Environmental Policy

Sideral is committed to operate with responsibility and respect for the environment and society. Sound environmental management of production, storage installations and business processes is one of the most important operational goals and is essential to secure the sustainability of the Companies' activities. The policy has been developed taking into consideration the interests of key stakeholders of Sideral, and applies to all employees, officers, directors, contractors, and agents as well as all entities and subsidiaries controlled by the company. The policy applies to all operations and business activities, regardless of the country in which the company operates, as well as the upstream and downstream value chain of Sideral.

This policy is developed to address environmental potential negative and positive impacts, as well as relevant risks and opportunities. Potential negative impacts can be associated with consumption of non-renewable energy and GHG emissions, water withdrawal inadequate waste management, pollution of air, soil and water and natural habitat disruptions. Potential positive impacts can be associated with provision of products enabling the energy transition and decarbonization and reduced utilization of primary sources. The policy incorporates risks, acute and chronic physical climate related risks, risks related to environmental violations and consequent litigation and reputational damage as well as opportunities related to products and services. Sideral commits to operate responsibly, aiming to minimize potential impacts to the environment and biodiversity, and set up mechanisms for monitoring environmental aspects and risks.

This Code applies to all operations and business activities, regardless of the country in which the company operates. Sideral is committed to:

Legal framework

- Operate in full compliance with applicable environmental laws and regulations at all levels, as well as ensure adherence to company-specific environmental commitments, including site-level operational terms.
- Report environmental performance regularly in alignment with recognized reporting frameworks.
- Implement an Environmental Management System (EMS), based on recognized international standards (e.g., ISO 14001).
- Set targets of the Companies' environmental management systems, as well as goals for continuously improving their environmental performance and minimizing their environmental footprint

Circular economy and waste management

- Track and report metrics on resource efficiency, product lifecycle impacts, recycling rates, and resource optimization.
- Optimize and increase the use of secondary raw materials to reduce reliance on virgin resources, contributing to circular economy goals.
- Apply circular economy principles, focusing on waste minimization, recycling, and develop new technologies that allow for minimum generation of waste.
- Manage operational waste according to the principles of the circular economy.
- Follow the waste hierarchy: (a) prevention; (b) preparing for re-use; (c) recycling; (d) other recovery, e.g., energy recovery; and (e) disposal.

- Prioritize the avoidance or minimization waste (Re-use, Repair, Refurbish, Remanufacture and Repurpose) over waste treatment (Recycling).

Pollution of air, soil and water
- Substitute and minimize (where applicable) the use of substances of concern, and phasing out substances of very high concern, for non-essential societal use and in products.
- Ensure the safe and responsible storage of hazardous substances, with proactive risk management and regular audits.
- Mitigate negative impacts related to pollution of air (incl. non GHG emissions), water and soil including prevention and control.

Water and marine resources
- Contribute to good ecological and chemical quality of surface water bodies and good chemical quality and quantity of groundwater bodies, in order to protect human health, water supply, natural ecosystems and biodiversity.
- Recognize that water is a precious natural resource and that water resources must be conserved and aquatic life must be protected. Commit to efficient use, minimizing consumption through increased reuse and recycling and especially in areas at water risk and taking into consideration potential impacts on affected communities. Also, the companies will take into account in the product design, evaluation of water-related issues and the preservation of marine resources.
- Conduct water risk assessments to ensure the protection of water sources and ecosystems for the prevention and abatement of water pollution resulting from the companies' activities and establish targets for water use efficiency.
- Integrate water treatment in order to promote more sustainable sourcing of water.
- Prevent further deterioration and protect and enhance the status of water bodies and aquatic ecosystems.
- Promote reduction of water withdrawals and water discharges.

Climate change
- Implement strategies to adapt to the impacts of climate change and reduce carbon emissions.
- Set and pursue ambitious carbon reduction goals, addressing direct and indirect emissions (Scope 1, 2, and 3).
- Regularly disclose emissions data and climate adaptation plans through transparent reporting mechanisms.
- Prioritize the sustainable sourcing and use of renewable resources.

Biodiversity
- Commit to protecting biodiversity and minimizing the operational impact on ecosystems and natural habitats, due to potential climate change, land use change, including land degradation, desertification and soil sealing, direct exploitation, invasive alien species, impacts on the state of species or pollution.
- Develop and implement biodiversity action plans, ensuring comprehensive assessment of land-use changes and ecosystem impacts.
- Support traceability of products, components and raw materials with material actual or potential impacts on biodiversity and ecosystems along the value chain.

- Address production, sourcing or consumption from ecosystems that are managed to maintain or enhance conditions for biodiversity.
- Address social consequences of biodiversity and ecosystems-related impacts.

Incident management

- Implement a formal environmental incident response plan, including prevention, mitigation, and reporting procedures.
- Conduct thorough incident investigations, ensuring transparent reporting of findings and corrective actions to stakeholders.

Stakeholder engagement

- Engage in regular dialogue with stakeholders, including employees, investors, regulators, customers, suppliers and local communities, on environmental issues and strategies.
- Participate in industry initiatives and support global sustainability efforts, such as the EU Green Deal and the UN Sustainable Development Goals (SDGs).
- Encourage suppliers and subcontractors to adopt environmental principles aligned with Sideral's commitments.
- Integrate environmental criteria into procurement processes and monitor the environmental performance of business partners.

Regular Monitoring, Reporting, and Continuous Improvement

Sideral will regularly review, monitor, and report on their environmental performance. This includes publishing detailed reports on environmental metrics, goals, and impacts, ensuring transparency and accountability. Sideral will also set measurable targets for continuous improvement.

Governance and Accountability

Approval and responsibility for implementing this Environmental Policy lies with the most senior executive responsible for the company. This executive will ensure that environmental considerations are fully integrated into corporate strategy and operations, with regular oversight by the Administrators.

Sideral will establish governance mechanisms to monitor, assess and manage environmental impacts, risks and opportunities. Environmental performance will be reported annually as part of the company's broader sustainability reporting obligations, ensuring compliance with both ESRS and applicable national and international standards.

Distribution and Communication

It falls into the responsibilities of Sideral management to communicate the content and the spirit of this document to all personnel, direct and associated, also to stakeholders. This policy is published and posted on the companies' intranet network and websites. To increase awareness Sideral will ensure that employees receive adequate training and guidance on environmental management practices, tailored to their roles and areas of influence.

The policy will be reviewed annually to ensure compliance with legal requirements and any other relevant updates.