

Code of practice for the verification of the recycled content and traceability of materials and products obtained from the recycling of plastic waste – plastica seconda vita certification (scheme owned by IPPR)

INTRODUCTION AND PURPOSE

SGS Italia S.p.A. (hereinafter also «SGS Italia»), belonging to the SGS international Group, acts as a certification body for management systems (hereinafter «systems») against internationally recognized standards.

SGS Group operates in several countries with accredited certification bodies. The list of the accreditations of the SGS

Group Certification Bodies and related accreditations sectors are available upon request.

SGS Italia services are provided in compliance with the general conditions for certification services (see Part 2).

In particular, as part of the (voluntary) product certification SGS Italia offers the service of Verification for the issuance of the Plastica Seconda Vita certification (hereinafter PSV).

IPPR, Institute for the Promotion of Recycled Plastics, owner of the Plastica Seconda Vita scheme, has created the PSV brand with the aim of enhancing the quality of recycled plastic and ensuring the traceability of recycled materials. The PSV certification scheme, technical requirements and use of the PSV logo are governed by the following Regulations:

- Certification regulation and maintenance of certification (last revision)
- Regulations on the use of the certification mark (last revision)

which shall be regarded as an integral part of this Code of Practice.

The Plastica Seconda Vita verification service certifies the traceability and content of recycled materials within products obtained from the recycling of plastic waste (coming from both separate collection and pre-consumer circuits). The certificate of conformity, following a positive outcome of the visit, is valid for three years, with periodic surveillance activities.

Upon obtaining the PSV certification, the organization can use the relevant mark with a permanent wording depending on the type and composition of the material / product:

- **PSV from Separate Collection:** certification of the recycled content and traceability of materials, semi-finished products, manufactured goods obtained using polymers derived from waste from separate collection or other post-consumer circuits in percentages ranging from 30 to 100%
- **PSV from Industrial Waste:** certification of the recycled content and traceability of materials, semi-finished products, products containing polymers obtained from waste of industrial origin in percentages from 30 to 100%.
- **PSV MixEco:** certification of the recycled content and traceability of materials, semi-finished products, products obtained using polymers derived from waste of industrial origin or from separate collection, which do not fall within the cases defined by the Circular of 4 August 2004 (in implementation of Italian Ministerial Decree 203/2003) but which contain recycled plastics with a minimum percentage of 30%. In case the minimum limit cannot be reached due to documented technological limit or due to the provision of mandatory laws, regulations and technical standards, it is possible to certify a different minimum content but not lower than 10%.
- **PSV Food:** certification of the recycled content and traceability of materials and products in contact with food. This mark applies to pre-consumer and/or post-consumer plastics made from such materials or which are used behind a functional barrier. The minimum recycled content must not be lower than 30%.

- **PSV Bag:** certification of the recycled content and traceability of reusable bags. The percentage of recycled content shall not be lower than 35% for bags intended for food distribution, 15% for bags intended for non-food distribution.

DEFINITIONS

Organization: person or group of persons acting in their own right with responsibility, authority and interrelationship to achieve their objectives

The organization can obtain the PSV brand certification getting compliance with the applicable mandatory regulations and following the implementation of an organizational system that provides evidence of the application of the requirements of the Regulations for the Certification and Maintenance of the Plastica Seconda Vita Certification (IPPR).

PART 1:

TECHNICAL CONDITIONS FOR CERTIFICATION SERVICES

1.1 GENERAL REQUIREMENTS

1.1.1 This document regulates the certification services and the Organization is contractually bound to comply with the requirements set out therein. The terms and conditions in this document are applied with independence and impartiality to all organizations that apply or have access to SGS Italia Certification Services.

1.1.2 Organizations are therefore committed to supply SGS with all the documents defining the system and its implementation; co-operate as is necessary during all Verification activities, by providing access to all information, staff and areas of the

The SGS logo is displayed in a large, bold, sans-serif font. It is positioned in the bottom right corner of the page, with a thin vertical line to its right and a horizontal line below it, forming a partial frame.

premises, as deemed necessary by the audit team to evaluate the conformity to the applicable standard; identify its own Representative to support the audit team and ensure that the consultant of the Organization assisting to the audit maintains the role of observer.

1.2 SCOPE AND ORGANIZATIONAL STRUCTURE

1.2.1 These technical conditions apply to the certification / Verification activities specified in points 2.3.1 (a) and (b) of the General Conditions that follow (see Part 2).

1.2.2 The technical conditions comply with the requirements for the accreditation of Certification Bodies.

1.2.3 A copy of the organization chart of the Certification Body, showing the responsibility and reporting structure of the organization, and documentation identifying the legal status of the Certification Body are available on request.

1.2.4 Certification / Verification Services are provided by SGS Italia’s direct staff or, in its discretion, SGS Group Affiliates (generally for activities abroad) or by other external resources according to agreed requirements. In any case, SGS Italia still holds full responsibility for issuing, maintaining, suspending or withdrawing the certification.

1.3 CONFIDENTIALITY

1.3.1 SGS Italia ensures that all confidential information gathered during certification / Verification activities is kept strictly confidential at all levels of its structure. No information will be disclosed to any third party unless in response to legal process or required by an accreditation body as part of the accreditation process or with written authorization from the Organization concerned.

1.3.2 The client’s name, location, scope of certification and contact numbers may be entered into relevant directories.

1.3.3 SGS Italia will deal with the data that will be provided or to which it has access, in compliance with UE 2016/679 “General Data Protection Regulation” – “GDPR”, in electronic or paper form, for the sole purpose of fulfilling the requested service; the Data Controller is SGS Italia S.p.A., at its registered office, to which the Organization may apply for the exercise of the rights referred UE 2016/679 “GDPR”.

