



Environmental Management System (EMS) Manual

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1.0 Purpose

This policy describes how Digi-Key plans, implements, operates, monitors, measures, and continuously improves its EMS to ensure the system remains effective and achieves enhanced environmental performance and intended outcomes.

2.0 Definitions

Digi-Key's EMS uses the same internationally recognized terms, vocabulary, and definitions described by the International Organization for Standardization (ISO) 14001:2015 international standard. Acronyms, terms, vocabulary, and definitions unique to Digi-Key's organization, industry, interested parties, and region are also referenced throughout this manual.

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[Note: A complete Breakdown of the Standards with document and information is available with appropriate access](#)

3.0 Policies

Commitment:

Message from the President/Chief Operating Officer

“As a major employer in Northwest Minnesota, Digi-Key has long been aware of its potential impact on our shared resources and, therefore, its responsibility to be a good environmental steward. As Digi-Key continues to grow, our commitment is to minimize the impact of our business on the environment while continuing to provide the best customer service in the industry.”

Dave Doherty, President/Chief Operating Officer

3.1 Context of Digi-Key – Clause 4

1. Understanding Digi-Key's Context, External and Internal Issues, and Needs of Interested Parties

Digi-Key determines, monitors, and reviews issues pertinent to its internal and external contexts, and how those issues may impact its purpose and the consistent delivery of desired EMS results.

Though the needs and expectations of relevant interested parties may change without notice, Digi-Key's current environmental requirements comprise conservation, education, waste





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reduction, compliance obligations and continuous improvement. Needs and expectations that become compliance obligations are addressed per their respective requirements and are further supported by Digi-Key's ongoing conformance with the ISO 14001:2015 international standard.

A. Internal issues (clause 4.1) include, but are not limited to, the following:

1. Potential workforce shortage due to Digi-Key's remote location and Covid-19 restrictions.
 - a. Extreme level of growth
2. Internal changes
 - a. Automation of processes
 - b. PDCe Expansion
3. Employee awareness and safety in the event of an environmental emergency.
4. Proper handling of static-sensitive electronic components, hazardous materials and wastes.
5. Consumption of packaging materials.
6. Communicating and controlling Digi-Key's significant environmental aspects.

B. External issues (clause 4.1) include, but are not limited to, the following:

1. Supply Chain Constraints
2. Supplier Constraints
3. Public infrastructure projects and how they affected/impacted Digi-Key.
4. Digi-Key's public image and relationship with the community
5. Needs and expectations of customers.
6. Increased environmental regulations.
7. Adverse local weather conditions.
8. Global climate change.
9. Covid-19
10. Import/Export requirements

C. Digi-Key understands its interested parties (clause 4.2) include, but are not limited to, the following:

1. Customers and end customers.
2. Contractors, consultants, and suppliers.
3. Employees.
4. Owner
5. Regulators (direct and indirect).
6. Landlord of the Hartz facility
7. Community.

D. Needs and expectations of interested parties determined by Digi-Key include, but are not limited to, the following:

1. Customers expecting proper labeling and associated documents of product containing hazardous materials.
2. Supplier's interest in maintaining mutually beneficial business relationships.
3. Employees' need for a healthy working environment.





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4. Regulators expecting Digi-Key to fulfill its compliance obligations.
5. Meeting the requirements outlined in the lease agreement we have signed with them
6. Community's need to protect and sustain the environment.

2. EMS Scope Determination – Clause 4.3

Activities and operations conducted under the scope of the EMS include the purchasing, warehousing, and distribution of electronic components and computer products to original equipment manufacturer and/or customer specifications.

The scope of this manual includes a description of Digi-Key's core EMS elements and policies, their interrelation, and direction to related documented information.

The physical scope of the EMS is limited to the following Digi-Key locations in Thief River Falls: main campus at 701 Brooks Ave. S, which is owned and operated by Digi-Key; and only the portion of the Hartz building at 120 Arnold Ave. S that is leased and operated by Digi-Key.

3. Digi-Key EMS – Clause 4.4

Digi-Key has established, documented, and implemented an EMS. Digi-Key maintains and continuously improves its EMS consistent with the ISO 14001:2015 international standard.

The EMS provides the means of comprehensively planning, monitoring, measuring, and improving Digi-Key's environmental performance. Through the management of environmental aspects related to Digi-Key's activities, products, and services, environmental impacts are controlled and minimized.

