies that reduce pollution. In order to achieve these goals, the Group promotes the use of the Best Available Techniques.

CLN Group is committed to adopting the Precautionary Principle prior to the introduction of new products or processes or changes to existing operations, with an emphasis being placed on a preventive approach to avoid negative impacts on the environment.

CLN Group is committed to support the achievement of the goals of the Paris Agreement on climate change, and to providing all Group facilities with information and assistance to help them reduce their greenhouse gas emissions.

CLN Group promotes initiatives that foster greater environmental responsibility, together with concrete mitigation actions, at all levels of the organisation through training programs for its employees and through communication campaigns within the organisation and the local communities in which it operates.

CLN Group is committed to making the UN Global Compact and its principles - which require companies to support a preventive approach to environmental challenges, to undertake initiatives that promote greater environmental responsibility and to encourage the development and dissemination of technologies that respect the environment - part of the strategy, culture and day-to-day management of the Group.

CLN and all its employees commit to comply with all applicable environmental laws, regulations and formal agreements in the countries in which it operates.

CLN Group commits to publish this Policy on its Corporate Website so that it is accessible to all its employees and is readily accessible to stakeholders and the public.

APPLICABILITY OF THIS POLICY

This Policy is applicable to all employees and companies within CLN Group.

ENERGY CONSUMPTION, CLIMATE CHANGE AND GREENHOUSE GASES ('GHCS')

CLN Group is committed to the global goals of the Paris Agreement and Group companies are required to demonstrate this commitment. The Board of Directors of CLN is responsible for defining long and medium-term goals for greenhouse gas emissions that are compatible with this commitment.

Each CLN facility is required to have a strategy and action plan which support the annual and medium-term targets set by the Group's Central EHS Department.

Each CLN facility is required to purchase the energy required for its operations from low or zero carbon sources such as hydroelectric, wind or sun, where these are readily available, and it is economically feasible. Local purchasing departments are required to properly research their local energy market when each energy contract comes up for renewal, and to present the options available and cost implications to CLN Group Head Office Purchasing for assessment.

Site/Regional management is required to consider the cost and effectiveness of installing technology, process optimization, or equipment that reduce GHG emissions or decrease energy consumption or generate energy from renewable sources, as part of their business planning processes.

Local EHS officers are responsible for ensuring that employee awareness programs and/or training programs on energy conservation are carried out periodically.

WATER STEWARDSHIP

The Group is conscious of the fact that global pressures on fresh water are rising rapidly due to population and economic growth which means that users like CLN must take responsibility for their own impacts on the shared resource and work diligently to manage its sustainability.

CLN Group facilities are required to demonstrate good water stewardship in order to properly manage water use, regulatory risk and reputational risk, and to have documented procedures in place to achieve these objectives. Where possible, the site should engage with local initiatives in order to gain a local perspective on current and future uses of water and shared water challenges of the catchment area.

CLN Group facilities are required to measure the flow of water in and out of the site and the quality of water withdrawals and discharges, to keep records of water emissions and to evaluate water related impacts on the local environment. The procedures adopted for sampling or testing water must as a minimum meet the applicable local regulatory requirement.

CLN Group facilities are required to ensure the optimization and reduction of water consumption.

CLN Group facilities are required to integrate water issues, challenges and adverse impacts for consideration during the business planning processes. In order to do so the site should set targets for water use and minimum requirements for water quality that serve to minimize the adverse impacts on the local environment. CLN Group facilities are encouraged to present the Groups Central EHS Department with potential projects of

innovative technologies to treat wastewater, or facilitate clean disposal, for their review and decisions regarding associated investments.

EFFLUENTS, BYE-PRODUCTS, RESIDUES & WASTE

CLN Group facilities are expected to take measures to reduce the impacts from effluents, bye-products, residues and waste arising from operations in order to have the least environmental impact possible. CLN Group facilities are required to ensure associated recovery or disposal processes are designed to pose as little risk as possible to humans and the environment.

CLN Group companies are required to comply with local legislative requirements and to pay particular attention to the management of wastewater and waste discharges, especially when these are of a hazardous nature. The procedures adopted for sampling or testing effluents, wastewater and water discharges must as a minimum meet the applicable local regulatory requirement.

Materials which have reached the end of their life within operations or offices can have an impact on the environment when not disposed of in a responsible manner or, preferably, recycled. Bye-products, residues and waste must be disposed of in a manner which as a minimum meets the applicable local regulatory requirement.

CLN Group facilities should actively seek to replace consumables and packaging with materials that can be recycled or are made from recycled materials or are biodegradable – for example plastics with carton for packaging. Where possible plastic packaging and wrapping should be eliminated completely. The Group encourages facilities and offices to put in place procedures for recycling where this is feasible.