1.4 APPLICATION FOR CERTIFICATION/ VERIFICATION

1.4.1 Once the full set of data of the Organization required by SGS Italia’s questionnaire and the appropriate information sheet for obtaining the Plastica Seconda Vita Certification (downloadable from the IPPR website) have been received, SGS Italia issues the certification/verification proposal with details of the purpose and cost of the services and the methods for activating the certification process; the proposal is accompanied by the Regulations for the Use of the Trademark and the documentation for the submission of the certification application. This documentation shall include:

- Information sheet refilled in case of changes compared to the document initially sent.
- Certificate of registration CCIAA or equivalent document.
- Technical report

1.4.2 Upon receipt of the application for certification, together with the documentation requested therein, SGS Italia verifies that the requirements for certification are accepted by the customer and that there are no differences of interpretation, as well as the regularity of the Organization’s

obligations with IPPR. At the end of this verification SGS Italia accepts the certification application and sends the Organization the order confirmation that formalizes the contractual conditions. The practice is then assigned to the personnel in charge of ensuring the provision of the service according to SGS Italia procedures. The names of the personnel involved in the individual inspection activities are communicated in advance; any reasoned objections of the Organization must be immediately notified to SGS Italia.

1.5 INITIAL CERTIFICATION/VERIFICATION AUDIT

1.5.1 The initial audit is conducted under the responsibility of a Lead Auditor of SGS Italia in accordance with audit plans previously transmitted to the Organization in which the purposes and methods of conducting the audit are indicated; for each audit, an opening meeting is held (where all the main aspects are recalled: the evaluation procedure, the criteria for classifying non-conformities and consequent corrective actions, the confirmation of the confidentiality of the Audit Team, etc.) and a closing meeting (where the outcome of the audit is communicated and clarifications are provided regarding the results formalized in the report, which also details how and when to implement any shortcomings that emerged from the audit).

1.5.2The Initial Audit is conducted in two stages:

- Step 1: Examination of documents (technical report)
- Step 2: Verification and sampling (on-site audit), not applicable in case of supply chain verification only

1.5.3 On-site audits (with the exception of supply chain verification only) are scheduled with the timing shown in the table below:

N° FAMILIES	SAMPLING	DAYS
1 product families	between 2 and 3 samples	0,5
2 product families	between 4 and 5 samples	1
2 product families	between 6 and 9 samples	1,5
4 product families	between 8 and 12 samples	2

Sampling must involve all product families. In addition, it assumes significance if for each family a minimum of 2 products is sampled. In the event that within the same family there are products from different flows (eg from post-consumer and pre-consumer

circuits), they must be sampled independently.

The calculation of durations shown in the table is based on an estimate of a maximum of 5 samples carried out in a day, in order to ensure an adequate deepening of the verification. Over the

sampling activities, an opening and a closing meeting are planned. The timing of these last activities is counted within the “fixed” duration of 0.5 days mentioned above.

Additions may be applied to the “sampling” times, if the following

conditions are met:

- Verification of products made at remote sites or in outsourcing: integration of 0.5 days;
- Checks with suppliers if it is verified that all the following conditions are not satisfied:
 - The SRM used by the manufacturer of products are not certified Plastica Seconda Vita;
 - The manufacturer of manufactured goods is not in possession of the waste treatment authorization of its MPS supplier for specific applicable EWC codes;

In these situations, the manufacturer of goods extends its management and traceability system to the SRM supplier through the establishment of a system of internal inspections. SGS Italia will also carry out an audit to the supplier in the same way as for the licensees of the Plastica Seconda Vita brand: integration of 0.5 days.

For multisite companies or with outsourced production, sampling takes place only for homogeneous sites and in case internal inspections are carried out on 100% of the sites undergoing certification at least annually. The minimum sample size for certification audit is the square root of the number of detached homogeneous sites rounded to the upper integer $y = \sqrt{x}$ where y = number of samples and x = number of homogeneous or outsourced sites.

The formulas for calculating the number of samples do not include outsourcers which, during the year, have not produced products subject to certification or for which the externally entrusted processing does not provide for the possibility of determining or modifying the recycled content (e.g. painting or assembly of components whose content of recycled material has already been determined);

1.5.4 SGS Italy and the Organization have the following responsibilities:

(a) SGS Italia coordinates audits with the organisation and prepares an audit programme.

(b) The organization must make available to SGS Italia a technical report containing the following contents:

- **Description of the organization (i.e., date of incorporation, company name, activity carried out, number of employees and operating offices);**
- **Description of the type of product (or technical data sheet containing, for example, product dimensional characteristics, minimum reference unit, product weight and recycled**

material content, process yield, supplier identification and qualification rules);

- **Description of the production process in detail with a description of the different phases of procurement, control on raw materials, start of production and related controls, packaging, management of non-compliant materials and / or products;**
- **Description of processes to ensure the traceability of the product and its identification at all stages of processing, useful supporting documents concern:**
 - Procurement phase: list of qualified suppliers, offers or purchase orders from the supplier, transport documents or waste forms, supplier test report, availability of declaration of conformity to the UNI 10667 standard or the EN 1534x series for productions taking place in the EU or in the EFTA free trade area, supplier batch number, weighing tags
 - Production phase: processing sheet, registration of product non-conformities, registration of calibration checks and verification of quality control instruments
 - Packaging phase: identification tags with sales order and lot number, transport documents to the recipient.
- For obtaining the trademark "PSV – Food" the technical report shall be supplemented by:
 - Results of the tests required for compliance with Ministerial Decree. 21/03/1973 and subsequent amendments and Regulation (EU) no. 10/2011.
 - Declaration of conformity in accordance with Regulation (EU) 10/2011 and Regulation (EC) 282/2008.
 - Authorisation issued by the EU Commission on the favourable opinion of EFSA – European Food Safety Agency – in accordance with the provisions of Regulation (EC) 282/2008.

On the basis of these documents, SGS Italia assesses whether the standard requirements are taken into account (phase 1) and adequately met (phase 2).

(c) In the event that SGS Italia considers that not all the requirements for certification are met, issued Non-Conformities are communicated to the customer during the closing meeting and formalized in the Audit Report.

(d) In the event of non-conformity, the

Organization shall respond in accordance with the terms and conditions set out in the Audit Report.

(e) At the end of the verification process, the Lead Auditor sends the file, including all the documentation analyzed and produced, to SGS to be submitted to the deliberation process. Following a positive resolution, a certificate will be issued confirming the reliability and compliance of the product against the PSV regulation.

