

Sustainability Report 2022

CONSOLIDATED VOLUNTARY NON-FINANCIAL
STATEMENT PURSUANT TO ITALIAN LEGISLATIVE
DECREE NO. 254/2016

Certified



Corporation



NOVAMONT

Sustainability Report 2022

CONSOLIDATED VOLUNTARY NON-FINANCIAL
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'This Sustainability Report is the result of the efforts and collaboration of many people who work for our Group, who we wish to thank for providing the data and information that form the core of this Report, in good time'.

This document was drawn up by the ECOPEC function, which produced the guidelines for the document and followed its development throughout the work phases, in collaboration with the Corporate Communication and Strategic Planning functions.

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 Graphic design: Zilla Report - zillareport.com



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[GRI 2-22]

Letter to the stakeholders

Catia Bastioli Chief Executive Officer

The 2022 report recorded a setback in Novamont's economic development in relation to the outbreak of the conflict in Ukraine and the worsening of the multi-crisis (economic, climatic, geo-political, social...), while the excellent trend in terms of environmental performance and positive spillover effects on the territories is confirmed.

However, examining what has happened during the year within a broader context, including the strong focus on Bioeconomy and bioproducts that United States, China and many other countries had, the business potential and strategic importance of our sector in terms of technological developments, industrial competitiveness, and the regeneration of resources and territories, turn out to be unchanged or actually strengthened, with the concrete opportunity to disconnect the use of resources and development: now more than ever an essential aspect for any

new activity. It also shows the - as yet unexpressed - potential of the investments already made by Novamont in Italy, with business and environmental opportunities possible today provided that there is due recognition of the certified environmental benefits for the range of bioproducts available.

A major factor holding back the development of this sector is the failure to consolidate, in Europe, a regulatory framework that is adequate to the challenge. This prevents from differentiate and recognize the environmental and regenerative value of bio-based products, resulting from heavy investments in innovative biorefineries, compared to fossil products imported from China. Exacerbating the situation is the fact that the imports of Chinese biodegradable plastics of fossil origin are often generating the dumping phenomenon. This is due to a Chinese context that is very different from the Euro-

pean one, with a favourable and clear regulatory framework, and a huge production capacity of biodegradable plastics of fossil origin created in a very short time, against a domestic market development that is lagging far behind due to the lack of adequate infrastructure and systems for waste treatment, as well as the need for the evolution of the different territories towards more circular development models.

As an effect of this context, a shift is taking place in Europe from certified European renewable products to imported - and sometimes counterfeit - fossil products, with obvious negative repercussions that go beyond the environmental issue. This, in fact, prevents us from leveraging those innovative and integrated production chains that already exist, the result of many years of investment in technology, research, process scale-up, building the first plants and continuously investing



on their efficiency, and quality jobs: in short, it is slowing down and even blocking a fundamental platform for further evolution and investment in the sector.

To get an idea of the severity of waste-fulness, in relation to Novamont biorefineries alone, it is enough to consider that, in terms of greenhouse gas emissions, the decarbonisation potential associated with 2022 volumes of Mater-Bi and Origo-Bi, aligned to the taxonomy criteria and certified, with respect to fossil imports, is estimated at around 284,000 t CO₂e. This potential saving (about four times higher than the Group's Scope 1 emissions) would increase by more than 100,000 tCO₂e if one imagines fully utilising the existing and still first-of-its-kind 1.4 bioBDO and azelaic acid (JV Matrica) plants' current production capacity. The closure of a plant such as the one that produces biobutanediol would, on the other hand, lead to a deterioration of more than 100,000 t CO₂e, in addition to the economic, social and environmental effects.

We understand, that the potential environmental benefit of the bio-based products referred to in this Non-Financial Statement, measured according to the current taxonomy criteria, is far less than what their actual contribution to decarbonisation could be, taking advantage of the full potential of the production investments the Company has made over the years. That said,

by 2022, the costs of our biorefineries have risen not only because of the unprecedented increase in raw material and energy costs, but also because of the ETS contribution that only considers process-related CO₂ emissions, ignoring the CO₂ stored in bioproducts, further favouring the import of fossil products.

The Novamont case helps to understand the situation of the huge investments already made in Europe in the biomanufacturing sector, while in the USA the same investments, considered strategic, are heavily subsidised with US defence funds. This is one of the reasons that led some of the companies in the Bioeconomy sector to stop investments to build new biorefineries dedicated to bioproducts in Europe.

This situation, although severely unfavourable, clearly cannot be structural, it must be a transitional and positively evolving condition. The sector we represent, precisely due to the problems that have emerged with the Ukrainian crisis, must be considered strategic, as demonstrated by the attention shown by many continents, as mentioned above.

Even more so in the present context, Novamont emerges in its role of pioneer and demonstrator, able to show in the field the enormous strategic potential of the bioproducts sector, powerful catalysts of the ecological transition and of an integrated approach,

which risk, in the current context, to become commodities like so many others, business as usual, undermining the very reason for which they were devised and developed.

Thanks to our pioneering activities, we still have the largest development of innovative technologies and plants in Italy and Europe, and, as shown by a recent publication of the US International Trade Administration and by the incentives introduced outside Europe to promote bioproducts, the success of this project is recognised all over the world.

European regulatory developments, with the taxonomy for Sustainable Finance, the forthcoming entry into force of the Corporate Sustainability Reporting Directive as well as the Carbon Border Adjustment Mechanism Regulation, and also the renewed declarations on the strategic nature of the Circular Bioeconomy by the EU, suggest important opportunities beyond the end of the negative contingency for the sector. Otherwise there will be a crisis where there could be a virtuous development.

Not to waste any more time and resources in Europe, waiting for a stable framework, there is a need for an integrated pathway at national level between technology platforms, territorial business partners, institutions and sustainable finance, especially if we consider that the infrastructure of

the Circular Bioeconomy requires large investments, with high technological, industrial and market risks.

The current scenario explains the company's results, which closed the year with a turnover of €426 million, and an EBIDTA of €21.4 million, which is certainly lower than the previous year, despite the significant effort to make production more efficient.

However, the challenges that we had to face in 2022, have not dulled the sense of our project. In this regard, it is worth mentioning that in 2022 Novamont's percentage of turnover related to circularity was 71%, and this year, as we continue to chart our own path, we have been able to meet some fundamental challenges. In fact, as we will see below, we have continued to innovate, also working on the certification and traceability of the entire supply chain in order to better explain the value of its development.

On the energy efficiency front, in addition to the high-efficiency cogeneration plant, a combustor to recover energy from production waste, and a biomethane production plant in Bottrighe, in 2022, we built a new trigeneration plant in Patrica that, in six months of operation, has already reduced primary energy consumption by 12%. These plants, assuming full utilisation of the Novamont Group's current production capacity, would reduce energy intensity (GRI 302-3) by 34% compared to 2017 figures.

However, in this context, it should not be forgotten that our greatest contribution to decarbonisation are the new technologies brought to industrial scale to produce BioBDO (Bottrighe plant), azelaic acid and pelargonic acid (Matrica plant in JV with Versalis). These low-impact monomers, which could already make a difference today by making the most of existing plants/technologies, with the evolution of increasingly sustainable and circular feedstocks, energy efficiency and the valorisation of by-products and waste, can continue to raise their profile and that of the bioproducts containing them.

In order to ensure the competitiveness of our sites' productions and to respond to the increased market variability, in 2022 we worked on production efficiency by introducing new flexibility schemes in relation to energy consumption and raw material interchangeability, as well as strengthening existing partnerships with our suppliers by continuing the EcoVadis project to assess their sustainability performance.

We have brought a number of new low-impact bio-polyesters for new application areas to industrial scale and continued to invest in strengthening our integrated supply chain in all its parts, turning the excellent results of research and engineering processes into further opportunities for the circular bioeconomy. An example in this regard is the development and pi-

lot-scale transfer of a process to use 2nd generation sugars from waste material including cellulosic sludge, nappies, fruit processing residues and cereal materials, at our Bottrighe plant.

In 2022, we continued to work and invest in the evolution of our product range, designed not to pollute water and soil, and in their certification and traceability of the supply chain, in the conviction that Mater-Bi is not simply the brand name of the first and original biodegradable and compostable product brought to industrial level, but that it must even more today be a catalyst of the ecological transition, creating circular paths in co-design, use and end-of-life that gets a new lease of life.

In this respect, on the research and development front for new applications, we have achieved important results for a new product range for transparent food packaging, up to 100% renewable and biodegradable at low temperature and in soil, as well as for highly transparent cling film.

