



ENVIRONMENTAL STATEMENT FOLLOWING EMAS REGULATIONS

YEAR 2018



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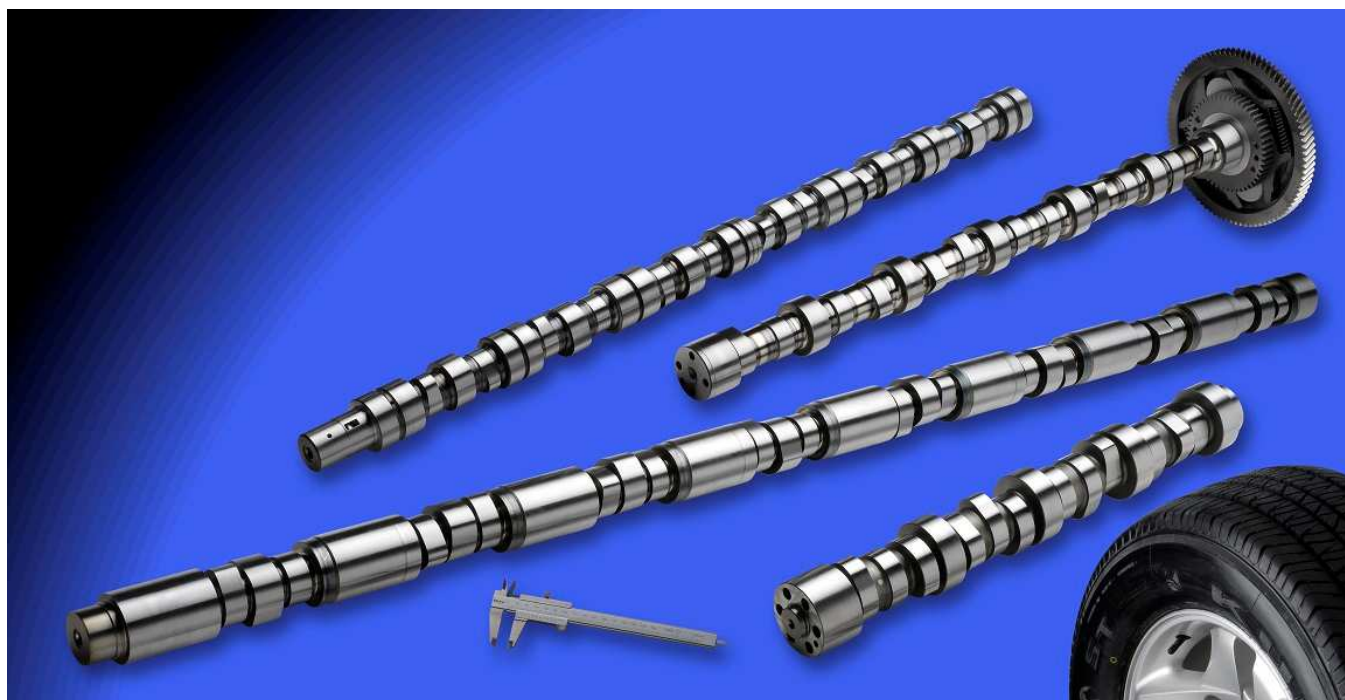
1. Presentation of the Statement

Engine Power Components Group Europe, S.L. (henceforth EPC GE, S.L.) is a large-scale manufacturer of precision components for engines, more specifically camshafts.

Being aware of the environmental impact caused by its activity, and of the public's increasing awareness of the environment, EPC GE S.L. implemented an Environmental Management System in 2018, based on the UNE-EN-ISO 14.001:2015 standards and EMAS regulations.

This Environmental Statement has been drafted in accordance with EC Regulation nº 1505/2017 of 28 August 2017 from the European Parliament and Council on voluntary participation of organisations in a Community System of Eco-Management and Auditing (EMAS) and Regulation 1221/2009.

With this Statement, EPC GE S.L.'s EIBAR plant aims to provide information on all significant aspects and activities associated with its business to stakeholders.



2. Profile of the Organisation

2.1. Presentation

EPC GE S.L. is the operational and production base for the European market of Engine Power Components, Inc. Due to operational reasons and the type of product, EPC GE S.L. also has a production plant, EPC MX, in Torreón in Mexico.

However, this environmental statement applies solely to the EPC GE plant in Eibar.

Products manufactured both in EPC GE S.L. and EPC MX are mainly destined for the industrial and/or agricultural vehicle sector, and to a lesser extent, passenger vehicles - cars and motorcycles.

The market for these products is divided into spare parts and original equipment, mainly the latter.

General data for the company is as follows:

CNAE: (National Classification of Economic Activities):	2,932 - Manufacture of parts, pieces and non-electric accessories for the automotive industry.
TAX ID:	B-75066902
NIRI:	20-26409
Company Name:	ENGINE POWER COMPONENTS GROUP EUROPE, S.L.
Address:	Polígono Industrial Azitain nº5 Eibar C.P. 20.600 (Gipuzkoa)
Telephone:	943 820 010
Fax:	943 702 006
Contact:	Silvia González de Herrero
Post:	Quality and Environment Manager
E-mail:	sgonzalez@epcge.com
Registration N°:	ES-EU-000090



2.2. EPC GE, S.L. in numbers

Table 1. Characteristics of EPC GE, S.L.

		2016	2017	2018
Camshaft production	TOTAL PRODUCTION (Tn)	1,417.26	1,785.90	2,058.81
Resources	Total consumption of electricity (MWh)	3,784.933	4,422.014	4,845.534
	Consumption of natural gas (MWh)	446.08	483.00	571.91

Source: EPCGE, S.L.

