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Translation from Bulgarian

WASTE AUDIT

MONBAT RECYCLING LLC



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Reuse - any operation by which products or components that have not become waste are used again for the same purpose for which they were designed.

2. General information - company presentation

MONBAT RECYCLING LTD is an authorized economic operator for the collection and recovery of used batteries (car and industrial batteries with Pb-acid) and other waste with Pb.

MONBAT RECYCLING LTD is part of the MONBAT group headquartered in Bulgaria, with the most operations in Europe in the following areas:

- The lead-acid segment is a vertically integrated business model, which operates production and recycling units in Bulgaria (Monbat AD and Start AD) and recycling plants in Romania, Serbia and Italy. This business segment isolates the group from commodity price volatility and allows it to obtain higher operating margins compared to other market players.

- The lithium-ion segment under the EAS Batteries brand, based in Germany, is a new market presence in solutions for high power battery systems, based on the safe and proven chemistry of LFP cells. This technology can address many high-niche applications and can meet the very high requirements of reliability and security that many applications require in areas such as aerospace, defense, shipping and public transportation.

- Monbat Recycling emerged when a realignment of the business shaped the division into a clearly separate structure. Enabling highly efficient vertical integration in the lead-acid business segment, Recycling has become an innovative supplier of lead and lead alloys, as well as regranulated polypropylene. The division has facilities in Bulgaria, Serbia, Romania and Italy, with a total capacity of 158,000 tons of used lead-acid batteries per year.



1. Introduction

This Waste Audit has been prepared in accordance with the requirements of GEO 92/2021 on waste management, with subsequent amendments and completions.

Definitions, according to GEO 92/2021.

Waste audit - a systematic, documented, regular and objective assessment of the performance of the management system and of waste management processes in order to facilitate the control of waste management and the recovery of waste generated, as well as to assess compliance with environmental policy, including the achievement of the objectives, the performance of the enterprise regarding the prevention and reduction of the production of waste from its own activity and the performance of the enterprise regarding the reduction of the harmfulness of the waste;

Collection - collection of waste, including sorting and preliminary storage of waste, for transport to a treatment plant;

Separate collection - the collection in which a waste stream is kept separate depending on the type and nature of the waste, in order to facilitate its specific treatment;

Waste - means any substance or object which the holder discards or intends or is required to discard;

Hazardous waste - any waste which has one or more of the hazardous properties listed in Annex 4 to the Law;

Waste holder - the producer of the waste or the natural or legal person who is in possession of it;

Disposal - any operation that is not a recovery operation, even if one of its side consequences would be the recovery of substances or energy. Annex 2 sets out a list of disposal operations, which is not exhaustive;

Waste management - the collection, transport, recovery (including sorting) and disposal of waste, including the supervision of such operations and the subsequent maintenance of disposal sites, including actions taken as a trader or broker;

Prevention - measures taken before a substance, material or product becomes waste, which reduces:

- a) the quantity of waste, including the re-use of products or the prolongation of their life;
- b) the negative impact of the waste generated on the environment and the health of the population,
- c) the content of hazardous substances of materials, by-products, products;

Waste producer - any person whose activities generate waste (initial producer of waste) or any person who carries out pre-treatment, mixing or other operations, which lead to changes in the nature or composition of this waste;

Recycling - any recovery operation by which waste is transformed into products, materials or substances in order to fulfill their original function or for other purposes. This includes the reprocessing of organic materials, but does not include energy recovery and conversion for use of materials as fuel or for filling operations;



Within the technological flow related to the IPPC installation, whose owner is MONBAT, there are 3 production sections: Engitec Section, Metallurgy Section - Melting Furnace, Metallurgy - Refining Section.

The technological flow can be done sequentially depending on the quantity and nature of other raw materials, so the production capacities are:

Engitec section:

1) processes 40,000 t / year used batteries

- the following by-products result: 12000 t / year grid and 16000 t / year lead paste, which become raw materials for the Metallurgy - Melting Furnace section.