1.6 NON-CONFORMITIES AND CORRECTIVE ACTIONS

1.6.1 Non-conformities to the applicable standard requirements, are classified as

- Major non-conformities for serious and / or systematic deficiencies with respect to a requirement of the Regulation for the Certification and Maintenance PSV issued by IPPR and / or the Regulation for the use of the mark that impact on the final quality of the activities carried out, on the characteristics of the product covered by certification and / or on the certification status. Systematic deficiencies on traceability, on recycled content, on evidence of compliance with UNI standards or the EN 1534x series for productions taking place in the EU or in the EFTA free trade area, on relevant requirements with aspects of a binding nature are always to be qualified as «major non-conformity»

- Minor non-conformities for slight, punctual deficiencies with respect to a requirement of the Regulations for the Certification and Maintenance PSV of IPPR and / or the Regulations for the use of the trademark. Minor non-compliance refers to small situations

that do not systematically affect the final quality of the activities carried out, the characteristics of the product covered by certification and / or the certification status.

1.6.2 If major non-conformities are raised, the adequacy of treatment, analysis of the causes and corrective actions identified by the organization is verified during the technical or administrative review. Certification is subject to Verification of the positive implementation of corrective actions by the Organization, generally conducted by an additional audit, where possible documentary (see 1.11), within a maximum of 3 months from the previous verification.

Where the objective cannot be achieved, upon explicit request of the organization, SGS Italia, with a positive opinion of IPPR, may allow a further extension of up to 3 months (6 months in total from the first visit).

1.6.3 In the event of minor non-conformities, the organization must

submit the plan of associated corrective actions within 10 days of receipt by the auditor of the inspection audit report. The adequacy of treatment, analysis of the causes and corrective actions identified by the organization is verified during the technical or administrative review. The closure of such non-conformities will be verified in the next audit.

1.6.4 Failure to implement corrective actions within the specified times may result in the interruption of the certification process and the need to repeat the initial audit entirely.

1.7 ISSUANCE AND VALIDITY OF THE CERTIFICATE

1.7.1 When SGS Italia, through its technical reviewers is satisfied that the Organization meets all the certification requirements taking into account the opinion of the audit team, it will inform the Organization and issue a Certificate of conformity to the PSV scheme, containing information on the products for which the certification is valid and the quantities of recycled material used.

Otherwise, SGS Italia notifies the Organization of the decisions and the actions to be taken.

The issued Certificate contains the expiration date within which the subsequent annual surveillance audits are to be carried out (when applicable and provided for in the contract) in order to confirm that the system complies with the applicable standards and regulations (see 1.10). With a reasonable advance on the expiry date (approximately 40 days), in order to ensure the continuity of the certification and the original Certificate number, a renewal audit must be carried out (see 1.15).

After the completion of the deliberation phase, all documents are transmitted to the Organization by e-mail.

1.7.2 The Certificate of Conformity will remain valid, until its expiry date, unless surveillance reveals that the management system and / or products of the Client no longer meet the standards, norms or regulations.

1.7.3 The Certificate shall remain the property of SGS and the Organization shall send it back to SGS in case it is changed or cancelled. The Organization's right to use the certification mark/ SGS Certificate or Verification statement is contingent on maintaining a valid Certificate in respect of the certified management system or products and compliance with the Regulations governing the use of the Certification mark/ Certificate or statement issued by SGS Italia.

1.7.4 The Certificate issued by SGS

Italia is issued in Italian and English; certificates in different languages can be issued on request and according to the terms and conditions expressed in the certification proposal.

1.8 REGISTRATION OF THE SGS CERTIFICATE OF CONFORMITY AND PSV LOGO

1.8.1 The data relating to the certificates issued are reported in a database and in an internal register of SGS Italia, periodically updated.

1.8.2 A copy of the certificate is sent by SGS Italia to IPPR, which publishes the data contained therein on the website <https://www.ippr.it/> (organization name and certified products).

1.8.3 The use of the PSV logo is subject to the requirements described in the Regulations for the use of the PSV certification mark by IPPR.

1.8.4 The Organization may not use or refer to the PSV logo until the Certificate of Conformity has been issued and in accordance with the specific Regulations for the use of the Certification Mark (IPPR). SGS Italia declines all responsibility in case of incorrect use of the PSV logo by the organization.

1.9 USE OF THE CERTIFICATE

1.9.1 The Organization may refer to the certification obtained in its publications, correspondence, business cards, etc. In any case, the use of the certificate must be such as to be consistent with the purpose of certification and with the products referred to therein.

The conditions for using the SGS Certificate are set out in a separate document, available on the web page <https://www.sgsgroup.it/it-it/terms-and-conditions>

1.9.2 Italia will take any action deemed appropriate, at the expense of the Organization, to deal with incorrect or misleading references to Certification or use of Certificates and / or of the certification mark (e.g. suspension or withdrawal of Certificate, legal action and / or publication of the transgression)

1.9.3 The Organization shall immediately cease referring to the Certificate:

- (i) after any expiry, suspension, cancellation of the Certificate;
- (ii) in the event of any changes have been made to the system/process/product not accepted by SGS Italia,
- (iii) for failure to adapt to changes in the applicable legislation within the prescribed time frame;
- (iv) any other circumstance that could adversely affect the certified system.

1.9.4 SGS Italia verifies the correct use of the Certificate or mark during the surveillance audits. In case of incorrect use, SGS Italia will take suitable actions which may include the request of major corrective action suspension or withdrawal of Certificate, legal action and / or publication of the transgression.

1.10 PERIODIC SURVEILLANCE AUDITS

1.10.1 During the period of validity of the certificate, periodic on-site surveillance checks shall be carried out, except for supply chain verification only, to ensure that the system is maintained and that any problems identified during the initial audit have been resolved. The surveillance visit includes the evaluation of all applicable requirements and any updates of the Technical Report. Periodic surveillance normally takes place with ongoing production activities. In exceptional cases, however, verification may be carried out even when production is not in progress. In this case, the verification will take place on a documentary basis. Issuing a non-operational production verification is justified by a specific assessment of the risks related to the execution of the document control only.