3. Environmental objectives

EPC GE S.L.'s environmental objectives are defined and approved by the Management Committee, which first collects proposals and suggestions and takes into account the environmental and energy aspects that are significant to the company.

Table 2. Environmental Program 2018

OBJECTIVE	FOLLOW-UP DEC 2018
1. 2% reduction in energy consumption (Phase III)	
- Changing all lighting in offices and changing rooms to LED bulbs.	Pending.
- Two washing towers installed to reduce the temperature in the workshop and prevent the use of individual industrial fans. This improves comfort and sustainability of machines.	Done.
- Skylights in the plant shed have been changed to give more light in the workshop and switch off electric lighting.	Done.
- Installation of a variable speed / consumption compressor	This has not been done while awaiting possible approval for a new project of shared energy between Eibar Town Council and companies on the industrial estate. It will be defined in 2019.
The actions taken have reduced energy consumption by almost 5% in value in comparison to 2017	
2. Improve monitoring and measuring energy use and consumption by increasing the number of measurements, according to the networks analysis plan. Objective - 22 machines analysed.	
- Installation of a monitoring system for the main production lines	This has been done for the EEA, HHP and JCB lines, with measurements made for all these.
3. 98% reduction in waste from grinding burn coolant lubricant (III)	
- Implementation of a new analysis technology without using acids	This is currently in the last stage of development. Programs created that are in the testing period.

OBJECTIVE	FOLLOW-UP DEC 2018
4. Reduce HW from grinding sludge by 5%	
<ul style="list-style-type: none"> - Waste control of grinding sludge - Analysis of centrifugation / bricking (coolant recovery) - Implementation of the centrifugation / bricking installation 	In progress, following decommissioning reports to the Waste department at the Basque Government.
5. 1% reduction in consumption of gas for heating	
<ul style="list-style-type: none"> - Automatic door fitted 	This was installed but did not meet the objective. There was a 2.32% increase in consumption of natural gas because other variables were involved, such as the weather that year and people's comfort.

Objectives 1 and 2 will be resumed in the 2019 Program, as there insufficient time to carry out all the actions this year.

Likewise, work will continue in 2019 on:

- 98% reduction in waste from grinding burn coolant lubricant. (Phase III).
This is in the last stage of development. In the second half of 2019, work will be done with the 2 methods and if the results are satisfactory to EPC and the customer, burn analysis will be carried out without using acids from 2020.
- Improved image and visual impact of EPC on the HHP1 line, relating to tidiness and cleanliness based of 5S criteria.

4. Environmental Management System

4.1 Introduction

EPC GE S.L., well aware of the environmental impact caused by its activity, also from transporting its raw materials and products, decided in 2013 to start a process to develop and implement an environmental management system.

It started by implementing an environmental management system complying with the ISO 14001 standard, and then adapted to comply with EMAS regulations, and later entered the Community System for Environmental Management and Audit. In 2017, the Management System was adapted to the updated ISO 14001:2015 standard, also new EMAS regulations.

In addition, throughout 2016, an energy efficiency system was implemented and certified, according to the framework ISO 50001 standard, which has been integrated into the current environmental management system.

4.2 Environmental Management System at EPC GE, S.L.

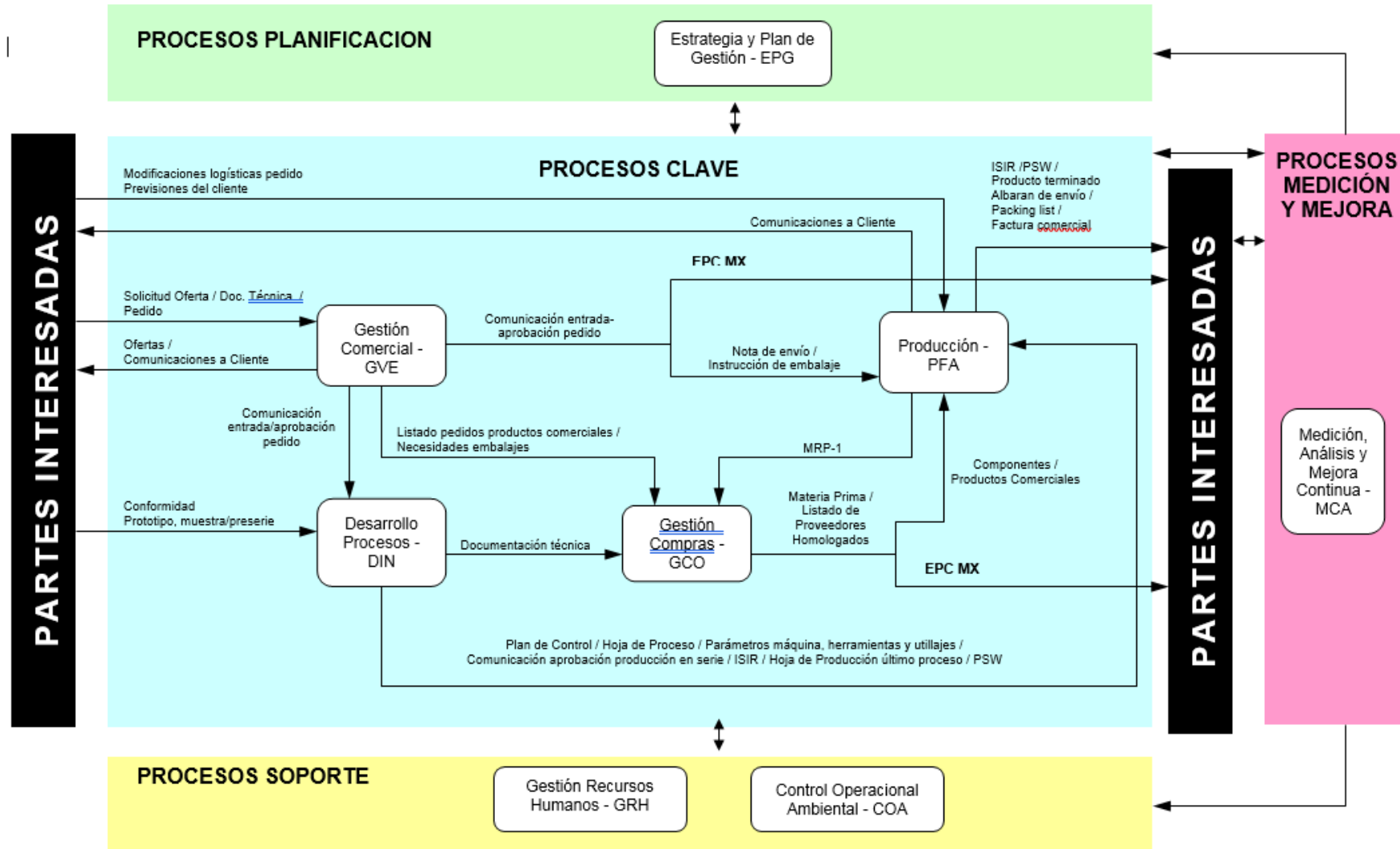
EPC GE S.L.'s environmental management system includes the following tools:

- Organisation: To establish the environmental strategy by the quality and environment department together with the other departments comprising the company's management committee.
- Planning: For the required actions and resources to fulfil environmental objectives approved by the management.
- Environmental Audits: Since the main instrument to manage the company's environmental assessment and monitoring and operating practices is the Environmental Audit Plan.
- Training: Actions on training and environmental awareness at all levels in the company are essential in order to be able to implement a sustainable corporate culture.

The management at EPC GE S.L. is strongly committed to the development and implementation of the EMS through the following activities:

- Informing the rest of the organisation of the importance of meeting the client's, legal and regulatory requirements.
- Informing the rest of the organisation and external stakeholders of the main environmental impacts and aspects, and results of EPC GE S.L.'s environmental performance through the Environmental Statement according to EMAS regulations.
- Establishing the quality and environment policy and objectives.
- Review of the system by the management.
- Guaranteeing the availability of resources and information required.

The processes implemented that guarantee these commitments are documented in the following process map:



4.3 Environmental Policy

EPC GE S.L. expressed its commitment to the environment through its quality and environment and energy efficiency policy in its last edition in December 2017.

All staff at EPC GE S.L. have access to this policy, as it is published on the document server, displayed on bulletin boards and in the plant's central offices.

In addition, this policy is accessible and within the reach of all stakeholders at EPC GE S.L. through publication of the Environmental Statement on the web page www.engpwr.com.

QUALITY, ENVIRONMENT AND ENERGY EFFICIENCY POLICY

Engine Power Components Group Europe, S.A. (EPC GE, S.A.) is a large-scale manufacturer of precision components for engines (camshafts and balancer shafts), for the automotive sector and general industry.


As our strategic objectives are the company's profitability, respect for the environment and leadership within our sphere of action, we accept and understand that the only way to achieve these is through total client satisfaction and minimising environmental impacts, especially those caused by our energy consumption, by purchasing efficient products and services to improve our energy performance.

Our systems, both for quality, the environment and energy management, continuous improvement in our performance, our staff, their development and safety, are the key instruments in reaching our goals.

The products and services oriented to markets for original equipment, as well as spare parts, must have the highest performance level possible to ensure that all our clients' needs are met, also legal requirements for the environment or relating to energy performance, or any others applicable.

The commitments acquired through this policy provide the framework for the company to establish aims and objectives promoting continuous improvement and are key instruments in achieving our purpose. Therefore, the company has made available all the information and resources required for success.