In addition, we have worked to ensure that all our products do not release pollutants and microplastics into the environment and ensure maximum circularity and integration of supply chains by making decisive steps forward towards defining new chemical and mechanical recycling processes with full-scale trials.

Even in 2022, despite the complexity of the scenario, the positive effects of our circular bioeconomy model and the distinctive value of Mater-Bi have been recognised. In this regard, it is certainly worth mentioning DSM Nutritional Products’ adoption of the first biodegradable and compostable high-barrier against water and oxygen, Mater-Bi and paper packaging for the pharma sector, with a multivitamin product intended for the African market. As well as the confirmation of some strategic contracts with large retail groups for the adoption of compostable and renewable fruit and vegetable shopping bags, also thanks to our work on legality and certification of the high quality and environmental profile of our products.

In relation to relevant cases of municipalities engaged in the use of compostable bags for organic waste collection, significant was the path taken by the city of Copenhagen, which, with the aim of increasing the quantity and quality of organic waste, chose to distribute free compostable Mater-Bi bags with the highest environmental performance to citizens, together with vented organic waste bins for household waste collection.

Thanks to the credibility gained by Novamont over the years in the agricultural sector and the results of research, Mater-Bi mulching films have experienced significant growth and the penetration of new markets in some

European countries and the USA. The phytosanitary product Ager-Bi, based on pelargonic acid, for which we have submitted the registration dossier, also confirmed its superiority over products already existing on the market for a wide range of crops.

On the downstream integration front, we have continued our field trials in Italy and abroad, and strengthened our strategic partnership with Coldiretti, which has been increasingly at our side to bring innovation and sustainability to agriculture. In particular, Mater-Agro (85% Novamont, 10% Coldiretti, 5% CAI) in 2022 launched and distributed biodegradable soil mulching films with specific performance guaranteed by the ‘Riterra’ brand.

In the year 2022 the partnership with Versalis was also strengthened, by launching again a collaboration between two companies that see bioeconomy as a major sector for transforming the economy.

It is also worth mentioning the ‘NOVAMONT FUTURE READY 1’ organisational transformation project, which was launched at the end of 2021 and was completed at the end of 2022. This project allowed for a major adaptation of the organisational structure to the need for flexibility, taking into account the nature of Novamont’s systemic project and the current and future changes and fluid environment around us. In addition to creating a shared

mission and vision, a set of values that characterises what we want to be, and a better definition of general and specific challenges through the company’s strategy document, we also designed a new organisational macro-structure. Based on the principle that it is impossible to achieve and maintain a competitive advantage by doing what everyone else is doing, in the same way, efforts were made to develop an original, tailor-made design of Novamont’s strategy and business model. This has led to the definition of new roles, for example, in the work of connecting market needs to our ability to respond promptly and positively to these needs and opportunities, supported by our research and innovation processes, or dedicated to weaving the fabric that holds our organisation together and makes it strong and adaptive. A fabric made of the ability to communicate, to engage our people, to work horizontally and to network with all external stakeholders. We are asking everybody who is responsible for the work of others to exercise their leadership as a service to co-workers and colleagues, in order to facilitate and guide their work, facilitating understanding of the context, fluidifying and simplifying, harmonising, inspiring consistent behaviour, encouraging autonomy and combating waste. The new structure works as a matrix, thanks to the presence of horizontal integration bodies and mechanisms, which are useful to cross the boundaries between functions and make us faster and more united to re-

spond to the new challenges that the market and society present us every day. It was therefore agreed to give due importance to projects as a relevant tool for prioritising and speeding up limited and defined objectives, suitably structured but with the most agile management possible, through our innovation process. The committees were confirmed and strengthened, to activate all the connections, disseminate culture about specific issues, and to bring to light information and system critical issues. As Howard Gardner, the father of the theory of multiple intelligences, pointed out, ‘today, a disciplined mind alone is no longer enough: it is increasingly the case that knowledge is nested in the gaps or connections between disciplines’.

Moreover, just as people learn as long as they live, so organisations live as long as they learn, at the end of 2022, again as part of the Novamont Future Ready Project, we launched the Office Novamont, the new corporate Academy which will be an important virtual and physical meeting place for the knowledge, corporate values and distinctive skills of people in the Group, as well as an important training opportunity on innovation and sustainability issues for the Group’s people and its strategic partners.

As always, in 2022 we committed to making a real contribution to the creation of a shared culture on the issues of the circular bioeconomy, by partic-

ipating in numerous events, including the EU Bioeconomy Conference 2022 held in Brussels, and by organising and supporting the second edition of ‘Dialogues with Science’, a series of meetings aimed at inviting citizens to reflect on today’s challenges and the future of mankind.

The Novamont model in its systemic nature, for the second year in a row, made it possible for us to achieve the B Corp Best for the World award and for the first time the Oscar di Bilancio in the Benefit Company category, for the high level of quality achieved in non-financial reporting.

And it is precisely on the meaning of doing business as a regenerative force, going beyond today’s profit alone and guaranteeing a solid and virtuous business for a future made of transparency and widespread value for the territories that we wanted to focus, confirming our commitment to the UN Global Compact, committing to respect its fundamental principles in our activities.

Between 2022 and 2023, it has become increasingly clear that industries, entire geographical areas and entire continents are going down this path, even if the development and regeneration of territories is still much less strong in these countries than in Europe. More than ever before, we need to make people understand the importance of our new plants and new products that can accelerate the ecological transition

in our area by feeding the Made in Italy and Made in EU supply chains, reducing their impact and increasing the quality of our areas, while at the same time setting them on a path to rapid decarbonisation.

The great challenge ahead of us is not to waste what has been built so far and the resulting possibilities for environmental, economic and social regeneration of our territories. Europe and Italy, with their territories and diversity, already have a number of territorial supply chains and platforms ready similar to ours, with incredible potential to multiply solutions and technologies. The hope is that they can be integrated into an industrial strategy and that the new bioproducts can be used fully as catalysts for the transition of more traditional supply chains, minimising the risks of innovation and cutting more mature sectors. Besides, it is enough to measure the positive spin-offs that this sector is bringing to the country in economic, environmental, social and, above all, cultural terms.

[GRI 2-1, 2-2, 2-3, 2-5, 3-1]

Notes on methodology

<i>Purpose of the Sustainability Report</i>	<p>This document is the 15th Sustainability Report (hereafter referred to as “the Report”) of companies in the Novamont Group (the “Group” or “Novamont”), formed of Novamont S.p.A. and its fully consolidated subsidiaries, Mater-Biotech S.p.A., Mater-Agro S.r.l., Novamont North America Inc., Novamont France S.a.s., Novamont GmbH, Novamont Iberia S.l.u. and of the companies of the BioBag group: BioBag International AS, BioBag Norge AS, Dagöplast AS, BBI Sverige AB, BioBag Americas Inc., BioBag Finland Oy, BioBag Zenzo AS, BioBag Canada Inc., BioBag Plastics Ltd, BioBag UK Ltd., BioBag World Australia Pty Ltd. and BioBag Polska Sp. z o.o..</p> <p>The Sustainability Report is the means by which the Group informs internal and external stakeholders about the commitments, strategies, management approach and business performance, presented from three different angles: economic, environmental and social.</p>
<i>The process of non-financial reporting for the Novamont Group</i>	<p>Novamont has extensive experience of non-financial reporting. It has been publishing annual Sustainability Reports since 2008, as part of its process of continuous improvement, which is in line with the most recent developments in non-financial reporting regulations.</p> <p>In particular, Novamont voluntarily decided to apply the provisions of Italian Legislative Decree No. 254 of 30 December 2016 (hereafter referred to as the “Decree” or “Legislative Decree No. 254/16”) on disclosure of non-financial information, implementing European Directive 2014/95/EU. Consequently, the Sustainability Report is a Consolidated Voluntary Statement of a non-financial nature (“NFS”), produced in accordance with Articles 3, 4 and 7 of the Decree. The NFS contains information on topics concerning the environment, society, personnel, respect for human rights and the fight against corruption. This helps providing an understanding of Novamont’s activities, progress, results and the impact of its business. In addition, to ensure that the contents of the document comply with the requirements of the UN Global Compact (UNGC), which Novamont decided to join in 2020, a correlation table between the UNGC Principles and the GRI Standards has been inserted in the chapter “Correlation between UN Global Compact principles and GRI Standards”.</p>

