Environmental Targets and Training Management

Horse Technologies Division

Registered Office Address
Monomark House
27 Old Gloucester Street
London, England, WC1N 3AX
Registration Nº: 15239961

Visiting Office Address
Paddington Central
4 Kingdom Street
London, England, W2 6BD
United Kingdom

Author:
Approved on:
Security Class: 1

Table of Contents

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1.0 Waste Management Strategy

Horse Technologies Division’s approach to waste management is rooted in a strategic commitment to operational excellence and environmental responsibility. All production plants and R&D centers are certified under ISO 14001, ensuring that waste prevention, segregation at source, and routing to authorized waste managers are embedded in daily operations. Waste is not treated as a by-product but as a resource to be minimized and valorized.

Our environmental management system (EMS) integrates waste control measures into each stage of the production process. For example, in Portugal, centrifugation is used to de-oil materials, while in Seville, evaporators treat emulsions and phosphatizing wastewater. In Valladolid, leak detection systems help reduce glycol waste. These site-specific practices reflect our commitment to continuous improvement and circularity.

In 2024, Horse Technologies Division managed over 69,000 tonnes of waste, of which 85% was recycled, 7% valorized for energy, and only 7% sent to landfill. This performance demonstrates the effectiveness of our EMS and the integration of circular economy principles into our operations.

1.1 Quantified Targets to Minimize Waste

Horse Technologies Division has defined waste reduction targets that are integrated into its environmental strategy and monitored through the EMS. Targets are tracked at site level and consolidated annually for reporting purposes. These targets are structured as follows:

Plant Name	Scope	Baseline Year	Target Year	Target
Portugal – Aveiro	Hazardous waste	2024	2025	-1.85% intensity metric (kg of hazardous
Spain - Valladolid	Hazardous waste	2023	2024	-59% intensity metric (kg of hazardous waste/motor equivalent)
Turkey – Bursa	Non-hazardous waste (packaging)	2025	2026	-3%
Turkey – Bursa	Hazardous waste	2025	2026	-2%
Argentina	Hazardous waste generation	2025	2026	-5% intensity metric (ton waste/ton pieces produced)
Brazil	Recyclable waste segregation	2025	2026	+2% (% of recyclable waste segregated in workplace)
Chile	Recyclable waste segregation	2025	2026	+2% (% of recyclable waste segregated in workplace)

2.0 Water Management

Horse Technologies Division’s water management strategy prioritizes efficiency, risk mitigation, and responsible use of resources. The company employs metering systems, digital platforms for real-time monitoring, and recirculation technologies to reduce consumption. In 2024, 10% of total water consumption was recirculated or recycled, with Brazil reaching 44%, Portugal 33%, and Spain 8%.

Water stress mapping is conducted using the WRI Aqueduct Water Risk Atlas, identifying Seville, Aveiro, Chile, and Madrid as “very high” risk areas. This analysis informs prioritization of water-saving measures and infrastructure investments.

Effluent treatment is tailored to site needs, with physical-chemical and biological processes ensuring compliance with discharge regulations. In 2024, Horse Technologies Division consumed 578,130 m³ of water, with 29% sourced from very high stress areas.

2.1 Water Reduction Targets

Horse Technologies Division has established water reduction targets that are monitored through its EMS and aligned with site-specific risk assessments. These targets are reviewed annually and integrated into operational planning. These targets are structured as follows:

Plant Name	Scope	Baseline Year	Target Year	Target
Spain – Valladolid	Water consumption	2023	2024	-11.9% intensity metric (liters/motor equivalent)
Portugal – Aveiro	Water consumption	2024	2025	6.4% intensity metric (liters/motor equivalent)
Turkey	Water consumption	2025	2026	6% intensity metric (m3/energy unit)
Argentina	Water consumption	2025	2026	-5% (m3/ton produced)
Brazil	Water consumption	2025	2026	-8% (m3/engine produced)
Chile	Water consumption	2025	2026	-5% (m3/TAJ)

3.0 Circular Economy Training for Water and Waste Management

Horse Technologies Division provides comprehensive training to employees through its online learning platform. This program equips staff with the knowledge and skills to integrate circular principles into daily operations, focusing on both water efficiency and waste reduction, among other topics.

3.1. Course – Circular Economy Business Strategies

Circular economy is an economic model designed to eliminate waste and optimize resource use. Unlike the traditional linear model of "take, make, dispose," it focuses on keeping materials and products in use for as long as possible, regenerating natural systems, and reducing environmental impact.

Key Principles

- **Eliminate Waste:** Design processes and products to minimize waste generation from the start.
- **Extend Product Life:** Promote durability, repairability, and reuse to reduce resource consumption.
- **Regenerate Nature:** Restore ecosystems and reduce extraction of virgin materials.
- **Close the Loops:** Implement systems that allow materials to circulate safely and efficiently.

Business Models

- **Reuse Systems:** Implement closed-loop water systems and material recovery processes.
- **Repair and Share:** Encourage maintenance and sharing of resources to reduce waste.
- **Recapture and Redesign:** Recover valuable materials from waste streams and redesign processes for efficiency.

Practical Applications

- **Water Efficiency:**
  - Install metering and monitoring systems to detect leaks and optimize consumption.
  - Use recirculation and treatment technologies to reuse water in industrial processes.
  - Prioritize water-saving measures in high-stress regions.
- **Waste Reduction:**
  - Segregate waste at source for recycling and recovery.
  - Replace single-use materials with reusable or recyclable alternatives.
  - Implement eco-design principles to reduce hazardous waste.

Circular Design and Safe Disposal

- **Design for Circularity:** Products and processes should allow easy disassembly, recycling, and safe disposal.
- **Safe Disposal:** Hazardous waste must be treated through authorized channels to prevent soil and water contamination.

Social and Environmental Integration

- **Equity in Circular Business:** Ensure fair labor practices and community engagement in circular initiatives.
- **Innovation Opportunities:** Turn waste streams into new products or energy sources, creating value while reducing environmental impact.

Core Concepts

- **Circular DNA:** Embed circular principles into corporate strategy, including water stewardship and waste minimization.
- **Metrics and Monitoring:** Track water consumption, recycling rates, and waste diversion to measure progress.

3.2. Course - Chemical Products and Waste Management

Course Objectives

This training aims to ensure safe and sustainable management of chemical products and associated waste streams, reducing environmental risks and promoting compliance with Horse Technologies Division's Environment standards. It focuses on minimizing hazardous waste, preventing water contamination, and aligning with circular economy principles. Key contents include:

Basic Guidelines for Chemical Use

- Safe handling instructions for chemical products.
- Overview of **E&HSE Standard 16 v4** for chemical management.
- Authorization process for chemical products in **Chemis** platform.
- Management of chemicals during testing phases.

Storage and Safety Standards

- **EB75.05.094/B**: Storage requirements for chemical products.
- Fire-protected safety cabinets for flammable chemicals.
- **00-10-050/P**: Prohibited or restricted substances policy.

Waste Typology and Hazardous Waste Management

- Classification of waste generated in factories.
- Packaging, labeling, and disposal of hazardous waste.
- Consequences of incorrect waste management for environment and compliance.

Digital Tools for Compliance

- Using **Chemis** for Authorization of Use (AE) searches.
- Tracking chemical lifecycle and associated waste streams.