Engine Power Components Group Europe, S.L., 4 December 2017

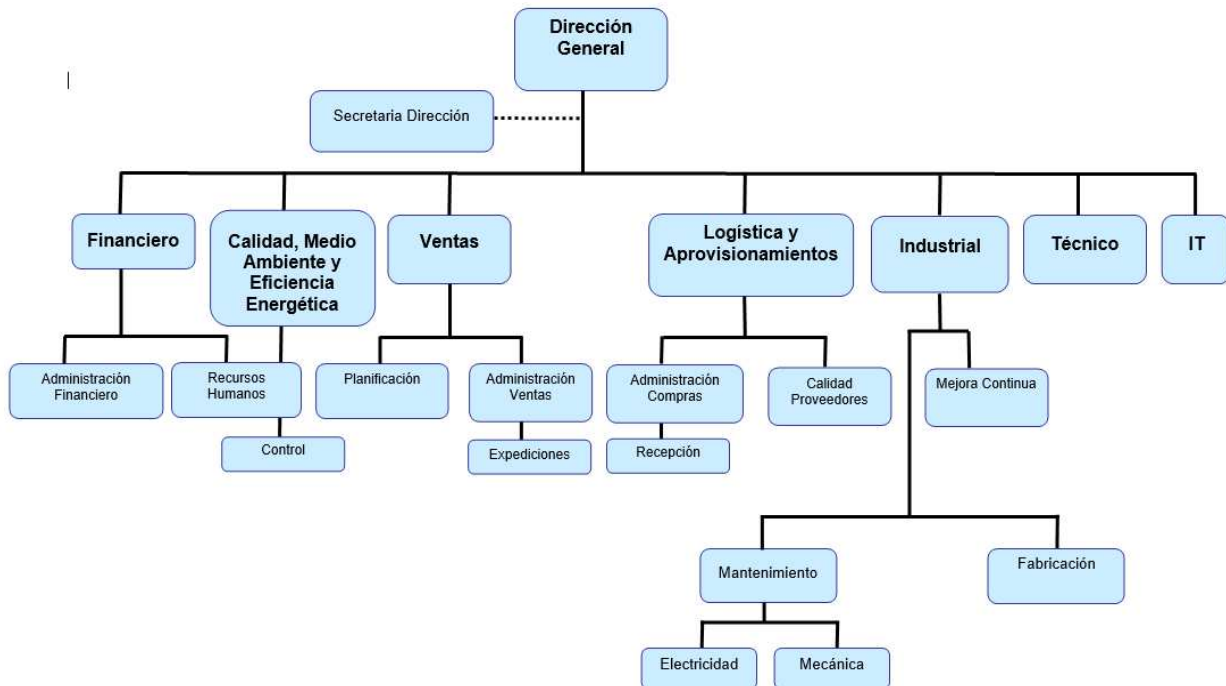


Iñigo Pérez-Arregui
EPC GE General Manager

4.4 Functions and responsibilities

The quality and environment management is responsible for coordinating and monitoring the environmental management system. It depends directly on the General Management, with there being another 6 management departments in the company: Financial, Sales, Human Resources, Logistics and Procurement, Industrial and Technical.

The organisational chart at EPC GE S.L. is as follows:



The environmental management system at EPC GE S.L. is fully integrated into the daily activity in the company, and therefore all responsibility arising from its implementation is shared among the various managers, and the whole is coordinated by the quality and environment department.

4.5 Environmental aspects

EPC GE S.L. has established a guideline, IN EPG-2, that depends on the strategy process and management plan to identify, evaluate and record environmental aspects arising from its operations, both under normal conditions (controlled, habitual and planned situations), and irregular ones (scheduled downtime for maintenance work or similar), as well as potential emergency situations.

The guideline must be applied to all activities/facilities that could impact on the environment, and are carried out in the central offices, plant and warehouses at EPS GE S.L.

Every year, and whenever modifications are made to the activity/facilities, EPC GE S.L. identifies, quantifies and assesses these, in order to find the most significant ones for its activity.

The significant aspects found from the assessment are taken into account when setting the environmental objectives for the company.

First, the term Environmental Aspect should be defined as "an element in activities, products or services from an organisation that may interact with the environment."

There are two types of environmental aspect:

- Direct environmental aspect: An environmental aspect arising from the company's activities, products or services, and which the company can deal with directly and be in control of the process.
- Indirect environmental aspect: An environmental aspect not arising from the company's activities, products or services, but in others deriving from these and on which the company has no direct influence and process control.

The criteria for evaluating the direct aspects and defining the significant ones are as follows:

1. **Magnitude**: meaning the amount of environmental aspects
2. **Toxicity and hazard**: including each aspect associated with toxicity and hazard.
3. **Extent**: Interpreted as the area or zone affected by any environmental impact, so that greater importance is given to risks affecting larger areas or zones.
4. **Probability**: The possibility of a hazardous environmental aspect causing an incident.
5. **Opinion or complaints** from external interested parties.

To assess each environmental impact identified and decide on which are significant, criteria are applied according to the following table:

Environmental aspects	Criteria applied
Consumption	A, B and E
Waste	A, B and E
Effluent	A, B and E
Emissions	A, B and E
External noise	A, B and E
Contaminated ground	A, B and E
Environmental emergencies (environmental hazards)	B, C and D

The global rating of the aspect, representing its significance, except for environmental emergencies, is obtained by multiplying the partial ratings for each of the assessment criteria.

Minimum global rating = 1 (1*1*1) and maximum = 27 (3*3*3).

Environmental emergencies (environmental hazards) are evaluated by applying the following:

Hazard = Probability x Severity, taking severity as the mean value of the extent and toxicity, i.e.:

$$Riesgo = Probabilidad \times Gravedad =$$

$$Probabilidad \times \frac{(extensión + toxicidad)}{2}$$

After obtaining the global assessment of each aspect as a numerical value, significant aspects are those that receive the highest score.

EPC GE S.L. considers 10% of the aspects obtaining the highest score to be significant, as well as those not complying with any current legal requirement.

Indirect environmental aspects will be evaluated depending on whether they are generated internally in EPC GE, S.L. plants or externally.

Those generated internally in EPC GE S.L. plants will be assessed according to the following criteria:

1. **Potential Severity:** possible damage caused by the indirect environmental aspect identified.
2. **Control:** the environmental behaviour shown by the source of origin, agent or supervisor of the aspect through non-conformities.
3. **Frequency:** the number of times per year that the environmental aspect occurs.

Indirect aspects generated outside EPC GE S.L. plants will be assessed according to the following criteria:

1. **Degree of environmental impact:** scale of natural resources affected by the environmental aspect.
2. **Level of preoccupation of interested parties:** number of interested parties with complaints, suggestions, needs or expectations relating to the environmental aspect.
3. **Viability of implementing improvement actions:** existence and difficulty in implementing improvement opportunities relating to the environmental aspect.

The global rating of the aspect is obtained by multiplying the partial ratings for each of the assessment criteria.

The company considers significant indirect environmental aspects to be those scoring higher than 9 points.

