

Identification and Evaluation of Aspects/Impacts to the Environment

Issued
August 2016
Reviewed



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| Number: PC.ST.00.010.00 | References: NBR ISO 14001 – Environmental management system |
| | Purpose: Establish guidelines and directions to identify and evaluate the environmental aspects associated with Alpargatas' activities, processes, products and services, which may cause significant impacts on the environment. |

Scope:

| | | | | | | | | | |
|-------------------------------------|-----------------|----------------|------------------------|------------|------------|------------|------------|------------|------------------|
| Related Corporate Procedure: | Human Resources | Supply Chain | Information Technology | Finances | Audit | HSE X | Legal | Quality | Others (Specify) |
| Internal Site Procedure: | Sandals | Sport articles | Retail | Factory 17 | Factory 22 | Factory 26 | Factory 33 | Factory 55 | Headquarters |
| Sector Work Instruction: | | | | | | | | | |

Scope / Coverage:

All Alpargatas S/A Units in Brazil

Amendments:

| What has changed: | Date: |
|-------------------|-------|
| | |

Approved by:

| Name: | Position: | Id: |
|-------------------------------|-----------------------|---------|
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Prepared by:

| Name: | Position: | Id: |
|--------------------------|-------------------------------------|----------|
| Tarcizio de Lima Cardoso | Headquarters Work Safety Technician | TARCIZIO |

Owners / Recipients:

Headquarters, Industrial Units in Brazil and Sales Units (Meggashop, Havaianas, Mizuno, Sete Lúguas and Osklen stores).

Generated Records:

Forms: ALPA Environmental Aspects and Impacts Assessment Model HSE.FP.014 (Quality Portal/Standard Forms/HSE).

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1. INTRODUCTION

This procedure aims to systematize throughout Alpargatas a methodology for the identification and analysis of aspects/impacts to the Environment, existing in our processes, activities and services. Therefore, this procedure is a preventive "tool", based on the identification of "possibilities" for the occurrence of undesirable events, which may or may not generate some kind of problem to the Environment.

As a final result of the application of this procedure, Worksheets are obtained with the possible significant aspects and impacts (consequences) for Safety and the Environment.

2. STANDARDS AND DOCUMENTS REGULATING THIS PROCESS

✓ **HSE policy** – Alpargatas' policy on HSE issues.

3. DEFINITIONS AND CONCEPTS

ENVIRONMENTAL ASPECT: Elements of Alpargatas' activities or products or services, which can interact with the environment.

ACTIVITY/OPERATION: These are minor steps in which the processes are subdivided, with each activity / operation being a unit of analysis for the purpose of identifying/evaluating environmental aspects and impacts.

CATEGORY: It is the classification of the various elements of nature that can absorb some type of impact.

ENVIRONMENTAL IMPACT: Any change in the environment, adverse or beneficial, that results, in whole or in part, from Alpargatas' environmental aspects.

ENVIRONMENT: Surroundings in which Alpargatas operates, including air, water, soil, natural resources, flora, fauna, human beings and their interrelationships.

INTERESTED PARTY: Individual or group interested in or affected by Alpargatas' environmental performance. (e.g.: environmental control body, community associations, environmentalists, non-governmental organizations, media, etc.).

PROCESSES: These are the work processes in which the organization of the company is subdivided.

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4. PROCEDURE

To comply with this Procedure for the identification and assessment of aspects and impacts on the environment, the sequence of activities described below must be followed:

4.1 Identification of environmental aspects and impacts

To carry out the identification and assessment of environmental aspects and impacts, the following methodology must be followed:

- Define the company's areas;
- Define the processes for each area;
- Prepare the survey with the support of a representative from the area;
- For each process, define the activities/operations, from which environmental aspects must be identified;
- For each identified environmental aspect, list the respective environmental impacts;
- For each environmental impact identified, perform the significance analysis.

The identification and assessment are recorded in the **Survey and Assessment of Environmental Aspects and Impacts spreadsheet** - where environmental aspects are identified, with their respective impacts and actions to control all Alpargatas processes, activities, products and services. Table **04** lists the most common environmental aspects and impacts generated in regular and irregular operations.

4.2 Analysis of significance

To determine the significance of each environmental aspect, the criteria described in Table 1 are used.

Points are assigned to the criteria (C, F), according to tables 02 and 03. At the end, the points are added and the higher the value, the greater the significance of the impact. Checking the result obtained, for a sum equal to or greater than **09**, the impact is considered significant (**S**). Below 09 it is characterized as not significant (**N**).

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In the survey of aspects, the existence of legislation is also evaluated, which serves only as a monitoring of the legal requirements applicable to the environmental impact, it is not a criterion of significance.