<i>Approval and publication</i>	<p>The Report was approved by the Board of Directors of Novamont S.p.A. on the 18/10/2023 and published on the 25/10/2023.</p>
<i>Base year</i>	<p>The data and information contained in this document refer to the 2022 financial year (from 1 January to 31 December), in line with the 2022 Consolidated Financial Statement. To ensure the comparability of the data over time and to assess business performance, a comparison was made with the data for the 2020 and 2021 financial years disclosed in the 2021 Sustainability Report.</p>
<i>Reporting scope</i>	<p>The scope of the economic, environmental and corporate data of this Report is the same as for Novamont Group’s 2022 Consolidated Financial Statements.</p> <p>Please note that on the 1st December 2022 Mater-Biopolymer S.r.l. merged by incorporation in the controlling company Novamont S.p.A.. As a consequence, Mater-Biopolymer ceased to exist, and all its active and passive businesses are now controlled by Novamont S.p.A.. Moreover, the scope of this Report does not include BioBag Austria GmbH, liquidated during the first half of 2022.</p> <p>Environmental information on water consumption, waste production and materials used does not include the companies Novamont North America Inc., Novamont France S.a.s., Novamont GmbH, Novamont Iberia S.l.u., BioBag International AS, BioBag Norge AS, BBI Sverige AB, BioBag Americas Inc, BioBag Finland Oy, BioBag Zenzo AS, BioBag Canada Inc., BioBag Plastics Ltd, BioBag UK¹ Ltd, BioBag World Australia Pty Ltd and BioBag Polska Sp. z o.o., due to difficulties in obtaining primary data. However, since the latter are exclusively small offices, the significance of the above data is considered marginal.</p> <p>Any other changes in this scope are expressly indicated in the document. These exclusions in no way prejudice a complete understanding of the Group’s business, its progress, its results or any impacts generated.</p>
<i>Nature of the data</i>	<p>To provide a correct representation of performance and guarantee the reliability of the data, the use of estimates has been limited as much as possible; where present, estimates are based on the best methods available and are flagged as such. In addition, any restatements of previously published comparative data are clearly indicated in the text.</p>

1. The companies BioBag Canada Inc., BioBag UK do not have have neither offices nor employees

<i>Reference standards</i>	The Sustainability Report was written in accordance with the GRI Sustainability Reporting Standards published in 2021 by the Global Reporting Initiative (GRI). For the preparation of this document, the Reporting Principles provided by GRI 1 - 2021 Fundamental Principles Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability, Reliability and Timeliness.
<i>Definition of the content and structure of the Report</i>	<p>The reported content was established on the basis of the materiality analysis. This was updated in 2022 for this document, and made it possible to identify the sustainability topics that were most relevant for the Group and its stakeholders (material topics).</p> <p>Each chapter in the Sustainability Report deals with each of the nine material topics identified in the materiality analysis. In particular, each chapter begins with a disclosure on the management approach, which describes the policies guiding the organisation, the specific actions, the assigned responsibilities and the complaint, consultation and discussion mechanisms.</p> <p>In the section “Materiality analysis and stakeholder engagement”, the table “Material topics: scope and correlation among GRI Standards, SDGs and the main areas under Italian Legislative Decree No. 254/2016” indicates, for each material topic, the scope (i.e. those generated and influenced by the impacts relating to the material topic), and the relationship with the GRI Standards, the SDGs and the areas under Italian Legislative Decree No. 254/2016.</p> <p>In the “GRI Content Index and UN Global Compact” section, it is possible to see a breakdown of the information reported according to the performance indicators defined by the GRI. Any omissions are suitably indicated, where applicable.</p>
<i>Assurance</i>	The Report underwent a limited assurance engagement by PricewaterhouseCoopers S.p.A., who, at the end of their work, issued a report on the conformity of the information provided in the Sustainability Report produced by the Novamont Group.
<i>Glossary</i>	For a complete understanding of the document, a “Glossary” has been included as an appendix: this contains definitions of the terms most frequently used by Novamont. These terms are <u>underlined</u> in the Report.
<i>Contacts</i>	For any information about the Sustainability Report, please email csr@novamont.com .



[GRI 2-14, 2-29, 3-1, 3-2, 3-3]

Materiality analysis and Stakeholders engagement

The starting point for producing the Sustainability Report is the materiality analysis, a process that seeks to identify and prioritise the material topics.



We define “material” those topics that represent the most significant impacts of a company on the economy, on the environment and on people, including impacts on human rights. In accordance with the most recent GRI standards, the decision process to determine material topics is divided into the following phases:



1

UNDERSTANDING THE REFERENCE CONTEXT

A context analysis is carried out, regularly updated, aiming at finding the relevant sustainability aspects in Novamont's reference sector.



2

IDENTIFYING THE IMPACTS

The main potential and actual impacts that Novamont generates in terms of sustainability: financial, social and environmental.



3

ASSESSMENT OF THE IMPACT SCOPE

The entity of the identified impacts on the Novamont Group and on its main stakeholders is evaluated.



4

PRIORITIZING IMPACTS FOR REPORTING

The impacts that go over a certain materiality threshold represent the most important aspects for the organization, on which more reporting focus is needed. The materiality threshold was set at a score of 3.

In order to be able to effectively describe the Group’s approach to sustainability, the material topics identified through this process are regularly adapted to the evolving context and are therefore subject to periodic review: the review carried out in 2022, which included both internal and external stakeholder engagement activities, did not, however, lead to changes in the wording of the themes, but only to an update of the scores.

The Novamont Group pays the utmost attention to the issues of supply chain and product sustainability and Research and Innovation, which are essential and necessary elements for business integrity and stability. The topic of Partnerships and collaboration for territorial regeneration becomes more important, showing the awareness that sustainable de-

velopment is a common goal that can be easily achieved, if shared. One of the most important topics for the Group is Responsibility towards employees, especially with regard to aspects related to well-being in terms of job satisfaction and quality of work. Product conformity and quality and customer care remain essential aspects for the Group, being customers fundamental players in the value chain, as do soil protection and revitalisation, both areas in which Novamont has been investing many resources for many years. In line with the leading role on sustainability issues that the Group has always shown to have, the themes of Communication and Promotion of Sustainability and Education and Training of the New Generations are strongly emphasised.

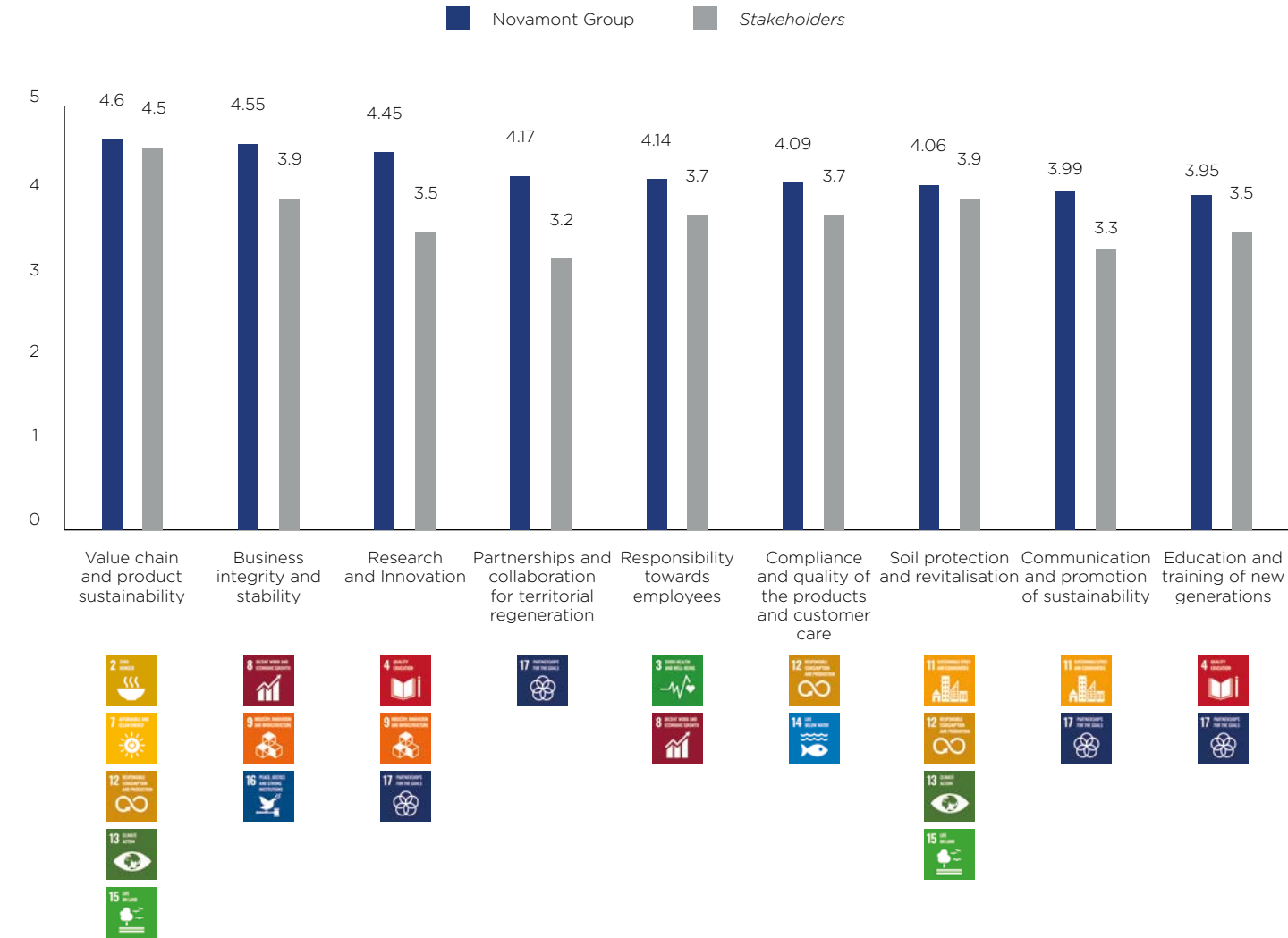
The stakeholders too pay utmost attention to value chain and product sustainability, followed by the topics of Business integrity and stability, acknowledging that this aspect provides the foundation for positive development for the Group and for all the stakeholders. The topic of soil protection and revitalisation is also among those most emphasised, demonstrating a new awareness acquired, also thanks to the Group’s commitment and communication on these aspects.