4.5.1 Direct

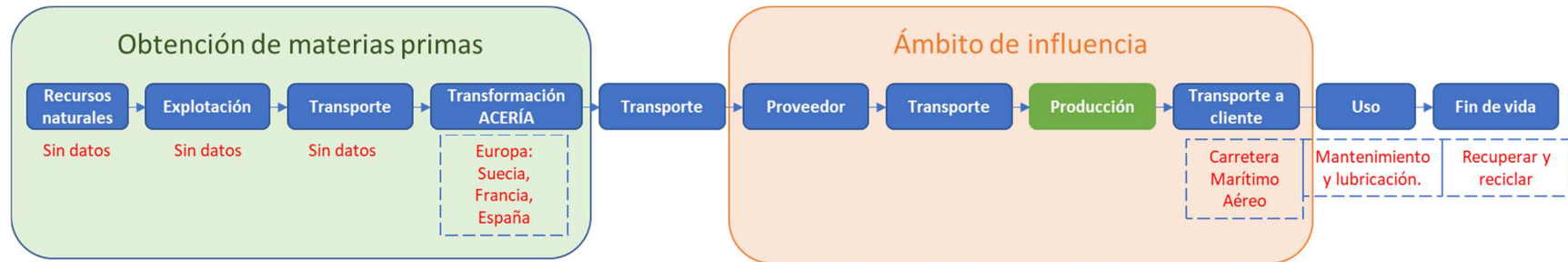
The significant direct environmental aspects given below refer to the whole of EPC GE S.L., including all facilities, and result from the identification and evaluation made based on information available from 2018.

Table 3. Significant direct environmental aspects

SIGNIFICANT DIRECT ENVIRONMENTAL ASPECTS	
ORIGIN	HAZARDOUS WASTE
Production plant	Oil filters
	Contaminated material
	Plastic containers
	Aerosols
	Burn coolant lubricant
ORIGIN	CONSUMPTION
Production plant	Hydrochloric acid
	Nitric acid
	Methanol

4.5.2. Indirect

Indirect environmental aspects from a life-cycle perspective are as follows:



The environmental aspects involved in each phase are detailed below:

Table 4. Indirect environmental aspects

ORIGIN	INDIRECT ENVIRONMENTAL ASPECTS GENERATED OUTSIDE EPC PLANT, FROM A LIFE-CYCLE PERSPECTIVE
OBTAINING RAW MATERIALS: manufacture of raw and auxiliary materials.	Consumption of natural gas
	Electricity consumption
	Drinking water consumption
	Consumption of natural gas
	Non-hazardous waste generation: scrap metal.
	Hazardous waste generation: metal containers, plastics, etc.
TRANSPORT OF RAW MATERIALS	Fuel consumption: diesel
	Generation of emissions from combustion.
PRODUCT USE AND END OF LIFE	Oil consumption
	Generation of used oil
	Generation of scrap metal
TRANSPORT OF PRODUCTS AND WASTE GENERATED IN EPC GE	Fuel consumption: diesel
	Generation of emissions from combustion
MANAGEMENT OF HAZARDOUS WASTE GENERATED IN EPC GE	Hazardous waste incinerated: Emissions to the atmosphere
	Recycled hazardous waste
MANAGEMENT OF NON-HAZARDOUS WASTE GENERATED IN EPC GE	Recycled non-hazardous waste:
	Non-hazardous waste sent to the waste disposal site
EFFLUENT MANAGEMENT	Sewage discharge in treatment plants: generation of sludge.

GENERATION OF WASTE FROM USING THE PRODUCT	Scrap metal
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INDIRECT ENVIRONMENTAL ASPECTS GENERATED IN EPC PLANTS
Client's own containers: Wood
Transport for products: Fuel consumption a generation of emissions
Spare parts for machinery. Scrap metal and electrical and electronic waste

None of this is deemed significant in EPC GE S:L's activity, according to the criteria established.

4.5.3. Environmental aspects and impacts

Impacts on the environment are the direct cause of environmental aspects, and are related as shown in the table below:

Table 5. Environmental aspects and impacts

ENVIRONMENTAL ASPECTS		ENVIRONMENTAL IMPACTS
NATURE OF THE ASPECT	ASPECT LINKED TO EPC GE ACTIVITY	
USE OF RESOURCES	Water consumption	<ul style="list-style-type: none"> - Reduction in natural resources - Increased effluent
	Consumption of natural gas	<ul style="list-style-type: none"> - Reduction in natural resources - Increase in atmospheric emissions
	Electricity consumption	<ul style="list-style-type: none"> - Increase in indirect atmospheric emissions
	Consumption of raw and auxiliary materials	<ul style="list-style-type: none"> - Reduction in natural resources
WASTE GENERATION	Hazardous waste generation	<ul style="list-style-type: none"> - Effect of human health from mishandling - Contamination of ground or water from spills and accidental discharge
	Non-hazardous waste generation	<ul style="list-style-type: none"> - Overfilled landfill sites
DISCHARGE INTO WATER	Sewage discharge	<ul style="list-style-type: none"> - Reduction of dissolved O₂ in the aquatic environment. - Contamination of water
ATMOSPHERIC EMISSIONS	Atmospheric emissions (SO ₂ , NO _x , particles)	<ul style="list-style-type: none"> - Effect of human health - Effects on forests - Acidification and reduction of oxygen in waters
	Emission of greenhouse gases (CO _{2e})	<ul style="list-style-type: none"> - Greenhouse effect
NOISE	Ambient noise	<ul style="list-style-type: none"> - Noise pollution - Harmful effects on human health
LAND OCCUPATION	Land use	<ul style="list-style-type: none"> - Land occupied - Reduction in resources - Effect on flora and fauna

5 Environmental Performance

5.1 Basic indicators

5.1.1 Consumption

Table 6. Consumption raw materials

		Units	2016	2017	2018
Raw material	Steel	Tn	1,008.78	1,012.85	1,035.26
	Pig-iron	Tn	960.22	1,591.73	1,661.40
	Forging	Tn	3.40	0.95	0
	TOTAL	Tn	1,972.41	2,605.53	2,696.67
Production	Total production	Tn	1,417.26	1,785.90	2,058.81
	TOTAL consumption of raw material/total production	Tn/Tn	1.39	1.46	1.31
	Trend (Base 1)	-	1	1.05	0.94

Source: EPCGE, S.L.