3.2 Leadership – Clause 5

1. Leadership and Commitment

A. Executive Leadership's support of the EMS includes, but is not limited to, the following:

1. Assuming responsibility for the effectiveness of the EMS.
2. Ensuring the Quality and Environmental Policy and relevant environmental objectives are established, communicated, and compatible with Digi-Key's context and strategic direction.
3. Ensuring EMS requirements are integrated into everyday business processes.
4. Ensuring adequate resources are available to support the EMS.
5. Communicating the importance of effective environmental management and conforming to EMS requirements.
6. Ensuring the EMS achieves its desired results.
7. Guiding and supporting employees, and personnel working on Digi-Key's behalf, to contribute to the effectiveness of the EMS.
8. Promoting the continuous improvement of the EMS.
9. Supporting relevant management to demonstrate leadership in their functional areas.

2. Quality and Environmental Policy

Executive Leadership has established and approved the [Quality and Environmental Policy](#), which is appropriate to Digi-Key's:

- A. Context, purpose, strategic direction, and defines Digi-Key's commitment to quality
- B. Nature, scale, and environmental impacts of Digi-Key's activities, products, and services.





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This policy is communicated to both Digi-Key employees and personnel working on Digi-Key's behalf and is also available to relevant interested parties via the Digi-Key's [Quality and Environmental](#) web pages. The current version of the Quality and Environmental Policy is maintained and appropriately communicated.

C. A brief summary of the Environmental portion of the Quality and Environmental Policy, which is wrapped around the logo below, defines Digi-Key's commitment to the environment. Each Digi-Key employee plays an important role in meeting the relevant requirements to uphold this policy, which is comprised of the following four pillars:

1. Conservation.
2. Education.
3. Waste Reduction.
4. Continuous Improvement.



3. Digi-Key Roles, Responsibilities, and Authorities

EMS roles, responsibilities, and authorities are defined, documented, and communicated to facilitate effective environmental management. Job-related EMS responsibilities of Digi-Key personnel are also indicated in relevant EMS procedures, such as the [Environmental Objectives](#) procedure, personnel job descriptions, team job descriptions and related documents.

- A. Executive Leadership provides the resources essential to the implementation, maintenance, and continual improvement of the EMS, including but not limited to the following:
1. Personnel and specialized skills.
 2. Organizational infrastructure.
 3. Technology.
 4. Financial resources.
- B. Digi-Key's Executive Leadership with the support of the Manager, Corp Certifications and a Cross Functional Team (CFT) are responsible for the success of the environmental management system who is responsible for activities which include, but are not limited to, the following:
1. Facilitating maintenance of the EMS.
 2. Reporting on the EMS' performance for management review, including recommendations for improvement.
 3. Working in all areas of the EMS.





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Note: Members of the CFT are located on the [Operational Excellence page](#).

- C. Selected by leadership from the department with significant impacts to Digi-Key's EMS, CFT members' routine support of the EMS includes, but is not limited to, the following:

1. Serving voluntary, one-year terms which may be extended pending the approval of the CFT member, the CFT member's management, and the EMR.

Note: The [Environmental Cross Functional Team Job Description](#) can be found in [Manuals and Guides](#)

2. Consulting with, and reporting their EMS-related activities to, the EMR.
3. Assisting with establishing, monitoring, and maintaining Digi-Key's Environmental Aspects Table.
4. Drafting and tracking measurable OTPs consistent with Digi-Key's Quality and Environmental Policy and environmental objectives.
5. Monitor and ensure compliance with all laws, regulations and standards.
6. Maximize the efficient use of corporate resources, prevent pollution and reduce waste.

3.3 Planning – Clause 6

1. Actions to Address Risks and Opportunities

A. General

Note: Digi-Key establishes, implements, maintains, and continuously improves the processes required to fulfill its applicable requirements.

1. When planning for the EMS, Digi-Key considers information which includes, but is not limited to, the following:
 - a. External and internal issues relevant to both Digi-Key's purpose and EMS.
 - b. Needs and expectations of relevant interested parties.
 - c. Scope of the EMS.
2. Digi-Key determines the risks and opportunities related to its environmental aspects, compliance obligations, and other applicable requirements to achieve results which include, but are not limited to, the following:
 - a. Assuring the EMS can produce its desired results.
 - b. Preventing or mitigating any undesired results, including those triggered by external environmental conditions and managing any planned or unplanned changes.
 - c. Ensuring the continual improvement of the EMS.
 - d. Determine potential emergency situations.