CLN Group facilities are encouraged to present the Group's Central EHS Department with potential projects of innovative technologies to reduce, recycle or reuse waste for review and decisions regarding associated investments.

NOISE AND VIBRATION

CLN Group recognizes that the noise and vibration from the use of its equipment on its sites could have adverse impacts on local communities, its employees or the environment.

CLN Group facilities are required to introduce measures to prevent and continually reduce noise and vibration.

CLN facilities are required to track and record the performance against noise and vibration baseline values and react when baseline values are exceeded.

The procedures adopted for mitigating noise and vibration must as a minimum meet the applicable local regulatory requirement.

LOCAL AND ACCIDENTAL POLLUTION

All CLN Group facilities are required to put in place preventative maintenance programmes aimed at preventing spills and leakage. Storage areas for hazardous waste must effectively prevent the release of harmful elements into the environment.

CLN Group facilities are expected to have in place procedures or measures to reduce the environmental impacts associated with emergency situations, spills or leakages that give rise to pollution or risk giving rise to pollution.

Where a site has been the subject of a controversy in relation to spills or leakage, it must report this to the Group Corporate Social Responsibility Officer immediately.

EMISSIONS TO AIR

CLN Group is committed to prevent and reduce adverse emissions to air with reference to emissions identified in the air quality standards of each country in which it operates.

Each plant is required to identify clearly the potential emissions from its processes and to put in place methods or operations, filters or other mitigation to prevent and reduce emissions to air, with particular attention to those that can be harmful to human health.

BIODIVERSITY

CLN Group believes that biodiversity is an important and shared responsibility and is committed to manage its biodiversity risks and adverse impacts.

All CLN Group companies are required to respect protected and conserved areas and not to initiate activities or plan associated facilities in or immediately adjacent to protected areas.

New activities and infrastructure must be planned in order to not have an adverse impact on critical habitats and must take into account consultation with local authorities, conservation organisations and local communities.

CLN Group companies are encouraged to join into Group Green Spaces and tree planting initiatives where there is free space on their sites to do so, or in conjunction with initiatives in their local community. Where possible indigenous plants and trees should be planted in order to help foster biodiversity.

DECOMMISSIONING AND CLOSURE

CLN Group companies must ensure that ecosystems and habitats are not degraded due to decommissioning or closure of production lines or facilities.

LEGAL COMPLIANCE AND SIGNATORY OBLIGATIONS

CLN and all its employees must commit to comply with all applicable environmental laws, regulations and formal agreements in the countries in which it operates.

CLN Group companies are required to put in place effective procedures to ensure that facilities comply with applicable environmental law and that the operations are run consistently local regulatory requirements.

Significant non-complying situations, including potentially non-complying situations, are required to be reported to Groups Central EHS Department as soon as they are known. Significant fines and sanctions for non-compliance with environmental laws and/or regulations must be reported immediately to the Group Corporate Social Responsibility Officer.

ACCOUNTABILITY, COMMUNICATION AND TRAINING

Regional/site EHS officers and the Regional/Site Leadership are jointly responsible in ensuring this Policy is translated into the local language and to make sure it is accessible, known, understood and effectively implemented at site level by circulating it to all employees.

Regional/site EHS officers are responsible for keeping site employees informed about their environmental roles and responsibilities and for fostering the development of in-house learning, management capacity and leadership on environmental topics relevant to each site in the Group.

Regional/site EHS officers are responsible for addressing internal and external stakeholders' environmental concerns when these are brought to their attention.

Training initiatives or other interactive communication sessions should be carried out locally in order to ensure that this Policy is properly understood.

TARGETS, MONITORING AND MEASUREMENT

Every CLN site is required to have in place a documented and effective management system that:

- Identifies the site's main environmental risks and adverse impacts and includes management provisions to prevent and mitigate adverse environmental impacts
- Incorporates key performance indicators for the site's main environmental risks and impacts;

In order to monitor their efforts, CLN Group companies are encouraged to use metrics aligned with GRI Standards relevant to the environmental issue concerned. Applicable metrics will be periodically determined by the Groups Central EHS Department.

POLICY APPLICATION

Regional and site EHS Officers are responsible for monitoring the application of this Policy




REPORTING CONCERNS

If you suspect any behavior which is inconsistent with this Policy, you can report it through the Whistleblowing Portal :
<https://leaks.gruppocln.com>

REVISION

This Policy will be revised periodically to ensure its adequacy and effective implementation. All revisions shall be subject to approval by the Chief Executive Officer of CLN Group.

Rivoli, December 2020

Gabriele Perris Magnetto

Chief Executive Officer