The frequency of the surveillance audit shall be at least annual, a higher frequency may be agreed with the organisation. The first surveillance must be carried out within 12 months from the date of verification of the certification.

The calculation of the durations of the surveillance audits must be carried out on a case-by-case basis according to any changes made to the production process (and how much it may change the characteristics of the product) and the extent of the same (see point 1.17 of this document). During periodic surveillance audits, the organisation is required to submit an assessment of the quantities of recycled material used in PSV branded products in the previous calendar year.

If it is impossible to carry out surveillances within the established times due to responsibilities attributable to the manufacturer, SGS Italia reserves the right to suspend the certification.

Any Non-Conformities (major or minor) must be managed within the time indicated in the Audit Report.

1.10.2 Sampling is carried out in analogy with the provisions of the specific table for the certification audit (§ 1.5.3). In case of multi-site companies or with outsourced production, the number of samples to be carried out during the surveillance audit is lower. The minimum size of the annual sample shall be equal to the square root of the homogeneous detached sites multiplied by a coefficient of 0,6 and rounded to the upper integer.

$$y=0,6\sqrt{x}$$

Where y= number of samples and x= number of homogeneous or outsourced sites.

The main site must always be checked annually. Sampling is also subject to the success of the inspections after certification. The number of samples can be increased in the presence of major non-conformities.

The formulas for calculating the number of samples do not include outsourcers which, during the year, have not produced products subject to certification or for which the processing outsourced does not provide for the possibility of determining or modifying the recycled content (e.g. painting or assembly of components whose content of recycled material has already been determined) are not included in the formulas for calculating the number of samples.

1.11 SUPPLY CHAIN CERTIFICATION

This verification is carried out in case the request for certification comes from an organization that has acquired the ownership of materials / products already certified PSV and carries out one or more of the following activities:

- Sell (with or without physical possession) products already PSV-certified (also with own name or trademark attributable to them);
- Apply or have applied labels to PSV certified product coming from suppliers
- Uses and/or works without changing the composition of PSV certified products

The inspections will be on a documentary basis and will last 0.5 days both for first certification audits and for surveillance; the verification will mainly concern the control of the Technical Report presented by the organization together with the certification application, without the need for production in progress at the time of the audit. The technical report shall contain at least the following contents:

- Description of the company;
- Description of the type of product (preferably with the relevant data sheets);
- Documentation certifying the PSV certification of the material/artifact used by the organization;
- Methods for the traceability and identification of the product in all its phases of holding and / or processing without changing the composition (procurement, packaging and storage).

1.12 ADDITIONAL (ADDITIONAL) AUDITS

1.12.1 SGS Italia reserves the right to perform additional audits, notifying the Organization in writing; for example, to verify the implementation of major corrective actions, to address any requests that have arisen when the Certificate / Verification statement was being issued, to revoke a suspension of the Certificate, on receipt of whistleblowings, reporting serious problems or complaints related to the system / product / Certificate, when the Organization makes changes to its system / product considered relevant by SGS Italia, in case an additional Verification of compliance with the requirements is needed (for example, following reports from the market), when specific requirements exist for single certification programs, in case of substantial modifications to the system / product (see paragraph 1.17) etc. At the conclusion of the audit, the Organization receives the relative audit report. SGS Italia reserves the right to conduct non-announced audits, if necessary, motivating the reasons for such visits. Any refusal of these audits by the Organization leads automatically to the initiation of the suspension process and / or withdrawal of the Certificate.

1.13 SUSPENSION OF CERTIFICATION

1.13.1 SGS Italia has the power to suspend, for a limited period of time, the certification already granted, for reasons deemed serious, by notifying the Organization in writing. For example, suspension can be implemented when

- (i) the Organization fails to properly handle complaints;
- (ii) the audits point out significant deficiencies in the system / product but which, in SGS Italia's opinion, are not of such serious concern to require the withdrawal of the Certificate
- (iii) the Organization fails to comply with the provisions for the implementation of corrective actions,
- (iv) the Organization does not readily inform the Certification Body of ongoing legal proceedings related to non-compliance with binding legal requirements,
- (v) the Organization fails to comply with: the contractual obligations of SGS Italia, SGS Italia Regulation or rules for the use of the PSV logo / Certificate
- (vi) failure / delay in receiving a Surveillance Audit for reasons not attributable to SGS Italia.

1.13.2 The organization, in the case of proven technical and organizational reasons, may request suspension for a period not exceeding 12 months; at the end of this period SGS Italia reserves the

right to revoke the certification.

1.13.3 In the event of suspension, SGS Italia shall officially notify the Organization by e-mail, fax or other equivalent means, including the conditions under which the suspension may be lifted.

The suspension is made public by indicating the status of suspension on the SGS Italia website and, if requested, to the Accreditation Body.

If the Organization meets the conditions set by SGS Italia within the time limits indicated, the suspension may be lifted; otherwise, SGS Italia will collect the Certificate. Any subsequent revocation of the suspension in the same manner is also made public. The costs related to the suspension and restoration of the Certificate are borne by the Organization.

The maximum duration of suspension generally does not exceed 12 (twelve) months calculated from the date of expiry of the scheduled visit.

During the period of suspension, the organization shall not make use of the PSV mark and its Certificate in any way.

1.14 CANCELLATION OF CERTIFICATION

1.14.1 The cancellation of the certification is due to the withdrawal of the certification by SGS Italia or can be requested by the Organization.

1.14.2 SGS Italia may cancel the Certificate / Statement of Verification, for reasons deemed to be of particular concern and providing an explanation in writing to the Organization. This can occur when

- (i) the Organization fails to comply with SGS Italia's terms for revoking the suspension of certification
- (ii) the audits disclose deficiencies in the system deemed critical;
- (iii) the Organization interrupts the production and supply of the products / services mentioned in the Certificate / Verification statement for a considerable period of time (in the order of 12 months) or has gone into administration
- (iv) the Organization fails to pay the amounts due to SGS Italia required by this or other contracts with SGS Italia
- (v) SGS Italia modifies the rules of its certification scheme and the Organization does not intend to comply with the new requirements
- (vi) I 'The Organization fails to properly handle the complaints

(vii) the Organization violates the agreements entered into with SGS Italia or the Organization itself requests formally,

(viii) The Organization does not accept changes to the economic conditions,

(ix) for delays in scheduled audits for reasons not attributable to SGS Italia including failure to receive the renewal audit within the expiry of the Certificate.