The by-products are:

- Polypropylene and PVC and ebonite waste 3200 t;

- Anhydrous sodium sulphate 5000 t

2) processes 8000 t / year Lead sulfur paste with high sulfur content.

Metallurgy Section - Melting Furnace:

- processes the by-products obtained from the Engitec Section (12000 t / year grid and 28000t / year lead paste), to which are added the ashes (4500 t / year) and the flue gas dust (1200 t / year) from the Section Refining, resulting in a total processing capacity of 33700t / year;

- processes other collected waste for recycling according to the list of collected waste, in an equivalent quantity of 33100 t / year.

The production capacity of the melting furnace is 22000 t / year of raw lead.

Metallurgy - Refining Section:

- processes the by-products obtained within the Metallurgy Section, raw lead in the amount of 22000 t / year;

- processes unrefined lead in blocks of 8,000 t / year, lead waste in the form of cables, pipes, cracks 6000 t / year purchased according to the list of waste collected;

The refining process results in:

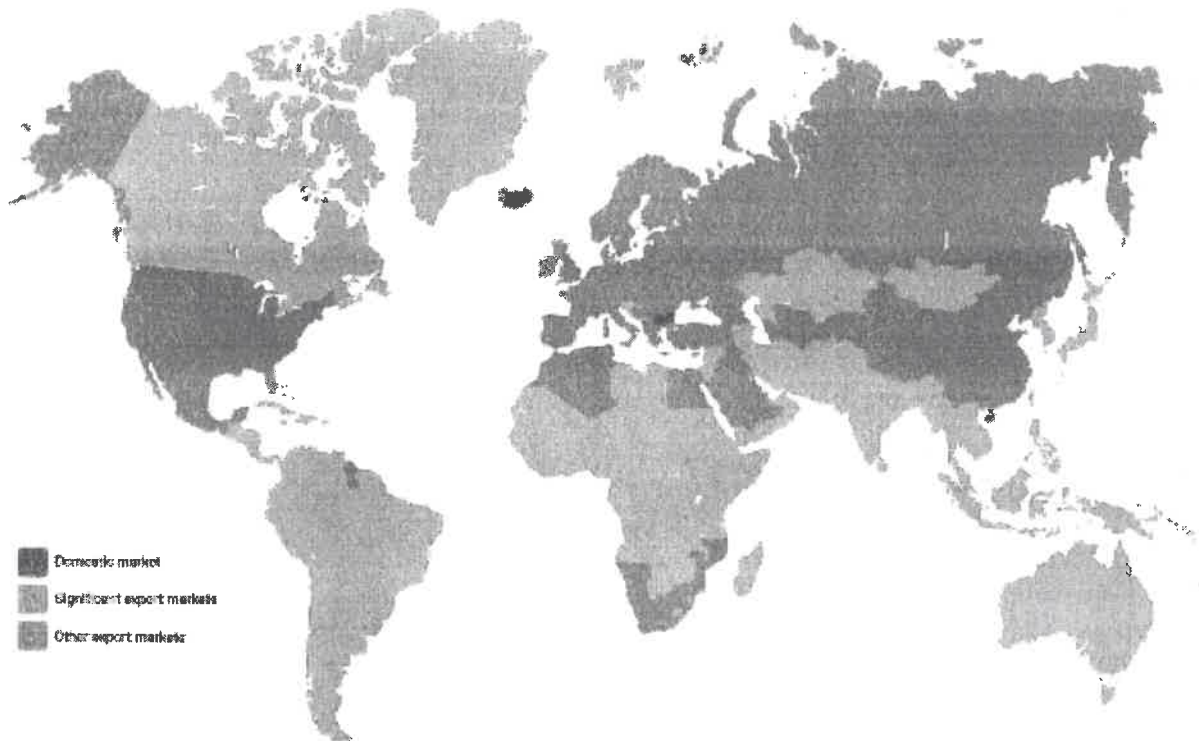
- refined lead (finished product) and lead alloys - 30,300 t / year

- waste: - ash - 4500 t / year and flue gas dust – 1200 t / year.