During the year 2018, the absolute vale of consumption of raw materials remained stable, although it was much more efficient than in previous years, with the relative value reduced by 10%.

Consumption of pig iron in the ear was almost nil, since it was a residual product.

Table 7. Consumption of auxiliary materials

	Units	2016	2017	2018
Oil	Tn	14.90	17.740	24.36
Anti-corrosion oil	Tn	4.60	5.600	6.90
Coolant	Tn	26.00	34.000	34.70
Hydrochloric acid	Tn	1.605	1.170	2.58
Nitric acid	Tn	1.350	0.900	1.98
Methanol	Tn	1.325	0.925	2.30
TOTAL	Tn	49.78	60.335	72.81
TOTAL consumption of auxiliary material/TOTAL production	Tn / Tn TOTAL production	0.035	0.034	0.035
Trend (Base 1)	-	1	0.97	1.00

Source: EPCGE, S.L.

The use of auxiliary materials, especially oil and acids, increased. This was due to an increase in the production of steel pieces requiring 100% inspection of burns during the manufacturing process.

Table 8. Consumption of containers and packaging

	Units	2016	2017	2018
Plastic	Tn	22.67	13.13	5.90
Wood	Tn	29.10	25.16	8.39
Cardboard	Tn	48.37	19.552	34.23
Paper	Tn	22.96	5.16	0.73
Wood and cardboard	Tn	4.13	0.59	1.83
TOTAL	Tn	127.24	63.596	51.085
TOTAL containers / Tn production	Tn / Tn TOTAL production	0.09	0.036	0.025
Trend (Base 1)	-	1	0.40	0.28

Source: EPCGE, S.L.

During this year, the consumption of containers and packaging was generally reduced, with significantly less use of plastics, wood and paper, as containers were returnable. There was increased consumption of cardboard packaging and a slight rise in wood and cardboard packaging compared to the previous year, since serial production of pieces started for new customers, as mentioned in the table in the section above.

A. ELECTRICITY CONSUMPTION

Table 9. Energy Consumption

	Units	2016	2017	2018
Total Energy	MWh	3,784.93	4,422.01	4,845.53
Energy consumption / Tn TOTAL production	MWh / Tn TOTAL production	2.67	2.47	2.35
Trend (Base 1)	-	1	0.93	0.88

Source: EPCGE, S.L.

Electricity consumption fell by almost 5% in relative value, due to implementation of energy efficiency objectives.

B. CONSUMPTION OF NATURAL GAS

Table 10. Consumption of Natural Gas

	Units	2016	2017	2018
Total natural gas	MWh	446.08	483.00	571.91
Energy consumption / Tn TOTAL production	MWh / Tn TOTAL production	0.315	0.270	0.278
Trend (Base 1)	-	1	0.86	0.88

Source: EPCGE, S.L.

Gas consumption increased in absolute value compared to 2017, although it remained stable in respect of production. Gas consumption is seasonal, as it is only used for heating in winter, so the increase is mainly due to the weather in that season.