Please see the graph below for the Novamont Group’s material topics and their SDGs. Each topic is associated with a level of relevance assigned by the Novamont Group

and stakeholders respectively. The process of updating the Novamont Group’s material topics

was supervised by ECOPEC and approved by Novamont S.p.A. Board of Directors.

Novamont Group’s material topics and their corresponding SDGs



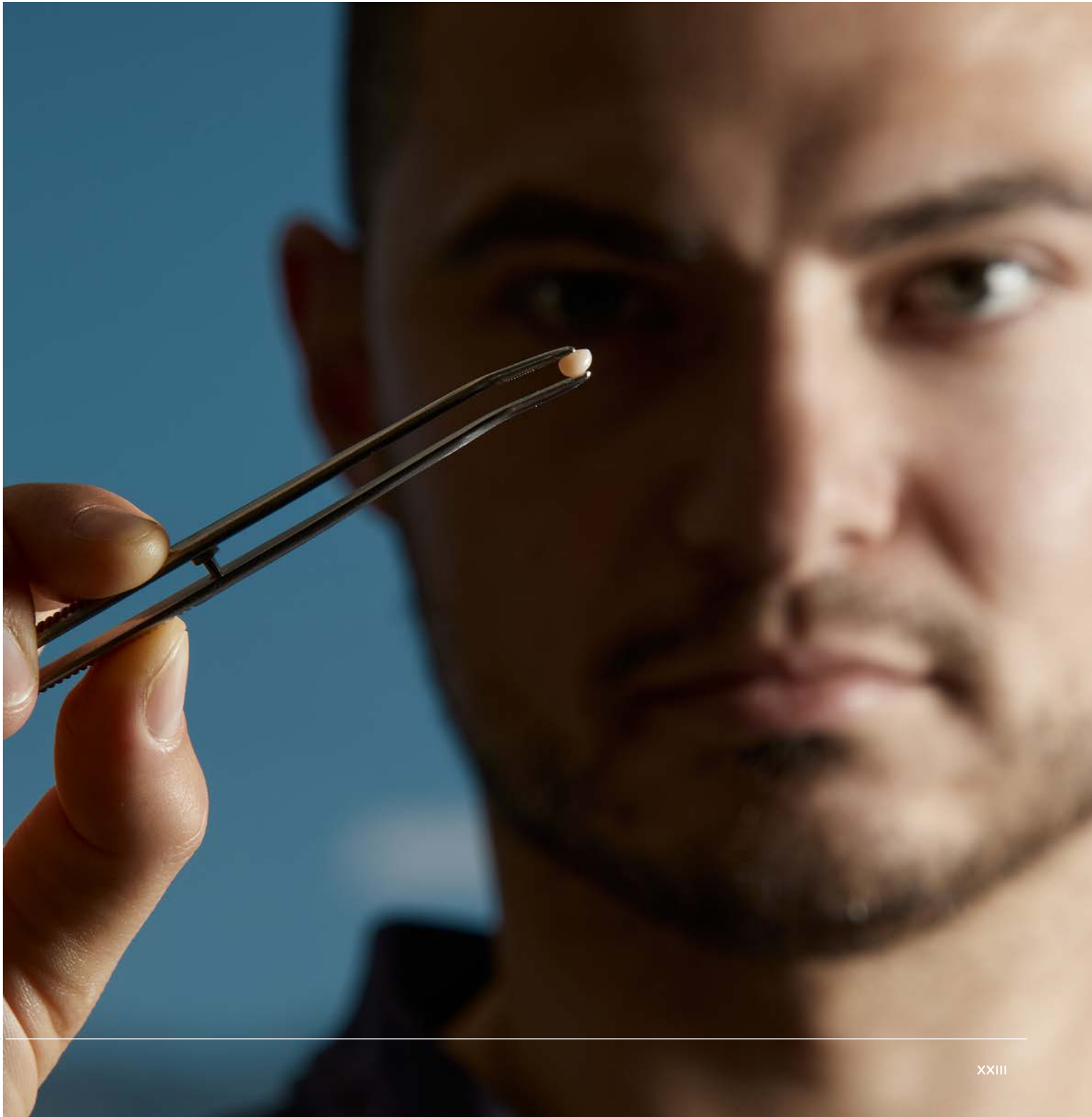
The following table shows, for each material topic, the scope (that is, where the impacts occur and Novamont’s involvement in these impacts), and the correspondence with the main areas under Italian Legislative Decree No. 254/2016.

Material topics: scope and correlation with GRI Standards, and areas under Legislative Decree No. 254/2016

TOPIC-SPECIFIC GRI STANDARDS	BOUNDARY		AREAS UNDER LEGISLATIVE DECREE 254/16
	WHERE THE IMPACTS OCCUR	NOVAMONT INVOLVEMENT	
MATERIAL TOPICS			
RESEARCH AND INNOVATION			
/	<ul style="list-style-type: none">• Novamont Group• Future generations• Direct customers• Indirect customers• Capital providers• Communities and society	<ul style="list-style-type: none">• Direct• Related to business relationships	/
BUSINESS INTEGRITY AND STABILITY			
<ul style="list-style-type: none">• GRI 201 Economic Performance 2016• GRI 205 Anti-corruption 2016• GRI 206 Anti-competitive Behaviour 2016• GRI 405 Diversity and Equal Opportunity 2016• GRI 406 Non-discrimination 2016• GRI 416 Customer Health and Safety 2016• GRI 417 Marketing and Labelling 2016	<ul style="list-style-type: none">• Novamont Group• Suppliers• Direct customers• Indirect customers• Workers• Capital providers	<ul style="list-style-type: none">• Direct	<ul style="list-style-type: none">• Respecting human rights• Fighting active and passive corruption

TOPIC-SPECIFIC GRI STANDARDS	BOUNDARY		AREAS UNDER LEGISLATIVE DECREE 254/16
	WHERE THE IMPACTS OCCUR	NOVAMONT INVOLVEMENT	
VALUE CHAIN AND PRODUCT SUSTAINABILITY			
<ul style="list-style-type: none">• GRI 204 Procurement Practices 2016• GRI 301 Materials 2016• GRI 302 Energy 2016• GRI 303 Water and Effluents 2018• GRI 305 Emissions 2016• GRI 306 Waste 2020• GRI 412 Human Rights Assessment 2016	<ul style="list-style-type: none">• Novamont Group• Suppliers• Direct customers• Waste management sector• Communities and society	<ul style="list-style-type: none">• Direct• Linked to business relationships	<ul style="list-style-type: none">• Environmental topics• Respecting human rights• Social issues
COMPLIANCE AND QUALITY OF THE PRODUCTS AND CUSTOMER CARE			
<ul style="list-style-type: none">• GRI 403 Occupational Health and Safety 2018• GRI 416 Consumers’ Health and Safety 2016• GRI 417 Marketing and Labelling 2016	<ul style="list-style-type: none">• Novamont Group• National and international governments and bodies• Suppliers• Direct customers• Indirect customers	<ul style="list-style-type: none">• Direct• Indirect• Linked to business relationships	<ul style="list-style-type: none">• Social issues
SOIL PROTECTION AND REVITALISATION			
/	<ul style="list-style-type: none">• Novamont Group• Farming world• Waste management sector• Communities and society	<ul style="list-style-type: none">• Direct• Linked to business relationships	<ul style="list-style-type: none">• Environmental topics