The waste recovery operations carried out on site according to GEO 92/2021 regarding the waste regime, are: R4, R5, R11, R12, R13.

4. Objectives of the waste audit





3. Description of the activity within the company MONBAT RECYCLING ROMANIA

Within MONBAT RECYCLING ROMANIA ("MONBAT") the following activities included in the Integrated Environmental Authorization no. 66 / 10.11.2010:

1. According to Annex I to the Law. no. 278/2013 on industrial emissions
 - 2.5. Processing of non-ferrous metals - b) smelting, including alloying of non-ferrous metals, and recovered products (refining, foundry, etc.), with a melting capacity of more than 4 t / day for lead and cadmium or 20 t / day for all other metals;
 - 4.2. Production of inorganic chemical compounds, such as: d) salts, such as ammonium chloride, potassium chlorate, potassium carbonate, sodium carbonate, perborate, silver nitrate (activity of producing sodium sulphate by desulphurisation of lead sulphate paste) ;
 - 5.1. Disposal or recovery of hazardous waste with a capacity exceeding 10 tonnes / day.
2. Wholesale of waste and scrap according to CAEN code 4677
3. Carriage of goods by road, according to CAEN code 4941
4. Other authorized activities that take place on site



The objectives of the audit are:

- ✓ determining the types of waste and the physical locations to be audited;
- ✓ determining the composition and quantities of waste generated;
- ✓ determining the efficiency of existing waste management systems;
- ✓ identifying opportunities to improve the company's waste management systems and strategies;
- ✓ collecting basic data to measure the effectiveness of waste minimization strategies.

5. Description of waste generation activities

Waste management is done taking into account the waste hierarchy which is applied as a matter of priority in the policy of prevention of waste generation. Optimal waste management involves minimizing the amount of waste through prevention and reuse, recycling and recovery, and disposal is applied only after the efficient use of other means.

Waste is generated in the following activities:

1. The activity of processing used batteries based on lead and sulfuric acid
2. Metallurgical zone: melting zone and refining zone
3. Polypropylene recovery area
4. Finished goods storage area
5. Administrative area
6. Technological wastewater treatment plant

The company has concluded contracts for waste collection (recovery and disposal) with the following providers:

- MONBAT RECYCLING EAD
- REMAQ SRO
- RLG RO WASTE MANAGEMENT SYSTEMS SRL
- TEKKO LOGISTIK INDUSTRY SRL
- SC ECOMASTER SERVICII ECOLOGICE SA
- SC VIVANI SALUBRITATE SA
- SC SAL TRANS EXIM SRL
- SC ENVIRO GREEN CONSULT SRL
- MONBAT PLC DOO



- SC REMAT ILFOV SRL

The waste is stored in specially arranged spaces, in covered warehouses or special containers, placed on concrete platforms, the waste from the chemical section is recovered in the foundry and refining section, thus minimizing the waste resulting from the process in the Engitec section. Recyclable waste is collected selectively.

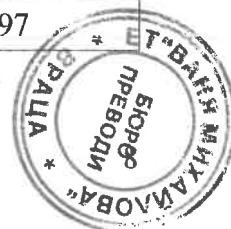
6. Presentation of the types of waste generated

The types of waste generated during the activity are:

No.	Waste name	Waste Code
1	Slag from the first and second stage of production	10 04 01*
2	Dross and light slag from the first and second stages of production	10 04 02*
3	Flue gas dust containing dangerous substances	10 10 09*
4	Sawdust, shavings and cuttings of ferrous metals	12 01 01
5	Packaging that contains residues or is contaminated with hazardous substances	15 01 10*
6	Absorbents, filter materials (including oil filters not otherwise specified), polishing materials, protective clothing contaminated with dangerous substances	15 02 02*
7	Ni-Cd batteries	16 06 02*
8	Electrolytes collected separately from batteries and accumulators	16 06 06*
9	Other lining and refractory materials from metallurgical processes containing dangerous substances	16 11 03*
10	Lead	17 04 03
11	Premixed waste containing at least one hazardous waste	19 02 04*
12	Cast iron and steel waste	19 10 01
13	Plastics and rubber	19 12 04
14	Other wastes (including mixtures of materials) from mechanical treatment of wastes containing dangerous substances	19 12 11*
15	Mixed municipal waste	20 03 01