1.14.3 The cancellation of the certificate is communicated to the Accreditation Body and the owner of the trademark. If the Organization, after the cancellation of the Certificate, continues to refer to it in any way, SGS Italia will be free to protect itself in the manner deemed most appropriate. In case of withdrawal, there is no reimbursement of any expenses related to the audit activities already completed by SGS Italia.

1.15 CHANGES IN THE SCOPE OF VALIDITY OF THE CERTIFICATE

1.15.1 The Organization may request to extend the scope of the Certificate (for example, to add new products, processes, services, facilities, etc.) following the same process as described for the initial certification request. The extension is granted following the positive results of a new Verification on the topics covered by the extension. The duration of the audit depends on the relevance of the extension requested and can be up to a complete renewal of the certification process. Subsequently, a new Certificate is issued that supersedes the previous one, which shall be returned to SGS Italia.

1.15.2 Similarly, SGS Italia may decide to reduce the scope of the Certificate, based on what is notified by the Organizations, in the event of issues not resolved within the times set and / or specific aspects, the exclusion of which does not affect the rest of the system, or if products / processes subject to certification stop existing.

1.15.3 The procedure to extend the scope of the certification is the same as that of initial certification and includes a document review and an on-site audit.

1.15.4 In the event of a change or extension of the scope, the Organization submits a formal request to SGS Italia, which will transmit this request to IPPR.

1.16 RENEWAL OF CERTIFICATION

1.16.1 The renewal of the certification must be carried out within the term of its validity (3 years). The renewal procedure is the same as the initial certification procedure and also consists of an on-site examination of documents and an on-site audit.

The calculation of the durations of the renewal times is carried out on a case-by-case basis in consideration of any changes made to the processes or products subject to certification.

1.16.2 During the last surveillance of each (three-year) certification cycle, SGS Italia staff will explain the renewal criteria for a further cycle; depending on the initial agreements established with SGS Italia, it will be possible to proceed with a new three-year contract or confirm the existing one; in the latter case, any changes to the contractual conditions of reference communicated in advance to the Organization may be applied.

1.16.3 In the presence of a valid contract between the parties, a renewal audit is scheduled by SGS Italia, according to procedures similar to those used for surveillance audits, well in advance of the expiry of the certificate and must be carried out within this deadline; failure to execute within the scheduled deadline will result in the cancellation of the previous certificate and the reissue of a new certificate (with a new number and a new date of first issue).

If the Organization intends to pullback from certification prior to the renewal audit and not perform the audit by the expiry of the Certificate (contract not renewed with SGS Italia), the Certificate will immediately be withdrawn.

In order to be able to schedule the renewal visit in advance (see 1.16.1), SGS Italia's offer must be received signed at least 3 (three) months before the expiration of the existing Certificate.

The renewal audit will verify the commitment to maintaining the system compliant to the standard, its effectiveness, and its continuous compliance with the scope of the certification, also in light of the results achieved throughout the entire previous certification cycle.

1.17 CHANGES TO THE CERTIFICATION SCHEME

If substantial changes to the rules / requirements of the certification scheme are made, SGS Italia informs the Certified or Certified Organizations and takes into account the observations submitted by them. SGS Italia shall specify the date when the changes come into force and any corrective action required and the time allowed for their implementation. Failure to adjust the Organization to the corrective measures established, in the agreed times, may lead to suspension / withdrawal of the certification.

1.18 CHANGES TO THE PRODUCTION / PRODUCT PROCESS

1.18.1 The Organization shall communicate in writing to the Certifying Body any changes to the management system, products or production process that may affect compliance with standards, legally binding requirements or regulations. The Certification Body

will determine whether the changes so notified will require further evaluations. Failure to notify the Certifying Body of any intended modifications may result in the suspension of the Certificate.

1.18.2 In the event of significant changes (change in the percentage of recycled material, production and procurement processes) SGS Italia reserves the right to carry out an additional inspection to assess the influence of such changes on the compliance of the product with PSV procedures/regulations.

1.18.3 The Organization must accept the resolutions of SGS Italia, justified in writing, about the possible need for an additional audit, the suspension / reduction of certification or a complete repetition of the certification process. SGS Italia informs the Organization of its decisions within 30 working days of receipt of the notification of the proposed modifications.

Failure to notify SGS Italia of the changes may result in suspension or withdrawal of the certification.

1.18.4 Any change to the Certificate is notified by SGS Italia to IPPR.

1.19 RECORDING COMPLAINTS AND EXTERNAL COMMUNICATIONS

1.19.1 The organization shall maintain appropriate records of complaints related to the subject of the certification and related corrective actions. These documents must be made available to SGS Italia.

1.19.2 The organization shall make available to SGS Italia any registrations of external communications related to the certified system / product

1.20 COMPLAINTS, APPEALS AND LITIGATION

1.20.1 Written complaints may be filed with SGS Italia by its Certified Organizations (e.g. regarding staff behaviour) or by Customers of Certified Organizations, Accreditation Bodies, other interested parties, etc.

1.20.2 The Organization that uses the certification services provided by SGS Italia has the right to appeal in writing in relation to the decisions taken by SGS Italia (e.g. for failure to issue the certification).

1.20.3 In the presence of complaints or appeals, SGS Italia confirms in writing their receipt. Then, in compliance with its internal procedure, it undertakes to evaluate them with independent and qualified staff to reach a decision and provide a reply within 30 days of receipt of the complaint or appeal.

1.21 REPORTS AND CERTIFICATES OWNERSHIP (INTELLECTUAL PROPERTY)

Any document, including any Report or Certificate, provided by SGS Italia and the copyright therein contained remains the property of SGS Italia and the Organization shall not alter its content in any way nor make misleading claims.

The Organization will only be authorized to make copies for internal use only. Duplicate Certificates are available upon request.