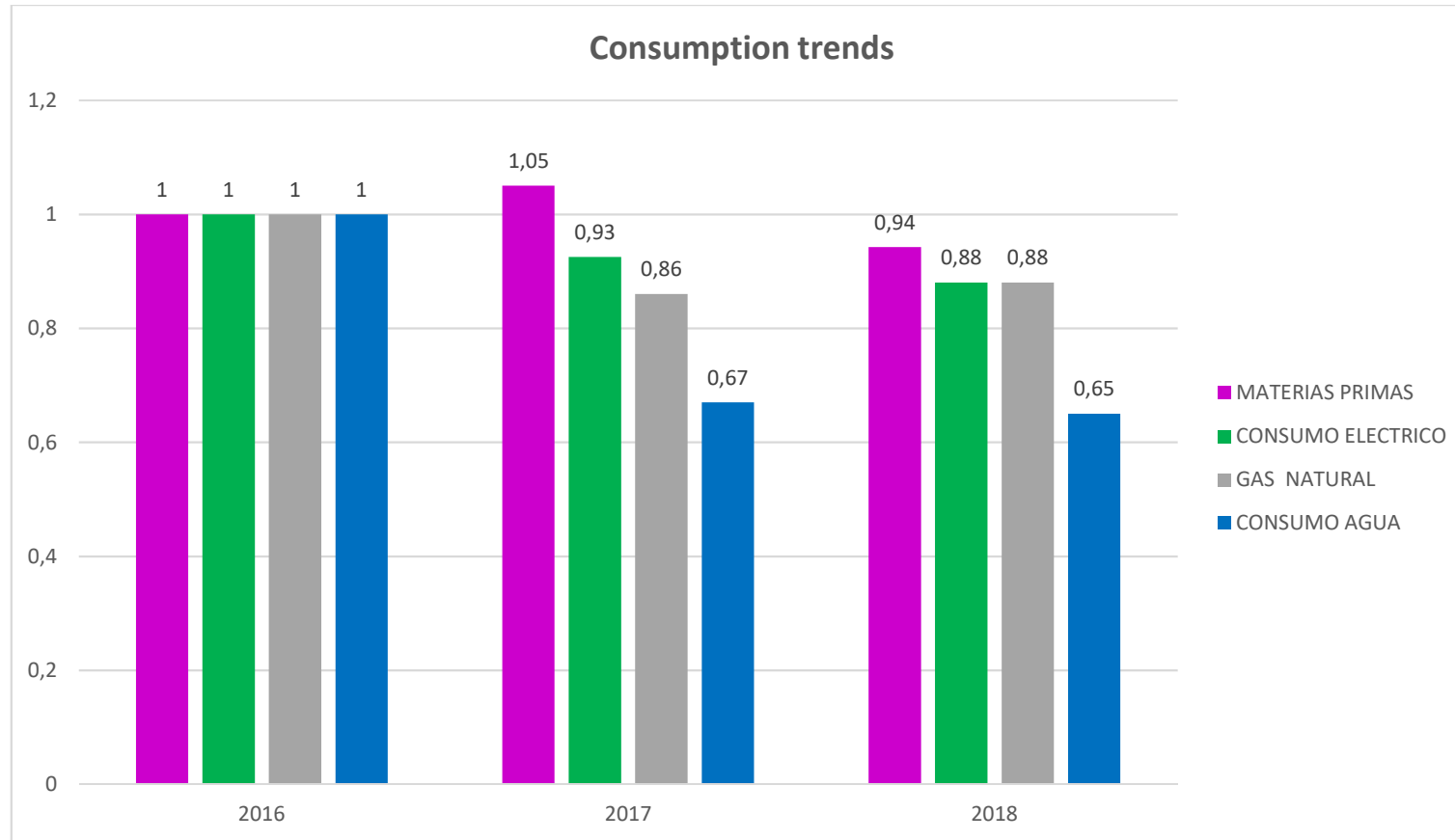
C. WATER CONSUMPTION

Table 11. Water Consumption / Waste Water

	Units	2016	2017	2018
Water	m ³	3,688	3,105	3,452
Water consumption / Tn TOTAL production	m³ / Tn TOTAL production	2.6	1.74	1.68
Trend (Base 1)	-	1	0.67	0.65

Source: EPCGE, S.L.

Water consumption fell by 3.4% in respect of production compared to the previous year, due to the new evaporator installed in 2017 operating at full capacity, which saves water for coolant production by recirculating it back into the circuit.



5.1.2 Atmospheric emissions

A. DIRECT EMISSIONS

EPC GE, S.L. has natural gas boilers used for heating. The APCA code for these is 02 01 03 03 and they need not be legalised as a potential atmospheric pollutant.

The metal cutter (saw with coolant as a refrigerant) and the extractor hood in the laboratory are not included in Annex I of RD 100/2011 for potential atmospheric pollutants.

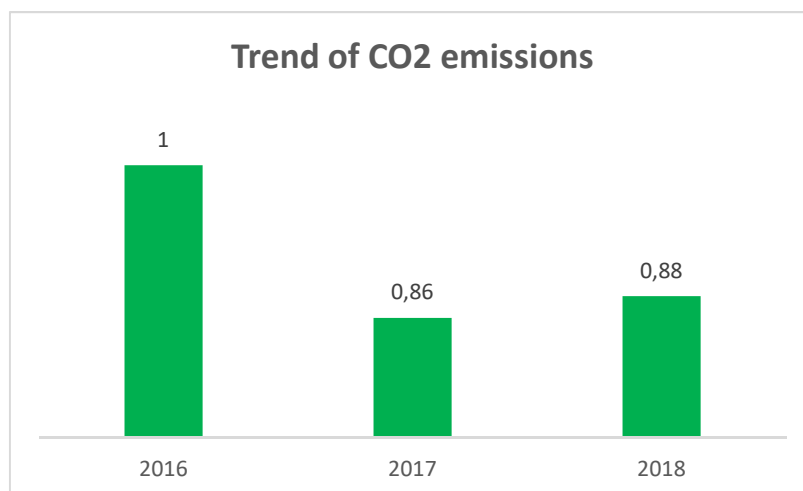
All machinery and facilities at EPC GE S.L. have filtering systems to reduce pollution, and various types of emissions are produced.

Table 12. Estimated direct emissions from natural gas consumption

	Units	2016	2017	2018
CO2	Tn CO _{2e}	89.930	97.373	115.297
CH4	Tn CO _{2e}	40.147	43.470	51.472
N2O	Tn CO _{2e}	47.856	51.816	61.355
Total	Tn CO _{2e}	177.93	192.66	228.12
Total emissions / Tn production	Tn / Tn production	0.126	0.108	0.111
Trend (Base 1)	-	1	0.86	0.88

Source: Own work based on emission factors according to:

- Spain, GHG inventories report.
- IPCC 2006-Seasonal combustion, Industry
- IPCC - AR 4



5.1.3 Waste

A. HAZARDOUS WASTE

Table 13. Hazardous Waste Generated

	Units	2016	2017	2018
Metal containers (contaminated with dangerous substances)	Kg	50	270	40
Plastic containers (contaminated with dangerous substances)	Kg	2,045	1,270	4,400
Coolant	Kg	118,420	117,160	64,940
Grinding sludge	Kg	179,700	248,840	271,920
Contaminated material	Kg	3,325	3,364	6,240
Oil and coolant filters	Kg	92	70	100
Office equipment	Kg	793	440	550
Grinding burn coolant lubricant	Kg	39,100	41,760	69,400
Aerosols	Kg	50	40	80
Fluorescent tubes and bulbs containing mercury	Kg	160	0	0
Used batteries	Kg	6	5	3.10
Laboratory waste	Kg	12	0	0
TOTAL	Kg	343,753	413,219	417,673
HW GENERATED / TN PRODUCTION	Kg HW / Tn production	242.55	231.38	202.87
Trend (Base 1)	-	1	0.95	0.84

Source: EPCGE, S.L.

Concerning hazardous waste, the most significant aspect is the rise in waste form plastic containers, due to cleaning and disposal of various IBCs stored for specific removal.

In addition, waste from coolant was reduced and burn control liquid increased, due to the start of serial production of steel pieces for new customers.