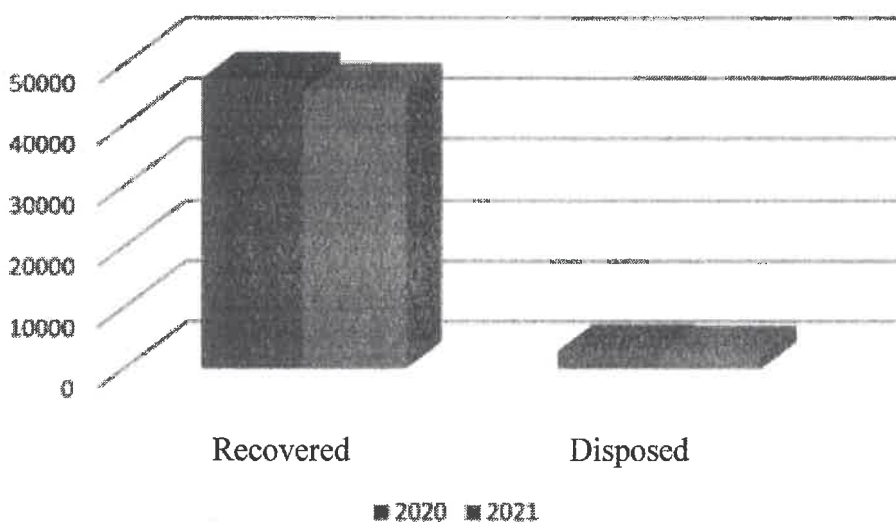
The quantities of waste generated on site during the period 2020 - 2021, broken down by management operation are shown in the table below:

Year	The quantity [t]		
	Generated	Recovered	Disposed
2020	25450,270	47540,657	2775,97



2021	23970,403	45656,107	2493,74
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Amount of waste recovered / disposed



Following the analysis of the quantities of waste, the following trend is observed:

- decrease of 6% of the amount of waste generated
- Decrease of 10% of the amount of waste disposed

7. Presentation of current measures to reduce waste

The purpose of the MONBAT group's activity is based on the continuous application of flexible and innovative solutions in each particular field. This includes supplier due diligence processes, through the Innovation Center, focusing on extending the depth of recycling and reducing waste materials.

MONBAT integrates recycling and processing into production cycles to ensure a sustainable and integrated business model. The group's flexible internal and online processes reduce the group's transportation costs and waste footprint.

MONBAT's sustainable environmental solutions include:

- Implementation of Supply Chain Management (SCM) based on the principles of sustainability within the group and towards suppliers.
- Resource and waste management aimed at efficient use and minimization of waste, for example efficient use of electricity and heat / heat;

Waste minimization and recycling through the Separate Waste Collection and Storage Program.



- Internal monitoring for pollution prevention and continuous investment in state-of-the-art management technologies and practices.



- Clear and accurate environmental information about products, services and activities for customers, suppliers and the general public.
- Participation in long-term projects useful from a social point of view in the field of environmental protection, for example by building and developing a network of containers for collecting old batteries from distributors.
- Ensuring the reuse of basic materials such as lead and polypropylene which are derived from waste and recycled into materials reused in production, both within the group and externally as products sold to other companies.