1.22 RECOGNITION OF CERTIFICATES ISSUED BY CERTIFICATION BODIES

SGS Italia recognizes Certificates issued by other Certification Bodies accredited by recognized accreditation bodies, subject to MLA agreements, unless this compromises the integrity of the certification scheme adopted by SGS Italia.

1.23 RENUNCIATION, SUSPENSION, REVOCATION OF ACCREDITATION

SGS Italia undertakes to promptly inform the Customer Organization of any waiver / suspension / revocation of its accreditation in the accreditation scheme / sector in which the Organization's certification falls and commits to support the Organization in the process of changing to a different Accredited Certification body.

PART 2:

GENERAL CONDITIONS FOR CERTIFICATION SERVICES

2.1 PURPOSE

2.1.1 Unless otherwise agreed in writing, all offers or services and all resulting contractual relationship(s) between SGS Italia S.p.A. (the "certification body") to any person applying for certification services (the "Client") shall be governed by these General Conditions.

2.1.2 These General Conditions, and, as applicable, the Proposal, the Application, the Codes of Practice, the SGS Certification Marks License Terms and Conditions constitute the entire agreement (the "Contract") between the Client and SGS Italia S.p.A. with respect to the subject matter hereof. Unless otherwise agreed no variation to the Contract shall be valid unless it is in writing and signed by or on behalf of the Client and SGS Italia S.p.A..

2.1.3 Certificates are issued to the Client by SGS Italia S.p.A. in accordance with the Codes of Practice then in force of the relevant Certification Body. A copy of such Codes of Practice, is provided with the Contract.

2.1.4 The Codes of Practice provided with the Contract can be amended even after

the commencement of the Services.

2.2 DEFINITIONS

"Accreditation Body" means any organization (whether public or private) having the authorization to appoint Certification Bodies;

"Application" means the request for services by a Client;

"Certificate" means the Certificate issued by a competent Certification Body;

"Certification Body" means any SGS company having the authorization to issue Certificates.

"Codes of Practice" means those codes of practice issued by a Certification Body in accordance with the relevant certification scheme

"Proposal" means the outline of services to be rendered by SGS to the Client;

"Audit Report" a report issued by SGS to the Client indicating whether or not a recommendation to issue a Certificate is to be made;

"SGS Certification Mark License Terms and Conditions" means the terms and conditions of use of the licensed SGS Certification Mark

2.3 SERVICES

2.3.1 These General Conditions cover the following services ("the Services"):

- System certification services: quality, environmental, safety, health and other management system certification in accordance with international or national standards);
- Verification of Environmental Declaration in accordance with EMAS Regulation;
- Product/Service certification services in accordance with nonmandatory normative documents, specifications or technical regulations and / or technical documents of the Client approved by the Certification Body;
- second party audit, preliminary audit, training courses on management systems and connected activities;
- Environmental Product Declaration (EPD) Verification and EPD Process Certification in accordance with the applicable standards;
- Product carbon footprint CFP Verification in accordance with applicable standards.

2.3.2 On completion of an assessment programme, SGS will prepare and submit to the Client a Report. Any recommendation given in a Report is not binding on the Certification Body and the

decision to issue a Certificate is at the sole discretion of the Certification Body

2.3.3 The Client acknowledges that SGS, either by entering into the Contract or by providing the Services, neither takes the place of Client or any third party, nor releases them from any of their obligations, nor otherwise assumes, abridges, abrogates or undertakes to discharge any duty of Client to any third party or that of any third party to Client.

2.3.4 Certification, suspension, withdrawal or cancellation of a Certificate shall be in accordance with the applicable Codes of Practice in force

2.3.5 SGS may delegate the performance of all or part of the Services to an agent or a subcontractor and Client authorizes SGS to disclose all information necessary for such performance to the agent or subcontractor.

2.4 OBLIGATIONS OF THE CLIENT

2.4.1 The Client shall ensure that access to facilities is made available to SGS auditors (including observers) when required, and, upon request by SGS, to the Accreditation body personnel.

The Client shall also provide to SGS access to all product samples, information, records, documentation and facilities requested and provide the assistance of properly qualified, briefed and authorized personnel of the Client. The Client shall in addition provide SGS free of charge suitable space for drafting the audit reports and conducting meetings.

In the event that during the certification process there is a need for Verification on the Client's suppliers/outsourcers for inquiries related to the scope of the certification requested (e.g. examination of outsourced processes), the Client must ensure access to Premises of its Suppliers to the Company's auditors and, where required, the Accreditation Body.

2.4.2 The Client shall ensure compliance with agreed (annual or semi-annual) timelines for periodic audit (oversight and renewal) and any additional audits required. Any derogations should be adequately motivated and authorized. The Company reserves the right to suspend or cancel certification in cases where timelines are not respected.

So far as it is permitted by law, the Client acknowledges that, it has not been induced to enter into the Contract in reliance upon, nor has it been given, any warranty, representation, statement, assurance, covenant, agreement, undertaking, indemnity or commitment of any nature whatsoever other than as are expressly set out in these General Conditions and, to the extent that it has

been it unconditionally and irrevocably waives any claims, rights or remedies which it might otherwise have had in relation thereto. Any conditions or stipulations included in the Client standard form documents which are inconsistent with, or which purport to modify or add to, these General Conditions shall have no effect unless expressly accepted in writing by SGS. The Client shall take all necessary steps to eliminate or remedy any obstacles to or interruptions in the performance of the Services.

2.4.3 In order to allow SGS to comply with the applicable health and safety legislation the Client shall provide SGS with all available information regarding known or potential hazards likely to be encountered by SGS personnel during their visits. SGS shall take all reasonable steps ensure that whilst on the Client's premises, its personnel comply with all health and safety regulations of the Client, provided that the Client makes SGS aware of the same.

2.4.4 The Client undertakes to conform and maintain its products and / or services in compliance with all applicable legal and binding requirements (such as Directives, Laws, Regulations).

2.4.5 The Client undertakes to promptly notify SGS of:

- all non-compliant situations detected by the Control Authorities, as well as any suspensions or revocations of permits, concessions, etc. Relating to the products / services associated with the certification issued;

- any ongoing judicial and / or administrative proceedings concerning the scope of the certification and keep SGS informed of any further development in these proceedings. SGS reserves the right to carry out appropriate and timely additional audits and to take, if necessary, precautionary suspension measures and / or revocation of the issued certification.