Note: Potential emergency situations are determined in the [Risks and Opportunities portion of the Environmental Aspects table](#).

B. Environmental Aspects

Note: Digi-Key's environmental aspects are periodically reviewed by the CFT, and updated when necessary, to ensure the EMS remains effectively managed.

1. Digi-Key identifies the [Environmental Aspects](#) of its activities, products, and services that it can control and influence, and their related environmental impacts. These impacts could be positive or negative.





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- a. When determining its environmental aspects, Digi-Key considers a life cycle perspective and variables which include, but are not limited to, the following:
 - I. Any planned or new changes, and new or altered activities, products, and services.
 - II. Abnormal conditions and predictable emergency situations, when practical.
2. Digi-Key uses established criteria for determining which environmental aspects have or can have a significant environmental impact.
 - a. Significant environmental aspects are considered during the implementation and maintenance of the EMS, and communicated internally via Digi-Key's [14001:2015 E-Learning](#) training module.
 - b. Digi-Key's Environmental Aspects Table contains documented information which includes, but is not limited to, the following:
 - I. Digi-Key's environmental aspects and related environmental impacts.
 - II. Established criteria used to determine Digi-Key's significant environmental impacts.
 - III. Digi-Key's significant environmental aspects.
 - IV. Associated process documents the outlines the controls for the aspect.
 - V. The process owners that oversee the aspect.

C. Compliance Obligations

Digi-Key's [Compliance Obligations](#) procedure is used to identify and provide access to compliance obligations related to Digi-Key's environmental aspects, and to determine how each compliance obligation applies to Digi-Key. Compliance obligations are considered during the establishment, implementation, maintenance, and continual improvement of the EMS. Compliance obligations are documented in the Environmental Aspects table and includes regulatory and other obligations.

Digi-Key further retains an external environmental consultant to assist in the identification, evaluation, and management of its compliance obligations. The external environmental consultant also provides a compliance audit that is regulatory based at least once every 2 years. In addition to the external audit, Digi-Key meets obligations through the internal audit program, monthly checklists and the CFT.

D. Planning Action

Digi-Key plans the appropriate actions to address its compliance obligations, risks and opportunities, and significant environmental aspects. Digi-Key further plans how to integrate and implement the appropriate actions into the EMS and/or everyday business processes and evaluates the effectiveness of any actions taken.

Digi-Key considers both its applicable requirements and technological opportunities when planning the appropriate actions.

2. Environmental Objectives

A. Digi-Key Environmental Objectives

1. Digi-Key, ensures objectives are consistent with Digi-Key's Quality and Environmental Policy, including but not limited to the following commitments:
 - a. Pollution prevention
 - b. Compliance obligations
 - c. Continuous improvement





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B. Achieving Environmental Objectives via Planned Actions

Digi-Key's [Environmental Objectives](#) procedure establishes environmental objectives, which are designed to improve environmental performance. Objectives are measurable, monitored, updated and include commitments to continuous improvement, compliance, and pollution prevention. Objectives are documented and communicated throughout the company using Inside Digi-Key and on internal TV's.

Established as a means for achieving measurable environmental objectives, they are monitored for progress and evaluated after implementation. Objectives define the principal means or actions to be taken, the Digi-Key personnel responsible for undertaking those actions, and the projected implementation schedules.

1. The following list includes, but is not limited to, information considered when objectives are established and reviewed:
 - a. Compliance obligations.
 - b. Significant environmental aspects related to risks and opportunities.
 - c. Technological opportunities.
 - d. Financial, operational, and business requirements.
 - e. Feedback from relevant interested parties.

3.4 Support – Clause 7

1. EMS Resources

Digi-Key utilizes the resources from the CFT, the internal audit program and other programs such as Lean Six Sigma (LSS) to establish, implement, maintain and continuously improve the EMS.

2. Competence and Awareness

A. Digi-Key determines necessary competence and ensures that personnel working on its behalf that affect environmental performance are competent by performing activities which include, but are not limited to, the following:

1. Identifying and providing training needs related to its compliance obligations, environmental aspects, and EMS, or taking other appropriate actions to ensure competence.
2. Ensuring competence is based on education, experience, training, and/or other requirements.
3. Communicating relevant environmental information to contractors with the [Contractor Training Form](#).
4. Retaining the necessary documents to establish competence.