8. Conclusions of the waste audit

- ✓ Waste collection is carried out with authorized collection companies based on contracts for the provision of waste collection / recovery / disposal services.
- ✓ The company submitted reports on the quantities of waste generated and managed according to the applicable legal provisions.
- ✓ The decreasing trend of the amount of waste generated, respectively eliminated by 6% and 10% respectively confirms the company's concern to continuously improve waste management practices.
- ✓ Due to the fact that slag waste from primary and secondary smelting constitutes the largest part of the disposed waste, measures are required to identify new solutions for the recovery of this waste at national and / or international level.
- ✓ Considering the main activity of the company and the fact that waste batteries and accumulators are the raw material, the reduction of waste quantities implies the use of the best technologies in the field, technologies that were the basis for the design of the production process.
- ✓ Waste from the activity is collected separately depending on the type of waste.
- ✓ All categories of waste are stored in such a way that they do not affect the environment, in plastic / metal / bag bins, labeled according to the waste code. Avoid the formation of stocks that could present a risk of fire, odors.
- ✓ The place of storage of separately collected waste is concreted, fenced.
- ✓ Hazardous waste is stored in appropriate, closed containers, the respective storage space is provided with facilities to prevent and reduce accidental pollution.
- ✓ The transport of waste is carried out only by economic operators who hold an environmental permit according to the legislation in force for collection / temporary storage / treatment / recovery / disposal activities based on GD 1061/2008 on hazardous waste in Romania.
- ✓ When handing over the waste to the authorized operators, fill in the Form for loading - unloading non-hazardous waste (Annex 3) in three original copies, or Form for dispatching / transporting hazardous waste (Annex 2) in 6 or 3 copies depending on quantity. for each

waste, according to GD 1061/2008 regarding the transport of waste on the Romanian territory. The transport of hazardous waste generated in a quantity of less than 1 t / year of the same category of hazardous waste is carried out on the basis of the form of dispatch / transport of hazardous waste, which clearly states that this hazardous waste is generated in a quantity less than 1 t / year. If 1 ton is exceeded within one year, the procedure for drawing up the Hazardous Waste Shipment Approval Form must be followed, which must be approved by the county environmental protection agency that approved the hazardous waste shipment, the county emergency inspectorate in whose territorial radius is the shipper of the hazardous waste and the county agency for environmental protection in whose territorial radius the shipper of the hazardous waste is located. The consignor is obliged to inform the emergency inspectorate 48 hours before each shipment of hazardous waste, by fax, telephone note or e-mail.

- ✓ MONBAT RECYCLING has contracts with operators authorized to take over the generated waste, which mentions the activity of taking over, collecting, transporting and the codes of the collected waste. Operators make available to MONBAT RECYCLING all traceability tracking documents until final recovery / disposal.

The activities carried out at MONBAT RECYCLING level take into account the waste hierarchy, respectively:

- ✓ Prevention / Reduction
- ✓ Reuse
- ✓ Recycling
- ✓ Energy recovery / Recovery
- ✓ Disposal



9. PROGRAM FOR THE PREVENTION AND REDUCTION OF GENERATED WASTE

Following the waste audit, the following action plan on waste prevention is established:

No.	Waste type	Preventive measures	Responsible	Annual Objective	Term
1	Wastes from production activity	Optimization of manufacturing processes to avoid the generation of unused waste	Production employees	reducing the amount of waste from production through a controlled collection of waste for recovery	Permanent
2	For all types of waste	<ul style="list-style-type: none"> - The company will focus on the prevention of waste generation and then in descending order of their reuse, recycling, recovery and disposal. - reduction of generation sources of waste; - better resource management. - recycling / recovery of reusable items; - compliance with internal procedures and instructions for the collection, sorting, selective storage and recovery of the resulting waste 	All Employees	reducing the amount of waste that to be sent for disposal with 5%	Permanent
3	For all types of waste	When purchasing raw materials, the company should encourage suppliers to apply the principle of exchange of old packaging (boxes, drums, containers, big bags) in order to minimize the amount of packaging waste.	Administrative/ Procurement		Permanent
4	Waste prevention	Staff training on rational resource consumption (water, electricity, gas)	All Employees		Permanent



Date: 26.05.2022

Signature / Stamp:



I, the undersigned Vladimir Vassilev Petrov certify the accuracy of the translation made by me from Bulgarian to English of this document: WASTE AUDIT The translation consists of 13 (THIRTEEN) pages.

Translator:
Vladimir Vassilev Petrov