TOPIC-SPECIFIC GRI STANDARDS		BOUNDARY		AREAS UNDER LEGISLATIVE DECREE 254/16
		WHERE THE IMPACTS OCCUR	NOVAMONT INVOLVEMENT	
RESPONSIBILITY TOWARDS WORKERS				
<ul style="list-style-type: none">• GRI 401 Employment 2016• GRI 403 Occupational Health and Safety 2018• GRI 404 Training and Education 2016• GRI 405 Diversity and Equal Opportunity 2016	<ul style="list-style-type: none">• Novamont Group• Suppliers• Workers	<ul style="list-style-type: none">• Direct• Linked to business relationships	<ul style="list-style-type: none">• Topics relating to personnel• Respecting human rights	
COMMUNICATION AND PROMOTION OF SUSTAINABILITY				
/	<ul style="list-style-type: none">• Novamont Group• Communities and society	<ul style="list-style-type: none">• Direct	<ul style="list-style-type: none">• Social issues	
EDUCATION AND TRAINING OF NEW GENERATIONS				
/	<ul style="list-style-type: none">• Novamont Group• Media and the press• Future generations	<ul style="list-style-type: none">• Direct	<ul style="list-style-type: none">• Social issues	
PARTNERSHIPS AND COLLABORATION FOR TERRITORIAL REGENERATION				
/	<ul style="list-style-type: none">• Novamont Group• Organizations and NGOs	<ul style="list-style-type: none">• Linked to business relationships	/	



Many players contribute directly or indirectly to our success and, in their roles, can influence progress and decisions.

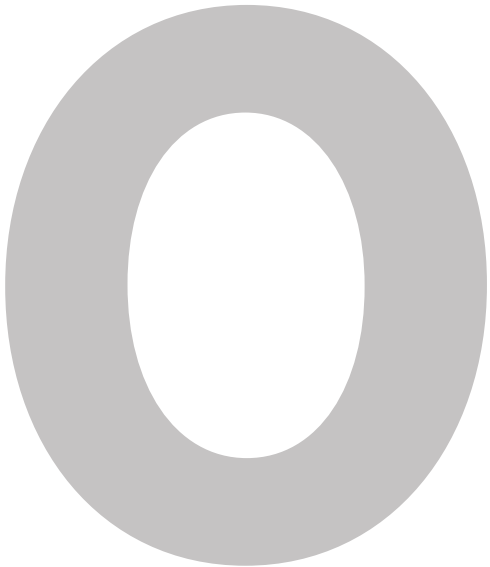
Stakeholders’ engagement is an essential element of our sustainability strategy. We have identified our stakeholders by involving company management and periodically updating this process to ensure that it always reflects our situation. Thanks to a continuous process of feedback and discussion, organised through various channels and methods, our Group is more aware of our stakeholders’ expectations and interests, and of how well we are meeting those expectations. For this reason, each year we draw up an **Engagement Plan** which is different from the previous years, so as to provide our stakeholders with a variety of communication channels and allow everyone to express their views. The engagement methods used in the reporting year are described below, with the key topics and requests that emerged during those activities for each stakeholder category.



STAKEHOLDERS	ENGAGEMENT METHOD	KEY TOPICS RAISED
Capital providers	Analysis of the RobecoSAM questionnaire for the “CHM Chemicals” industry	The financial dimension is enhanced especially by an efficient business management, that at also aims at higher ethical standards. Within the company, huge importance is placed on the health and safety of employees and their professional and personal development. The formulation of more efficient strategies for the climate and for operational management are some of the aspects that make the largest contribution to the environmental dimension.
Workers	Impacts evaluation survey	Integrity and stability of the business are a priority, as well as topics related to workers’ well-being and development. The survey found that stakeholders also consider very important: building Partnerships and collaborations for territorial regeneration, the topics related to education and training of new generations and Communication and promotion of sustainability.
	Presentation of the NFS to the company’s BoD	Management has found that the disclosures made in the NFS correspond to what is generally perceived in the management of the business.
Direct customers	Impacts evaluation survey	From the interviews carried out, it emerged that the priority for customers are Business integrity and stability, as a direct consequence of their close relationship with the Group, and the development of partnerships and collaborations, which help steer the redistribution of value increasingly towards territorial regeneration. Research and innovation and education and training of new generations are also a priority for the customers, who recognise the group’s best practices on both sides.
Indirect customers		
Organizations and NGOs	Documentary analysis of the available external sources of the main consumer organizations	The topic of value chain and product sustainability is a priority for the organizations analysed, confirming the increasing importance that sustainability has for the consumers. Another extremely relevant topic for this stakeholders’ category is the one of Compliance and quality of the products and customer care showing how organizations tend to protect the satisfactions of the consumers that they represent.

STAKEHOLDERS	ENGAGEMENT METHOD	KEY TOPICS RAISED
Media and the press	Daily analysis of press coverage	The main interest is found in the topic of sustainability of supply chain and products, demonstrating the ever-increasing interest of all actors in company in the sustainability of products and organisations. There is also a high level of interest in Research and Innovation, recognised as tools to support the necessary ecological transition.
Suppliers	Analysis of the results of assessments carried out with the EcoVadis platform	The most relevant topics are Compliance and the quality of products and Business integrity and stability, both aspects of historical importance in the relationship between the Group and its suppliers.
National and international governments and bodies	Monitoring and analysing the regulatory landscape	National and international governments and bodies are expressing their views with a flurry of legislative activity to guide us towards <u>sustainable development</u> . Of particular relevance is the development of regulations concerning supply chain and product sustainability such as the new Corporate Sustainability Reporting Directive (CSRD) which will change the ESG scenario and the development of partnerships and collaborations as a means to achieve the common goal of sustainable development.
Farming world	Impacts evaluation interviews	The themes of supply chain and product sustainability and partnership and collaboration for the regeneration of territories, both seen as essential aspects of Novamont’s identity, emerge as fundamental.
Waste management value chain		
Future generations	Analysis of satisfaction questionnaires carried out at training and information events where Novamont was present	The educational activities are focused on the topics of Soil protection and revitalisation, Value chain and product sustainability, Education and training of new generations and Communication and promotion of sustainability. This demonstrates how important it is to create knowledge and raise awareness among younger generations about the global challenges linked to climate change.
Community and society	Daily analysis of press coverage	Press coverage defines the topic of Value chain and product sustainability as a priority, to prove the fact that sustainability is a more and more widespread value in all levels of the society.

Novamont Group



The Novamont Group is an international leader in the production of bioplastics and in the development of bioproducts and biochemicals obtained by integrating chemistry, the environment and agriculture.

As a certified B Corp (Benefit Corporation), we act responsibly, sustainably and transparently towards people, communities, territories, the environment, cultural and social activities and goods, organisations, associations and other stakeholders, pursuing goals in the public interest.