CHART 01 – CRITERIA FOR ANALYSIS OF SIGNIFICANCE

| | | |
|---|-------------|--|
| C | Consequence | the impact on the environment. This criterion is evaluated taking into account the area of coverage and the severity that the impact will have on the environment. The score varies according to the probability expressed in table 02. |
| F | Frequency | The frequency is the repetition of the impact in a given time. It is evaluated as low, medium and high. The greater the number of repetitions and environmental aspects associated with the impact, the higher the score given in table 03 |

CHART 02 – SCORE OF THE CRITERION CONSEQUENCE

| CONSEQUENCE (POINTS) | | | | |
|--|----------------------|--------|------------|-------------|
| DESCRIPTION | COVERAGE SEVERITY | PLACE* | REGIONAL** | NATIONAL*** |
| <ul style="list-style-type: none"> Potential environmental impact of negligible severity; Environmental degradation without consequences for the business and for the company's image, totally reversible with control actions. | LOW | 1 | 2 | 3 |
| <ul style="list-style-type: none"> Potential impact of severity not classified as low or high, but capable of altering environmental quality; Environmental degradation with consequences for the business and the company's image, reversible with control/mitigation actions; Potential to generate complaints from interested parties. | MEDIUM | 4 | 5 | 6 |
| <ul style="list-style-type: none"> Potential impact of great severity; Environmental degradation with financial consequences and irreversible image even with actions of control. | HIGH | 7 | 8 | 9 |

* **Local level:** Impact that is restricted to the limits of the company.

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**** Regional level:** Impact that exceeds the company's limits, causing discomfort/damage to the community, region or state.

***** Global Level:** Impact that exceeds the limits of the region or state, with the potential to compromise environmental quality at the country or world level.

CHART 03 – SCORING OF CRITERIA DURATION, FREQUENCY AND PARTIES

INTERESTED

| CRITERIA | | SCORES | | |
|----------|------------|---|--|--|
| | | 1- Sporadic | 3-Probable | 5- Frequent |
| F | Attendance | <ul style="list-style-type: none"> - It occurs once a year; - Reduced number of environmental aspects associated with the impact. | <ul style="list-style-type: none"> - It occurs more than once a year; - Medium number of environmental aspects associated with the impact. | <ul style="list-style-type: none"> - It occurs daily; - High number of environmental aspects associated with the impact. |

NOTE 1: In case of doubt in the score, the most restrictive class is considered.

CHART 04 – ENVIRONMENTAL ASPECTS AND IMPACTS GENERATED IN REGULAR AND IRREGULAR OPERATIONS

| CATEGORY | ASPECTS GENERATED IN REGULAR OR IRREGULAR OPERATIONS | IMPACT |
|----------|--|---|
| Air | Flue gas emission | <ul style="list-style-type: none"> - Alteration of Air Quality - Alteration of the Ozone Layer - Greenhouse Effect Formation |
| | Particulate matter / dust emission | |
| | Odor / vapors emission in general | |
| Water | Generation of contaminated effluent from the industrial painting process | <ul style="list-style-type: none"> - Alteration of Water Quality - Superficial - Change in Water Quality - Groundwater |
| | Generation of wastewater from washing equipment or floors | |
| | Generation of sanitary effluent / restaurant | |
| | Effluent generation - contaminated rainwater | |
| Ground | Waste batteries, batteries and UPS | <ul style="list-style-type: none"> - Soil Quality Change - Land occupation by landfills - Erosion |
| | Drumsticks, drums, cans, flasks and | |

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| | empty containers contaminated with chemical or oil Rubber residue Wood waste Metal waste - scrap metal Waste paper/cardboard Glass residue Waste electronic equipment Lamp residue with mercury or sodium vapor Contaminated paper waste - toilets Floor sweeping residue Printer cartridge residue Waste lubricating oils, greases and fuel oils Construction waste/renovations - rubble Waste contaminated with paints Outpatient waste ETE sludge (sludge)/Boiler/Well Waste air filters, fuel and oil from equipment Residue from the restaurant's fat box or cesspool | |
| Natural resources | Water consumption Paper consumption Consumption of petroleum-based fuels Electric power consumption | - Availability reduction |
| Flora | Deforestation | - Biodiversity reduction |
| Community | Noise generation Heat generation | - Damage to Human Health - Nuisances to Man |

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4.3 Control actions

For all significant impacts, control and monitoring actions are defined that can contribute to neutralizing, minimizing and/or eliminating the impact on the environment. The control actions considered can be:

- Environmental management programs
- Operational control procedures
- Preventive Maintenance
- Training/Qualification
- Monitoring/Measurements
- Periodic inspections

Environmental aspects with significant impacts are analyzed to assess the organization's environmental performance.

Even for non-significant impacts, there must be control and monitoring actions, in line with Alpargatas' policy, which aims to continuously improve processes to minimize environmental pollution in its operations.

NOTE 2: Control actions are not taken into account when assessing significance;

4.4 Reviews

The survey of aspects and environmental impact should be reviewed every two years, however, if there is a major change in the process and/or the environment, the survey must be updated