B. NON-HAZARDOUS WASTE

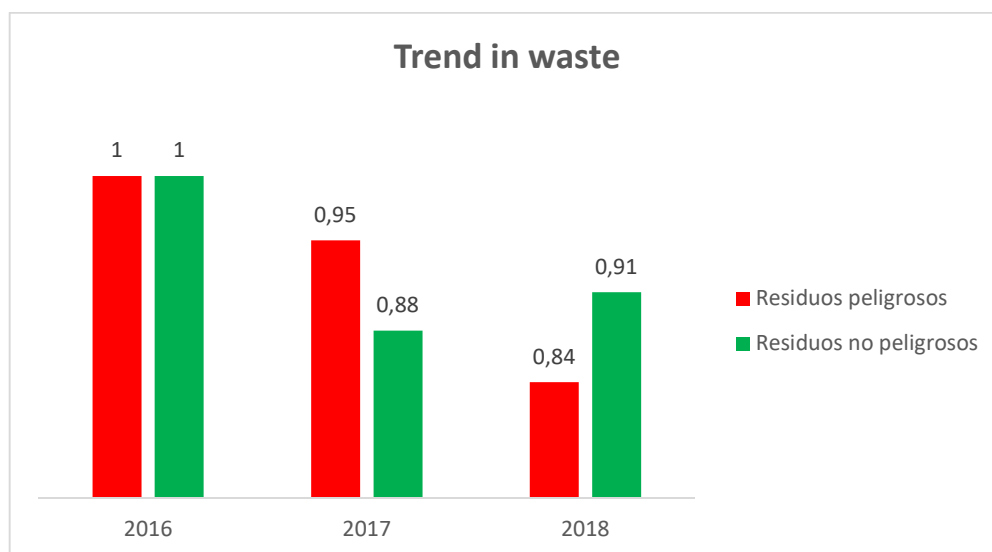
Table 14. Main Non-hazardous Waste

	Units	2016	2017	2018
Scrap metal and tips	Tn	128.500	135.520	148.140
Metal chips	Tn	298.060	303.580	400.230
Wood	Tn	44.540	79.910	61.680
MIXES: Paper, cardboard and plastic	Tn	12.00	15.980	24.380
Toner	Tn	0.000	0.044	0.032
Wheels and abrasives	Tn	2.360	5.970	11.130
TOTAL	Tn	485.460	541.004	645.592
NHW GENERATED / TN PRODUCTION	Tn NHW/ Tn production	0.34	0.30	0.31
Trend (Base 1)	-	1	0.88	0.91

Source: EPCGE, S.L.

With non-hazardous waste, there was a significant reduction in waste wood with increased consumption of recyclable packaging.

The increase in waste from scrap metal and tips and metal chips, as well as wheels and abrasives is due to increased production this year.



5.1.4 Noise

In June 2014, EPC GE S.L. hired APPLUS to take noise measurements in accordance with specifications in the company's business licence; max. 60 dB (A) in adjacent industrial operations, regardless of municipal regulations.

The range of results was between 49 and 53 dB(A), fully meeting requirements, and therefore no action was needed to reduce the level of ambient noise.

5.1.5 Biodiversity

Table 15. Land occupied

	Units	2016	2017	2018
Constructed surface	M ²	5,975.61	5,975.61	5,975.61
Constructed surface/ Tn production	M ² / Tn TOTAL production	4.22	3.35	2.90
Trend (Base 1)	-	1	0.79	0.69

Source: EPCGE, S.L.

5.2 Other indicators of environmental performance

Within its environmental management system, EPC GE S.L. has procedures for measuring and monitoring non-conformities, corrective and preventive actions, implementing environmental audits and training given to several members of the company.

The internal audit for the environmental management system took place in July 2018, with a comprehensive review of the documentation created and implemented including the previous EMAS Statement.

6 Legal and environmental requirements and degree of compliance

EPC GE S.L. complies with all applicable legal requirements, among which are the following principal permits:

- Business Licence from the Eibar town council, dated 16/06/1998.
- Permit to discharge sewage and rainwater from the Gipuzkoako Ur Kontsortzioa, updated on 29/07/2016.
- HW Producer permit of 1/10/2009, updated and extended on 04/07/2014 by the Basque government's Dept. of the Environment and Land Planning.
- APCA (Air Pollution Control Association) permit of 17/12/2014. Within the stipulated period, EPC GE S.L. has submitted the initial ECA report required for the permit.

EPC GE S.L. has identified and assessed the legal environmental requirements, enabling the company to know which ones applies to it, and the degree of compliance. In addition, the company uses the ECONET application, which provides users with updated information on new and projected regulations at all levels (EU, national, autonomous community, municipal, etc.).

In 2018, the Container Statement, the plan to minimise hazardous waste, and the report on activities for loading, unloading and transporting hazardous goods were submitted, in order to comply with obligations on environmental communication to the public administration.

7 Inter-Relation with Interested Parties

By this report, EPC GE S.L. informs all its stakeholders on the aspects and activities in the environmental field relevant to its operations.

The following stakeholders have been identified by EPC GE S.L.:

- Clients
- Company staff
- Suppliers
- Owners
- Institutions
- The public as a whole

All employees can take part in improving the company's environmental performance, by contributing suggestions or actions for improvement directly to the Quality and Environment Manager, or through a supervisor. Suggestions are analysed for possible implementation.

During 2018, no claims, complaints or penalties have been received from any of the interested parties in environmental impacts.

Likewise, anyone interested can ask for information of interest on the environment by writing to the following e-mail address: sgonzalez@epcge.com

In collaboration with some companies that are customers, EPC continues to establish good practices to minimise the generation of containers and container waste by using returnable ones.

8 Environmental verification

The EMAS 2018 Environmental Statement, Revision 1, was validated in compliance with article 8 of Regulation 1221/2009 by Cristina Dominguez of the environmental verification entity accredited by Lloyd's Register Quality Assurance S.L.U., ES-V-0015, during verification of the Management System.