4
PRODUCTION SITES
(INCLUDING 1 PROCESSING SITE)



3
R&D CENTRES



4
ACTIVE INNOVATION
HUBS



642
EMPLOYEES



€426
MILLION IN TURNOVER¹



joint-venture **MATRICA**²
1 PRODUCTION SITE
1 R&D CENTRE

1 - This figure includes the items "Revenue from contracts with customers" and "Other revenue and income" reported in the Group's 2022 Consolidated Financial Statements

2 - Matrica is not included in the Group's environmental, social and economic data because it is not completely consolidated

2022 Highlights

RESEARCH AND INNOVATION

3.3%³
of turnover invested in Research and Development

~20%
of employees involved in Research and Development activities

€25 m
in industrial and R&D investments

~1500
active patents and patent applications in 2022



~550
partnerships with companies, research centres, universities, non-profit organisations and local government in the context of research, development and innovation projects

3 - The percentage has decreased compared to 2021 due to the increase in turnover. Investments (in absolute terms) in R&D have not changed compared with 2021

BUSINESS INTEGRITY AND STABILITY

€426 m
Economic value generated



Strengthened partnership **between Versalis and Novamont** in the key area of green chemistry and reconfirmed commitment to the Matrica joint venture



COMPLIANCE AND QUALITY OF THE PRODUCTS AND CUSTOMER CARE

71%
percentage of the Mater-Bi placed on the market by who are licensees of the trademark

+25%
applications subject to trademark



VALUE CHAIN AND PRODUCT SUSTAINABILITY

62%
raw materials of renewable origin

Continuing the **EcoVadis project** for the sustainability performance assessment of Novamont suppliers

71%
share of regenerative turnover

Start-up of the **trigeneration plant** in the Patrica plant, resulting in a 12% reduction in primary energy consumption

99.8% electricity and **100%** of heating obtained from certified renewable sources

Novamont named one of **the B Corp Best for the world** in the impact on the Environment field



SOIL PROTECTION AND REVITALISATION



Re Soil FoundationThe foundation has involved about 2,500 participants in training and outreach activities to raise awareness about issues related to soil health

Mater-Agro beginning of direct collaborations with national agri-food businesses (Consorzio di Tutela Valdobbiadene Conegliano Prosecco Superiore DCOG, Donnafugata, Ente Parco Nazionale dell'Isola di Pantelleria, Philip Morris, IBF servizi and Melinda) and pre-campaign market introduction of RITERRA-branded biodegradable mulching film

Novamont was awarded the **Sustainable Development Prize** presented for the twelfth year by the Foundation for Sustainable Development and the Italian Exhibition Group with the patronage of MITE, to create innovative projects in support of natural capital



RESPONSIBILITY
TOWARDS
WORKERS

642

employees (+2% vs 2021), of whom:

97%

full-time



98.6%

with permanent contract

0.6

rate of injuries at work
(they are non-fatal and non-serious injuries)

~ 8000

hours of training



Launch of the **Officine Novamont** project.

COMMUNICATION
AND PROMOTION
OF SUSTAINABILITY



Receipt of the **Oscar di Bilancio prize** in the 'Benefit Company' category, awarded by the Italian Public Relations Federation with Borsa Italiana and Bocconi University

Attended **over 100** National and international events (among which we can mention Linkontro, Bioeconomy Day, World Bioeconomy Forum, Business for good leaders summit, Ecomondo)



Contributed drafting several **studies and reports** among which publications by Fondazione Symbola, Unicamere (GreenItaly 2022 report) and GEI (Quaderni Momigliano sulla Bioeconomia) and attended several **scientific dissemination** podcasts

EDUCATION AND TRAINING
OF NEW GENERATIONS



BIOCIRCE Master's Degree launch of the fifth edition

Discovering Mater-Bi launch of the fifth Bia de Compostabilis comic book dedicated to climate change

Launch of the first **Bioeconomy4YOU - Bioeconomy Ambassadors contest** promoted by Re Soil Foundation

PARTNERSHIPS AND COLLABORATIONS
FOR TERRITORIAL REGENERATION



Cluster SPRING
136 members in total

Novamont is the founder and member of the Bio-based Industries Joint Undertaking BBI JU, now the Circular Bio-based Europe Joint Undertaking (CBE JU) partner of the Ellen MacArthur Foundation

Supporting **local events** (Dialoghi con la Scienza, TEDxNovara, Novara Jazz, Capraia Smart Island)

Continuing **territorial regeneration projects**, developed with communities and local authorities throughout Italy (Pantelleria, Milano Bergamo, Brescia e Assisi)

Who we are

Founded in 1990, Novamont is an Italian B Corp certified benefit company, and a world leader in the bioplastics sector and in the development of bioproducts and bio-chemicals. These products, thanks to their compostability and biodegradability in different environments, can contribute to reducing non-recoverable waste and protecting ecosystems, particularly the soil. The roots of our company lie in the **Montedison School of Material Science**, where a number of researchers began to develop the ambitious project of integrating chemistry, the environment and agriculture, or “**Living chemistry for a better quality of life**”. In 2007, Catia Bastioli was appointed European Inventor of the Year by the European Patent Office for inventions related to starch bioplastics.

VISION

We want to give a significant contribution to the creation of a **zero emissions** circular bioeconomy, with products that be catalysts of an ecological transition, in a continuous evolution towards production chains free from fossil raw materials.

We want to disconnect development from the use of resources, involving local and global communities to enact together **the cultural, social and technological change** needed to improve life on Earth.

MISSION

We use chemistry creatively, as a regenerative and clean force to create eco-design solutions that do not release persistent substances into the environment, that can be recycled in various forms and that can return to the earth, closing the carbon cycle. We work together by creating partnerships with everybody who share our commitment.

Our goal is to transform:



Plants no longer competitive in energy-independent bio-industries



Converting marginal lands into fertile soil with precious sources of raw materials



Transforming waste into new biomaterials and bioproducts



Transforming the community into responsible actors for the transaction towards a sustainable life and development.

THE DEVELOPMENT MODEL

We have always pursued the principles now embodied in the concept of the circular bioeconomy, and our products, which are renewable and suitable for multiple forms of recycling including organic recycling, are essential circular bioeconomy tools. This development model, which looks at the **circular bioeconomy** as a factor in territorial regeneration, is based on three main pillars:



REINDUSTRIALISATION OF DISUSED SITES

Biorefineries built from the Reindustrialisation of production sites that have been disused or that are no longer competitive. Development of innovative and sustainable processes that contribute to economy decarbonisation.



INTEGRATED AGRICULTURAL VALUE CHAIN MEANS PRODUCTION FROM WASTE

Research and innovation and innovation of low-impact agricultural value chains by recovering marginal lands, without competing with food production. Research and innovation to transform waste and production chain scraps into new bioproducts.



PRODUCTS AS SOLUTIONS

Products designed to close the carbon cycle and ensure that no persistent substances accumulate in compost, treated water, sludge, and soil, overcoming the problem of pollution. Products devised to be reused and recycled, extending the biogenetic carbon storage time.

SYSTEMIC
INNOVATION AT
THE HEART OF OUR
MODEL

Scientific research is the engine of technological innovation, a necessary, though not sufficient, condition for realising concrete Circular Bioeconomy projects capable of decoupling resources and development. It is essential to integrate scientific and technological innovation with philosophical and humanistic innovation.

The key activities of our innovation model:



RESEARCH AND INNOVATION/DEVELOPMENT OF NEW BUSINESS APPLICATIONS

Development of multidisciplinary research and development platforms (materials science, physical chemistry; physical-mechanical and rheological behaviour of materials, processing technologies; polymer synthesis, organic chemistry, biotechnology; genetics of microorganisms and plants; microbiology; analytical chemistry, formulations, process development throughout the supply chain; chemometrics and experimental design IT, IP, LCA, ecology of systems and products, agronomy, plant genetics, pilots, renewable energy and organic, chemical and mechanical recycling, etc.) and creation of intellectual property comprising products, processes, applications and technologies along the value chain, from bioplastics and biochemicals to biomass and biowaste.



ECOLOGY OF PRODUCTS AND SYSTEMS

Study and assessment of environmental impacts (LCA, LCM, CSR), biodegradation, compostability and ecotoxicological analysis of plastic materials in the environment. Standardisation and certification activities.



ENGINEERING

A wide and growing range of upstream industrial processes, low-impact technologies and facilities integrated throughout the bioplastics value chain; efficiency in the use of resources.



TRAINING

Continuous development, through projects, of diversified skills and internal training of qualified staff with a strong systemic vision.



OPEN INNOVATION

Creation of a network of strategic partnerships with stakeholders throughout the value chain, prioritising projects with farmers, biowaste infrastructure, local communities and environmentalist organisations.

[GRI 2-1, 2-6]

Locations and sales network

Our roots lie deep in the **Italian territory**. In Italy, Novamont has its headquarters in Novara, three production plants in Terni, Bottrighe and Patrica and three research centres in Novara, Terni and Piana di Monte Verna (PMV) as well as three technological innovation hubs such as the pilot plants in Bottrighe, Terni and Patrica and an additional research centre in the JV Matrica.

