

## Environmental Health and Safety Sector Guidelines

Dec. 2021

### Materials Sector | GICS 15

The Environmental, Social and Health guidelines are technical and sector specific examples of good international industry practice. When Itaú Asset Management analyzes an investment opportunity, its dedicated ESG Unit assesses the companies based on best EHS practice and Sustainability Accounting Standards Board (SASB) materiality. For materials sector companies, the following additional guidelines may apply.

#### 1. Environment

The following environmental issues should be considered as part of a comprehensive assessment and management program. Potential environmental issues associated with the Materials sector include the following:

- Air emissions/ air quality
- Hazardous materials
- Land use and biodiversity
- Wastewater / effluent discharges
- Solid and liquid waste management
- Energy consumption/efficiency
- Carbon pricing

#### 2. Occupational Health and Safety

Occupational health and safety issues should be considered as part of a comprehensive hazard or risk assessment. Health and safety management planning should demonstrate that a systematic and structured approach to managing health and safety is adopted and that controls are in place to reduce risks to as low as reasonably practical; that staff are adequately trained; and that equipment is maintained in a safe condition. The formation of a health and safety committee is recommended.

Occupational health and safety issues for further consideration in materials companies include:

- General workplace health and safety
- Hazardous materials
- Exposure to dust/biological/chemical hazards
- Transportation

#### 3. Community Health and Safety

Community health and safety impacts during the construction and decommissioning of facilities are common to those of most other industrial facilities. In case there are no construction or decommissioning activities during the analysis period the ESG analyst must evaluate the overall company relation with local communities and its stakeholders in respect to the recommended issues:

- Physical hazards
- Geological and geotechnical control programs in large areas, specifically focused on land stability
- Chemical storage, use, and transport
- Emergency preparedness and response
- Community engagement

#### 4. Conclusion, additional information, and company engagement

During company analysis the ESG analyst may encounter technical or analytical difficulties. In case additional technical information on Materials sector EHS standards is needed please visit the IFC/WB detailed EHS at [https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/sustainability-at-ifc/policies-standards/ehs-guidelines#IndustryEHS](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/ehs-guidelines#IndustryEHS)

In case there is not enough available information the ESG analyst is encouraged to engage with the company and make a formal request for information. This engagement can also be used to promote best EHS practices for the analyzed company.