B. Digi-Key provides training to ensure personnel performing work on its behalf are aware of the following information:

1. Digi-Key's Quality and Environmental Policy.
2. Digi-Key's significant environmental aspects, and any actual or potential environmental impacts related to their work.
3. Their contributions to the effectiveness of Digi-Key's EMS, and how the system further benefits from improved performance.
4. The consequences of not following Digi-Key's EMS requirements, as well as not fulfilling Digi-Key's compliance obligations.





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3. Communication

A. Internal and External Communications

1. Digi-Key has established an Environmental Communication procedure for communicating and addressing internal and external communications.
 - a. Channels used to internally communicate and/or address EMS-relevant changes and information include, but are not limited to, the following:
 - I. Bulletin boards.
 - II. Email.
 - III. [Inside Digi-Key intranet website](#).
 - IV. [Digi-Key environmental web page](#).
 - V. CFT meetings.
Note: CFT meetings are documented, and notes can include the exchange of internal and external communication.
 - VI. E-Learning training modules.
 - b. Channels used to externally communicate and/or address EMS-relevant changes and information include, but are not limited to, the following:
 - I. Inquiries, complaints, and/or requests for information, such as customer surveys from relevant interested parties, are routed through Corporate Mail - Terms & Conditions and/or the appropriate personnel.
 - II. Significant environmental aspects that Digi-Key elects to communicate externally are published via the [Digi-Key environmental web page](#) and/or other marketing channels.
 - III. Digi-Key's external email communications contain an environmental awareness statement.
 - IV. Communications from relevant interested parties are received, documented, and responded to by the appropriate personnel.

4. Documented Information

Note: This manual describes the core elements of the EMS and their interaction and identifies other documented information that is relevant to the EMS. Moreover, it ensures procedures and work instructions both reference and provide direction to related documented information. EMS documented information is appropriately maintained.

A. Control of Documented Information

1. Digi-Key has established a [Control of Documented Information](#) procedure for creating and controlling documented information related to the EMS, which includes but is not limited to the following:
 - a. Documents are approved for adequacy prior to use.
 - b. Documents are reviewed, updated, and approved as necessary.
 - c. Changes and current document version numbers are identified.
 - d. Relevant versions of applicable documents are available at points of use.
 - e. Documents remain legible and readily identifiable.





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- f. Designated Digi-Key personnel review external documents. If any issues or errors are detected, the appropriate interested party is notified prior to any document being approved for use.
- g. Obsolete documents are removed from points of use by designated Digi-Key personnel. These documents may be retained for reference or legal obligations, and then marked obsolete/archived and kept separate from current documents.

B. Control of Records

Digi-Key maintains a [Records Retention List](#) to demonstrate conformity to the requirements of the EMS, and to define the identification, storage, protection, retrieval, retention, and disposal of records. Records are legible, identifiable, and traceable.

3.5 Operation – Clause 8

1. Operational Planning and Control

Digi-Key establishes and implements the processes necessary to satisfy EMS requirements and maintains operational controls to prevent deviations from the Quality and Environmental Policy and environmental objectives.

EMS operational controls may be established in procedures, work instructions, OTPs, and/or other related documented information. Operating criteria are also specified in this documented information.

Digi-Key maintains operational control procedures related to the identified significant environmental aspects of Digi-Key's activities, products, and services, which includes communicating relevant environmental requirements to external providers. Contractor communication is addressed in the [Contractor Training Form](#).

A. Relevant operational control information includes, but is not limited to, the following:

1. [Spill Prevention Control and Countermeasures \(SPCC\) Plan](#), which is available in QMSS under the Maintenance folder.
2. [Supplier Returns Scrapping Nonconforming Tags for No Credit](#).

2. Emergency Preparedness and Response

Digi-Key establishes, implements, and maintains the processes necessary to prepare for emergencies that can become environmentally impactful, and how to appropriately respond to such situations. In the event of an emergency, Digi-Key will make efforts to prevent or alleviate any adverse environmental impacts. Digi-Key has an on-site HazMat Response Team that is available to respond to both petroleum and nonpetroleum-based spills and releases.

Emergency processes are periodically reviewed and revised as necessary. Emergency processes are also periodically tested, where feasible. Employees receive emergency preparedness and response training appropriate to their roles, and emergency simulations are scheduled, conducted, and documented.