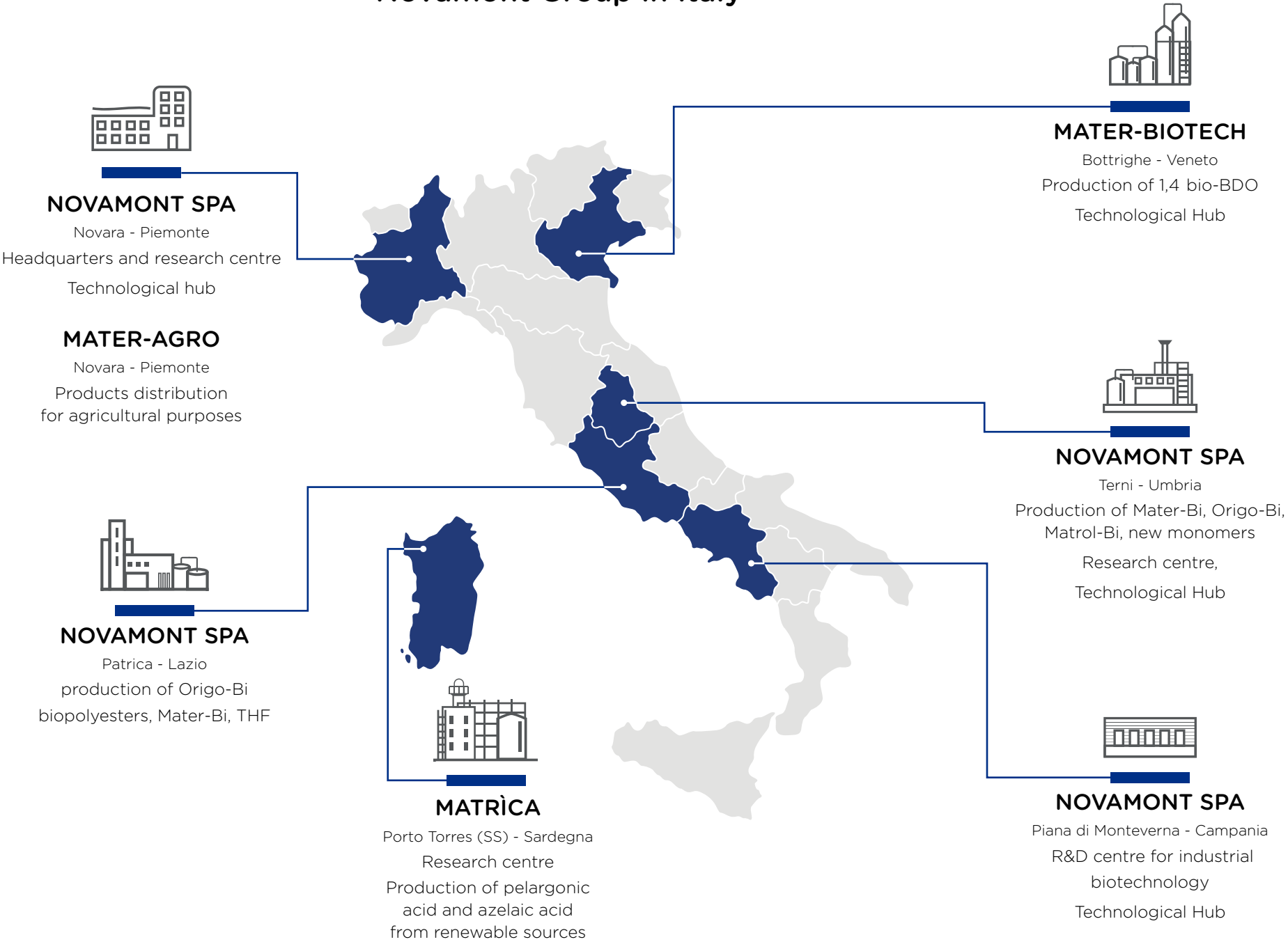
We are present in foreign markets through our branches in France, Germany, Spain and North America, a vast network of distributors and a representative office in Brussels.

Novamont has set up a 50:50 joint venture with Versalis (Matrica S.p.A.) in the petrochemical plant in Porto Torres for the production of chemical intermediates from re-

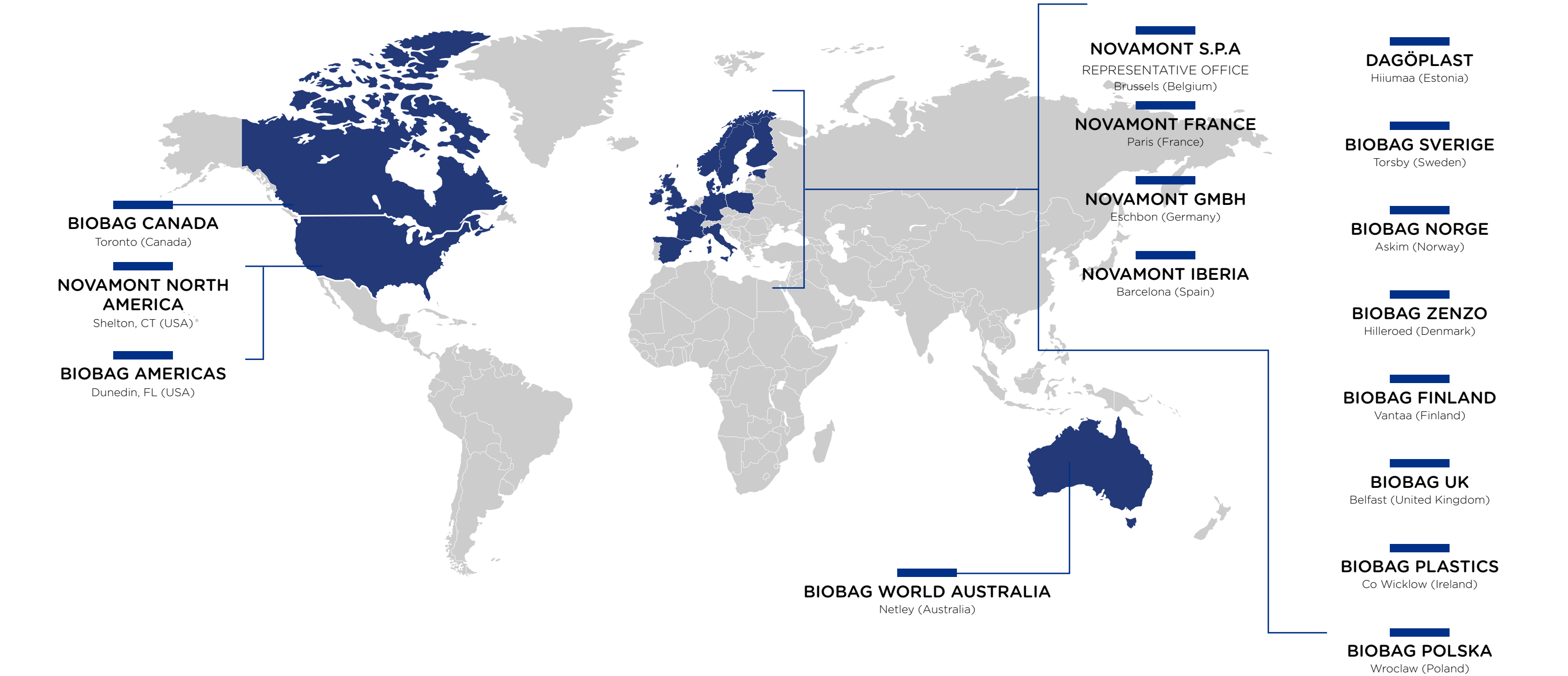
newable sources through a proprietary technology brought to full industrialisation and Mater-Agro S.r.l., the company set up with Col-diretti and Consorzi Agrari d'Italia to promote a new model of participatory innovation between agriculture and industry through the dissemination of sustainable agroeconomic solutions.

In 2021 Novamont also purchased the group BioBag, a Norwegian company leader in the field of development, production and sale of certified compostable and biodegradable applications for the packaging and compost waste collection sectors. The group has branches in Scandinavia, north-eastern Europe, North America and Australia as well as a production site in Estonia.