2.4.6 The Client may only reproduce or publish extracts of any report of SGS if the name of SGS does not appear in any way or the Client has obtained the prior written authorization of SGS.

SGS reserves its rights to lodge a complaint in case of disclosure in breach of this clause or disclosure which SGS considers in its sole discretion is abusive.

The Client shall not publicize details of the way in which SGS performs, conducts or executes its operations.

The Client shall immediately inform SGS of any and all changes in their premises which may affect their management system, their service their products, their process or their skills.

Any breach of this obligation to inform may lead to the withdrawal of the Certificate. Furthermore, the Client is bound to inform SGS of any major non conformity identified during internal audits undertaken by the Client, its partners or public authorities.

2.4.7 The Client undertakes to ensure the completeness and veracity of the documents and information made available to the SGS Auditors. SGS is explicitly exonerated from any liability in case of failure or incomplete communication of data, as well as in the case they do not correspond to the actual business situation.

2.5 FEES AND PAYMENT

2.5.1 The fees quoted to the Client cover all stages leading to completion of the assessment program or operations and the submission of a Report included the issuance of the Certificate and of the periodic surveillances to be carried out by SGS for the maintenance of the Certificate. As fees are based on the charge rate applicable at the time of submitting a Proposal, SGS reserves the right to increase charges during the registration period. SGS may also increase its fees if the Client's instructions change or are found to be not in accordance with the initial details supplied to SGS prior to it providing the relevant fee quotation. Clients will be notified of any increase in fees.

2.5.2 Additional fees shall be charged for operations that are not included in the Proposal and for work required due to non-conformities being identified. These will include, without limitation, costs resulting from:

- a. repeats of any part, or all, of the assessment programme or operations due to the registration procedures and rules not being met;

- b. additional work due to suspension, withdrawal and / or reinstatement of a Certificate;

- c. reassessment due to changes in the management system or products, process or services; or

- d. compliance with any subpoena for documents or testimony relating to work performed by SGS.

2.5.3 Without prejudice to clause 2.5.2, additional fees will be payable at SGS' charging rates in force from time to time in respect of rush orders, cancellation or rescheduling of services or any partial or full repeats of the assessment programme or operations which are required as set out in the Code of Practice.

In particular, if scheduled activities, requiring the presence of SGS' staff at

the Client location, are postponed upon Client's request, and this request does not reach the Client at least 15 working days in advance, the Client will charge, as compensation, additional charges equal to 50% of the contractual fee for the activities scheduled.

2.5.4 A copy of SGS' prevailing charging rates is available on request from SGS

2.5.5 Unless otherwise stated all fees quoted are exclusive of travelling and subsistence costs (which will be charged to the Client in accordance with SGS Travel Expense Policy). All fees and additional charges are exclusive of any applicable Value Added Tax, Sales Tax or similar tax in the country concerned.

2.5.6 Following submission of the Report to the client and / or issuance of the Certificate, SGS shall issue an invoice to the Client, in accordance to the Proposal signed by the Client. Invoices for additional and further work will be issued on completion of the relevant task. Unless advance payment has been agreed upon, all invoices are payable within thirty (30) days of the date of each invoice (the "Due Date") regardless of whether the Client's system or products qualify for certification or fail

2.5.7 Any use by the Client of any Report or Certificate or the information contained therein is conditional upon the timely payment of all fees and charges. In addition to the remedies set out in the Codes of Practice, SGS reserves the right to cease or suspend all work and / or cause the suspension or withdrawal of any Certificate for a Client who fails duly to pay an invoice, even those related to a different contract between SGS and the Client or related companies.

In the event of non-payment by the Client of invoices relating to another contract in force between SGS and the Client, or its parent companies, whether controlled or otherwise affiliated to SGS, the latter may also suspend or interrupt any further ongoing business activities for such other existing contracts and / or withdraw these other relevant Certificates.

2.5.8 For late payment of invoices, SGS will be entitled to the payment of interests due by law. SGS may elect to bring action for the collection of unpaid fees in any court having competent jurisdiction. The Client shall pay all SGS' collection costs including reasonable attorney's fees and related costs.

2.6 ARCHIVAL STORAGE

2.6.1 SGS shall retain in its archive, for the period required by the relevant Accreditation Body or by law in the country of the Certification Body, all materials relating to the assessment programme and surveillance programme

relating to that programme.

2.6.2 At the end of the archive period, the Certification Body shall transfer, retain or dispose of the materials at its discretion, unless instructed otherwise by the Client. Fees for carrying out such instructions may be invoiced to the Client.

2.7 REPORT AND CERTIFICATE - OWNERSHIP AND INTELLECTUAL PROPERTY

Any document including, but not limited to any Report or any Certificate, provided by SGS and the copyright contained therein shall be and remain the property of SGS and the Client shall not alter or misrepresent the contents of such documents in any way. The Client shall be entitled to make copies for its internal purposes only. Duplicates of Certificates are available upon request.

2.8 COMMUNICATION

2.8.1 The Customer may promote its certification in accordance with the terms established in the Regulations governing the use of the certification marks, as required by the Regulations available on the site <https://www.ippr.it/>. Use of SGS' corporate name or any other registered trademarks for advertising purposes is not permitted without SGS' prior written consent.

2.9 CONFIDENTIALITY

2.9.1 As used herein, "Confidential Information" shall mean any oral or written proprietary information that a party may acquire from the other party pursuant to the Contract or information as to the business of the other party provided, however, that Confidential Information shall not include any information which (1) was available to the receiving party on a non-confidential basis prior to the time of its disclosure by the disclosing party; (2) is or hereafter becomes generally known to the public, not because of the receiving party; (3) is disclosed to a party by an independent third party with a right to make such disclosure.

2.9.2 Unless required by law or by a judicial, governmental or other regulatory body, neither party nor their agents or subcontractors shall use the Confidential Information other than for the purpose of the Contract nor disclose the other's Confidential Information to any person or entity without the prior written approval of the other party except as expressly provided for herein.