A. Emergency preparedness and response information includes, but is not limited to, the following:

1. [Emergency Communication/Response Plans](#).
2. [Spill Prevention Control and Countermeasures \(SPCC\) Plan](#).
3. [Spill Notification](#)

3.6 Performance Evaluation – Clause 9

1. Monitoring, Measurement, Analysis, and Evaluation





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A. General

Digi-Key has established procedures for monitoring and measuring the key characteristics of its operations that can have a significant environmental impact. These procedures include documenting information to monitor performance, relevant operational controls, and conformity with environmental objectives. Digi-Key ensures that monitoring equipment, if used, is calibrated or verified per manufacturer specifications, and that appropriate records are retained. The [Calibration of Equipment Procedure](#) has more information regarding the calibration of the equipment.

Monitoring and measurement requirements are primarily incorporated within the related operational control procedures and/or OTPs. Monitoring and measurement requirements may also be entered as standing work orders in the Preventive Maintenance software system.

Digi-Key analyzes its environmental performance to ensure the inputs of the EMS are accurate and appropriate through internal audits, compliance audits, etc.,

B. Evaluation of Compliance

Consistent with its commitment to compliance, Digi-Key uses the [Compliance Obligations](#) procedure to periodically evaluate whether its applicable compliance obligations are being fulfilled. Digi-Key retains records of the results of these evaluations.

Digi-Key further retains an external environmental consultant to assist in the identification, evaluation, and management of its compliance obligations.

2. Internal Audit

The [Internal Audit Procedure](#) details the requirements for developing and maintaining Digi-Key's internal audit program. This procedure takes into consideration the status and importance of the processes and areas to be audited, as well as the results of previous audits and potential risks and opportunities regarding interested parties.

The audit criteria, scope, frequency, and process are defined by the audit plan, taking into consideration environmental importance. To help ensure objectivity and impartiality throughout the audit process, the selection of auditors is made to avoid process owners from auditing their own work. In cases where it is not possible, the participation of an additional auditor, or services of an external auditor may be sought.

A. Internal audit results are critical inputs that help Digi-Key evaluate the effectiveness of its EMS by:

1. Identifying OFIs.
2. Promoting awareness of interested party requirements.
3. Measuring the effectiveness of the EMS to ensure it conforms to ISO 14001:2015 and EMS requirements.
4. Ensuring processes are effectively implemented and maintained.

3. Management Review

Executive Leadership conducts [Management Review](#) at least once annually to ensure the continuous suitability, adequacy, and effectiveness of the EMS. If there are multiple management review meetings during the year, all items do not have to be addressed during each meeting if covered at least once annually. EMS management review may be conducted as a stand-alone meeting, or it may be combined with Business Management System management review.





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The Manager, Corporate Certifications and the CFT are responsible to provide the necessary information for management review. Management review meeting minutes are recorded and retained as evidence.

[Note: This document lists information on the inputs and outputs of the Management Review](#)

3.7 Improvement – Clause 10

1. General

Digi-Key determines, selects, and responds to OFIs by implementing planned actions to fulfill customer requirements and enhance customer satisfaction. Digi-Key strives to continuously improve both its EMS and ability to enhance the satisfaction of interested parties by conducting activities that include, but are not limited to, process and system improvements, corrective actions, internal audits, and Lean Six Sigma projects.

2. Nonconformity and Corrective Action

Digi-Key uses various methods, such as regulatory compliance, to identify nonconformities during operations and/or after the fulfillment of products and services. Once identified, Digi-Key responds and appropriately implements corrective actions according to the significance of the effects of the nonconformity encountered so that does not happen again or happen elsewhere in Digi-Key's products and services. The responses of the nonconformity can include, but are not limited to,

- A. Deal with the consequences,
- B. Evaluation of the need for action,
- C. Implement corrective action and/or control,
- D. Perform effectiveness review,
- E. Update risks and opportunities,
- F. Change the EMS.

Evidence of the nonconformity, actions taken, and results of the actions are retained in appropriate systems. Click the following hyperlink for more information: [Control of Nonconforming Outputs](#).

3. Continuous Improvement

Digi-Key continuously improves the effectiveness of its EMS through the effective application of the Quality and Environmental Policy, EMS objectives, auditing, data analysis and evaluation, corrective actions, system and process improvement projects, and management review.

The continuous improvement process begins with the establishment of Digi-Key's Quality and Environmental Policy and objectives for improvement. Internal audits and process performance data are then compared to progress against objectives and goals to identify additional OFIs.

The continuous improvement of the EMS is assessed through Digi-Key's management review process.

