

Montecolino SpA

Clean Air & Climate Protection strategy

Date: 06/8/2024

OBJECTIVE

Montecolino SpA has Clean Air & Climate Protection strategy with the goal of increasing the amount of renewable energy used to manufacture the product and reducing or offsetting greenhouse gas emissions during the product manufacturing process. Specific goals and actions will undergo regular performance and progress checks based on which adaptations can be made to stay on track in the strategy.

SCOPE

The actions in the strategy are focused on the product attributable electricity use and greenhouse gas emissions associated with the final manufacturing stage of the product and the product's embodied greenhouse gas emissions (Initial resource extraction or production through final manufacturing)

QUANTITATIVE TARGETS

Montecolino SpA has set quantitative targets for increasing renewable electricity use and/or procurement and addressing greenhouse gas emissions. The targets defined are near-term (0-2 years), mid-term (2-20 years), in order to:

- Be Net Zero in 2050
- Reduce GHG emissions by 50% in 2030.

Near-term targets (0-2 years):

Monitoring system increase for electricity and a new one for Natural gas :

1. Action: Upgrade Monitoring system adding the line currently excluded. Install a new meter on the new gas line that feed new coating line.
2. Cost: Upgrade Monitoring system: 1000/1500 € . New meter: 1000 €
3. Evidences: Evidence: Online web site. New meter receipt
4. Timeline: Monitoring system : Already done (1/5/2024), Monitoring system : Already done (31/12/2023 .
5. GHG emission reduction associated: We need to wait for a long period of data analysis to understand which is the real saving and where and what we can do to improve again in the

future

Optimization of Energy furniture contracts, due to increase renewable part:

1. Action: Our consultant work continuously with supplier to increase renewable part (in 2021 rennovable part was 51,25% , in 2022 was 82,12%) ;
2. Cost: none
3. Evidences: Energy contract and final report with energy sources (energetic Mix – upload on Teams channel)
4. Timeline: End of 2024
5. GHG Emission reduction: Consultant report in the beginning of next year

Staff training to sensibilize about use of electricity and natural gas

1. Action: Look for an Energy manager and plan training for department managers ;
2. Cost: 800/1000 €
3. Evidences: Training register, and CAP developed
4. Timeline: 9/2024
5. GHG Emission reduction: Monitoring system 2024/2025

Staff meeting to optimize production management

1. Action: 3 times a year a meeting where we check energy datas , discussed it and look for any improve action ;
2. Cost: 200/300 € per month;
3. Evidences: Meeting report and CAP;
4. Timeline: 2024
5. GHG Emission reduction: Monitoring system 2024/2025

Installation of a New coating line, with a great reduce of energy use

1. Action: Already install in the end of 2023, commissioned during beginning of 2024, big reduce of thermal energy, none reduce of electrical energy : we installed a new oven composed by 28 direct gas burner, instead of the old line equipped with Oil diatermic exchangers. The heat exchange it will be more efficient , and we attend to reduce Therma consume of energy about 20/30 % ;
2. Cost: 5.000.000 €;
3. Evidences: Installation document, energy monthly reports;
4. Timeline: end of 2024
5. GHG Emission reduction: Monitoring system 2024/2025

Mid-term targets (2-20 years):

Installation of a new Photovoltaic system (716,4 kWp) due to reach a 20% of energy production needed:

1. Action: Install a new photovoltaic field, on the actual buildings to reach 20% of total consume of Electrical energy ;
2. Cost: 800.000 €;
3. Evidences: Monitoring system
4. Timeline: 2025
5. GHG Emission reduction: Monitoring system 2024/2025

Substitution of all Light furniture with LED

1. Action: Plan step by step to change all the Light with a LED one ;
2. Cost: 20.000-25.000 €;
3. Evidences: Invoice ;
4. Timeline: 2026/2028
5. GHG Emission reduction: Monitoring system 2024/2025

Compress air system: analysis and intervention due to reduce any losses

1. Action: Plan an analysis of losses but also an analysis of the intervention needed and the timing of recovery of the investment;
2. Cost: 2/3000 € + 20/30.000 €;
3. Evidences: Invoice ;
4. Timeline: 2026
5. GHG Emission reduction: Monitoring system 2024/2025

Substitution of Thermal boiler instead of new production consumes and needed:

1. Action: Plan substitution of thermal boiler with another one sized for new requirements and compliance to 2025/2030 European and Italian Environmental standards ;
2. Cost: 150.000 €
3. Evidences: Invoice ;
4. Timeline: 2025/2030
5. GHG Emission reduction: Monitoring system 2024/2025

New insulation for Directional offices:

1. Action: Plan substitution of thermal boiler with another one sized for new requirements and

compliance to 2025/2030 European and Italian Environmental standards ;

2. Cost: 350/400.000 €
3. Evidences: Invoice ;
4. Timeline: 2030
5. GHG Emission reduction: Monitoring system 2024/2025

Try to reduce product weights, chose supplier with a reduced environmental impact:

1. Action: Study a different product that permit to reduce weight, and therefore use of water and fibers (Less water, less energy to dry) ;
2. Cost: 5/10.000 €
3. Evidences: Internal report ;
4. Timeline: 2030
5. GHG Emission reduction: //

COSTS

1. Human resources

Montecolino will dedicate 1 resource part time employees (FTE) to the implementation of the strategy, in the following roles:

- Nico Fontana ESG manager;
- Davide Marroni, Plant manager and C2CC®-Coordinator
- Procedure and purchase officer

Human resources, roles and responsibilities:

- Plant manager : create Strategy documents and monitor the state of progress with other functions
- C2CC®-Coordinator : create Strategy documents and monitor the state of progress with other functions
- Procedure and purchase officers : operative collaboration with other functions involved;
- President and ESG manager: sing initial document and coordinate executive team

2. Technical resources

Montecolino will dedicate : ERP, Energy monitoring software, shipment documents, pc, consultant analisys



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Name: NICOLANTONIO FONTANA

Role: MANAGING DIRECTOR – ESG MANAGER

Date: 5/9/2024



Associato AIB

Sistema Confindustria