2.10 DURATION AND TERMINATION

2.10.1 Unless otherwise agreed, the Contract shall continue (subject to the termination rights set out in these General Conditions) for the term set forth

in the Proposal (the "Initial Term").

2.10.2 SGS is entitled, at any time prior to the issue of a Certificate, to terminate the Contract if the Client is in material breach of its obligations and, following receipt of notice of such breach, the Client fails to remedy to the satisfaction of SGS such breach within 30 days.

2.10.3 Either Party shall be entitled to terminate immediately the provision of the Services in the event of any arrangement with creditors, bankruptcy, insolvency, receivership or cessation of business by the other Party.

2.10. In case the Client transfers its activities to another Organization, the transfer of the Certificate is subject to the Certification Body's prior written consent which could require, at its discretion, an additional audit to be paid for. Where such consent is given, the use of the Certificate by such new Organization shall be governed by the Contract.

2.11 FORCE MAJEURE

If SGS Italia S.p.A. is prevented from performing or completing any service for which the Contract has been made by reason of any cause whatsoever outside of the Certification Body's control, including, but not limited to, acts of God, war, terrorist activity or industrial action; failure to obtain permits, licenses or registrations; illness, death or resignation of personnel or failure by Client to comply with any of its obligations under the Contract, the Client will pay to SGS:

- the amount of all expenditures actually made or incurred;
- a proportion of the agreed fees equal to the proportion (if any) of the service actually carried out;

SGS Italia S.p.A. shall be relieved of all responsibility whatsoever for the partial or total non-performance of the required Services

2.12 LIMITATION OF LIABILITY AND INDEMNITY

2.12.1 SGS undertakes to exercise due care and skill in the performance of the Services and accepts responsibility only in cases of proven negligence.

2.12.2 Nothing in these General Conditions shall exclude or limit SGS' liability to the Client for death or personal injury or for fraud or any other matter resulting from SGS' negligence for which it would be illegal to exclude or limit its liability.

2.12.3 Given the above clause 2.12.2, the liability of SGS to the Client in respect of any claim for loss, damage or expense of any nature and howsoever arising shall be limited, in respect of any one event or

series of connected events, to an amount equal to the fees paid to SGS under the Contract (excluding Value Added Tax thereon).

2.12.4 Given the above clause 2.12.2, SGS shall have no liability to the Client for claim for loss, damage or expense unless arbitral proceedings are commenced within one year after the date of the performance by SGS of the service which gives rise to the claim or in the event of any alleged non-performance within one year of the date when such service should have been completed.

2.12.5 Given the above clause 2.12.2, SGS shall not be liable to the Client nor to any third party:

- for any loss, damage or expense arising from (i) a failure by Client to comply with any of its obligations herein (ii) any actions taken or not taken on the basis of the Reports or the Certificates; and (iii) any incorrect results, Reports or Certificates arising from unclear, erroneous, incomplete, misleading or false information provided to SGS.
- for loss of profits, loss of production, loss of business or costs incurred from business interruption, loss of revenue, loss of opportunity, loss of contracts, loss of expectation, loss of use, loss of goodwill or damage to reputation, loss of anticipated savings, cost or expenses incurred in relation to making product recall, cost or expenses incurred in mitigating loss and loss or damage arising from the claims of any third party (including without limitation product liability claims) that may be suffered by the Client; and
- any indirect or consequential loss or damage of any kind (whether or not falling within the types of loss or damage identified in (b) above).

2.12.6 Except for cases of proven negligence or fraud by SGS, the Client further agrees to hold harmless and indemnify SGS and its officers, employees, agents or subcontractors against all claims (actual or threatened) by any third party for loss, damage or expense of whatsoever nature including all legal expenses and related costs and howsoever arising in relation to the performance or non-performance of whichever Service.

2.12.7 Each party shall take out adequate insurance to cover its liabilities under the Contract.

2.13 MISCELLANEOUS

2.13.1 If any one or more provisions of these General Conditions are found to be illegal or unenforceable in any respect, the validity, legality and enforceability of

the remaining provisions shall not in any way be affected or impaired thereby.

2.13.2 During the provision of services and for a period of one year after their completion, the Client undertakes, directly or indirectly, not to instigate and / or encourage the employees of SGS to leave their employment, or to make offers in that sense

2.13.3 Use of the Company's name or registered trademark information is not permitted without the prior written consent of the Company.

2.13.4 Except as expressly provided for herein, the Client may not assign or transfer any of its rights hereunder without SGS' prior written consent.

2.13.5 Neither party shall assign the Contract without the prior written consent of the other Party such consent shall not be unreasonably withheld. Any assignment shall not relieve the assignor

from any liability or obligation under the Contract.

2.13.6 A Party giving notice under these General Conditions must do so in writing with such notice being hand delivered or sent by prepaid, first-class post or facsimile to the address for the other Party as set out in the Application.

2.13.7 The Parties acknowledge that SGS provides the Services to the Client as an independent contractor and that the Contract does not create any partnership, agency, employment or fiduciary relationship between SGS and the Client.

2.13.8 Any failure by SGS to require the Client to perform any of its obligations under these General Conditions or the Contract shall not constitute a waiver of its right to require performance of that or any other obligation.

2.14 DISPUTES RESOLUTION

Unless specifically agreed otherwise, all disputes arising out or in connection with these General Conditions or the Contract shall be governed by the Italian laws, exclusive of any rules with respect to the conflicts of laws, and finally submitted to the exclusive jurisdiction of the competent courts in Milan.

THE CERTIFICATION BODY RESERVES THE RIGHT TO ADD TO, DELETE OR CHANGE THESE CODES OF PRACTICE WITHOUT PRIOR NOTIFICATION AND EVEN AFTER THE BEGINNING OF THE SERVICE PROVISION.

UNLESS OTHERWISE EXPLICITLY AGREED IN WRITING, ALL SERVICES ARE PERFORMED ACCORDING TO THE GENERAL CONDITIONS FOR CERTIFICATION SERVICES, WHICH SHALL PREVAIL, IN CASE OF CONFLICT WITH ANY OTHER PROVISION.