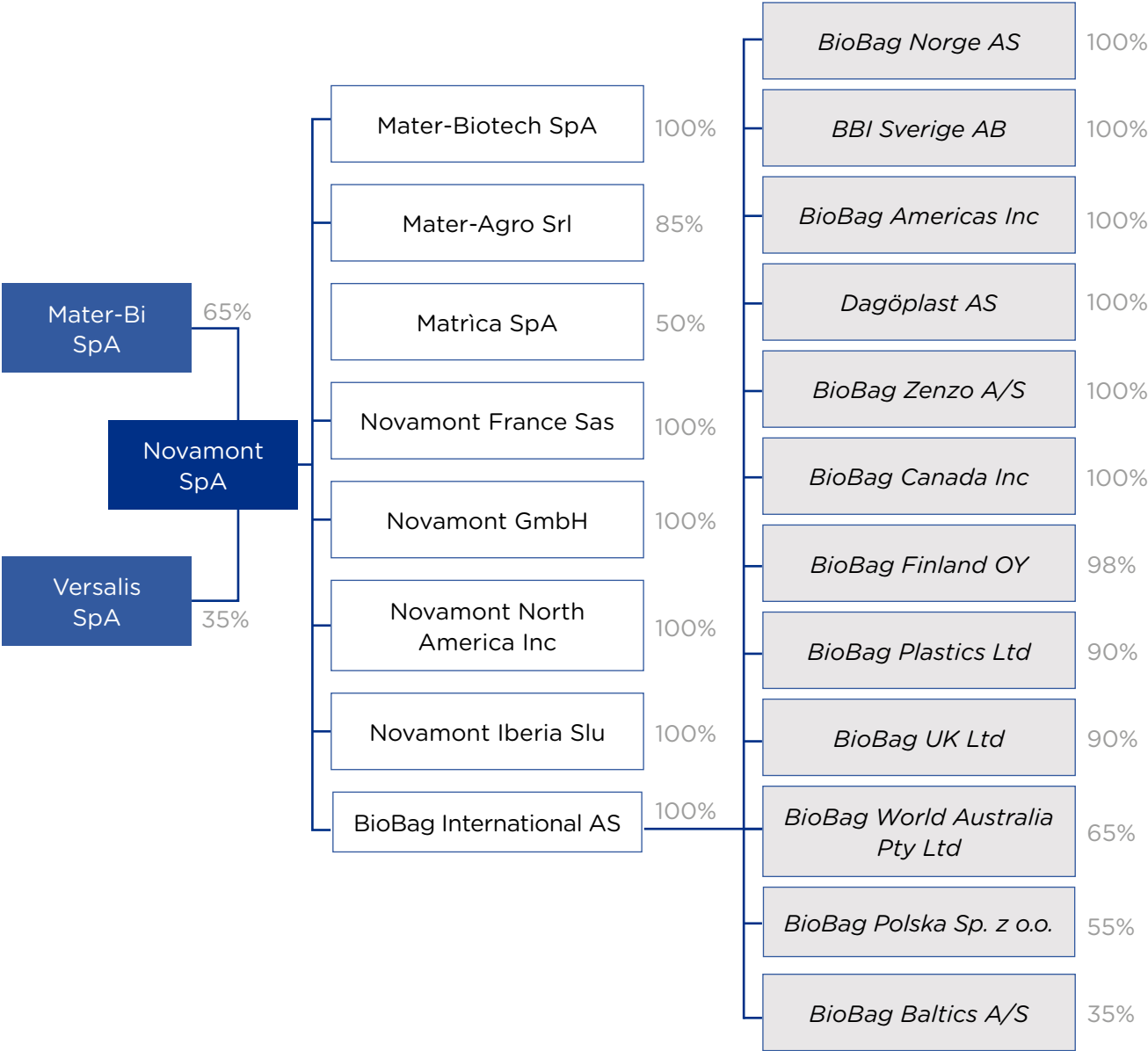
Novamont Group in Italy



The Novamont Group worldwide



Structure of the Group at 31 December 2022⁴



4. This document does not contain information or data about the companies Matrica S.p.A. and BioBag Baltics A/S. These companies are excluded from the reporting scope since they are not fully consolidated in the Novamont Group's Consolidated Financial Statements

VERSALIS AND NOVAMONT:
PARTNERSHIP IN GREEN CHEMISTRY GETS STRONGER

In March 2022 Versalis and Novamont consolidated their partnership to strengthen synergies in a key sector for ecological transition, in a key sector for the ecological transition such as green chemistry, building on what has been built up so far to maximise the results and to seize new opportunities.

In particular, the commitment to Matrica - the JV set up in 2011 between Versalis and Novamont in Porto Torres and specialised in the production of bioproducts from renewable sources - has been reconfirmed, with the aim of enhancing its technologies and production assets for the full development of its products, also in

integrated supply chains with the two companies, in the reference markets, focusing on their development and growth.

In this context, shareholder agreements were also redefined, which led Versalis to increase its stake in Novamont from 25% to 35%.



[GRI 2-6]

Products and areas of application

Mater-Bi

Mater-Bi is our family of biodegradable and compostable bioplastics, developed from **renewable raw materials of plant origin** and, when an equivalent of natural origin is not yet available, from fully biodegradable fossil raw materials.

Thanks to these characteristics, Mater-Bi optimises the management of organic waste, **reduces the environmental impact** and contributes to the **development of virtuous systems**, with significant advantages throughout the production/use/end-of-life cycle.

Mater-Bi bioplastics have a certified top environmental profile due to their derivation from integrated biorefineries undergoing continuous innovation, they are recyclable through organic recycling (in addition to other forms of recycling), they do not accumulate in the environment avoiding the creation of microplastics, and they allow for the redesign of different applications to disconnect development and use of resources.



Mater-Bi, which is sold in granule form, is an **intermediate product** is processed using the most common conversion technologies for traditional plastics to create an array of final products, tools that can facilitate a move towards a circular bioeconomy model.

Conversion technologies



BLOWN FILM

Biodegradable and compostable film for specific applications



EXTRUSION

Woven nets for food, threads and ropes for agricultural purposes, nets to protect trees and rigid or semi-rigid containers and others



THERMO-FORMING

Tubs, yoghurt jars, coffee pods and other rigid containers



EXTRUSION AND LAMINATION COATING

Common substrates, such as paper, card, plastic, aluminium, fabric



INJECTION MOULDING

Cutlery, coffee capsules, agricultural aids such as clips and dispensers used in organic farming

Application sectors



AGRICULTURE

Mulching films
Clips
Pheromones



PACKAGING

Food and pharmaceutical packaging



LARGE-SCALE DISTRIBUTION

Carrier bags
Bags for fruit and vegetables



SEPARATE COLLECTION

Bags for organic waste collection



FOOD SERVICE

Cutlery
Plates
Cups



OTHER APPLICATIONS

Coffee capsules
Labels
etc.

Celus-Bi

Celus-Bi is our **family of ingredients for the cosmetic and personal care sector**. It is the result of a collaboration between Novamont and ROELMI HPC, an Italian company that operates in the health and personal care market. The products in the Celus-Bi line are obtained primarily from **renewable raw materials**. They were developed to

be **biodegradable**, in accordance with OECD guidelines, and thus prevent the accumulation of microplastics in the ground and in water. The Celus-Bi family includes:



CELUS-BI ESTERS

Devised to create body care products and make-up (e.g. mascara, creams, foundation)

CELUS-BI POWDERS

Biodegradable sensory ingredients intended for the formulation of Rinse-off products (e.g. cleansers, exfoliating creams, toothpaste, shampoo, etc.) and Leave-on cosmetic products (e.g. sun cream, foundation, lipsticks, eye shadow, etc.) and for body care products.

Thanks to their biodegradability, Celus-Bi products contribute to the protection of soil and water.

Matrol-Bi

Matrol-Bi is our **family of rapidly biodegradable** biolubricants. They have been formulated with special **oils of natural plant or synthetic origin**, and are characterised by their **high resistance to oxidation**. Thanks to these properties, Matrol-Bi fluids are a safe choice for any systems used in ecologically sensitive areas and which might break or leak, releasing fluid into the environment and causing pollution. Matrol-Bi fluids

are also characterised by **low volatility and flammability**, which mean healthier working environments that are safer in terms of fire hazard. The product portfolio includes formulations that carry the EU Ecolabel⁵. The Matrol-Bi line mainly consists in:



The Matrol-Bi product line is a solution that can meet the strictest performance requirements, while fully respecting the environment and the health of the user.

HYDRAULIC FLUIDS

High performance products that are biodegradable and non-toxic, used for a wide range of applications, such as the hydraulic systems on earth-moving equipment used in agriculture, refuse collection vehicles, hydraulic moving systems present in hydroelectric power stations, and on boats, for transporting goods and/or people, and more generally, in any machine that has a hydraulic control unit.

DIELECTRIC FLUIDS

Insulating fluids used in distribution and power transformers. Matrol-Bi dielectric fluids were developed to provide a biodegradable alternative to traditional, naphthenic-based products. They can also be used to replace mineral dielectric oils in old transformers to extend their service life, improving their environmental profile while reducing fire risk.

5 - Further details on the Ecolabel brand can be found on pages 148 in Chapter 4 - "Compliance and quality of the products and customer care"

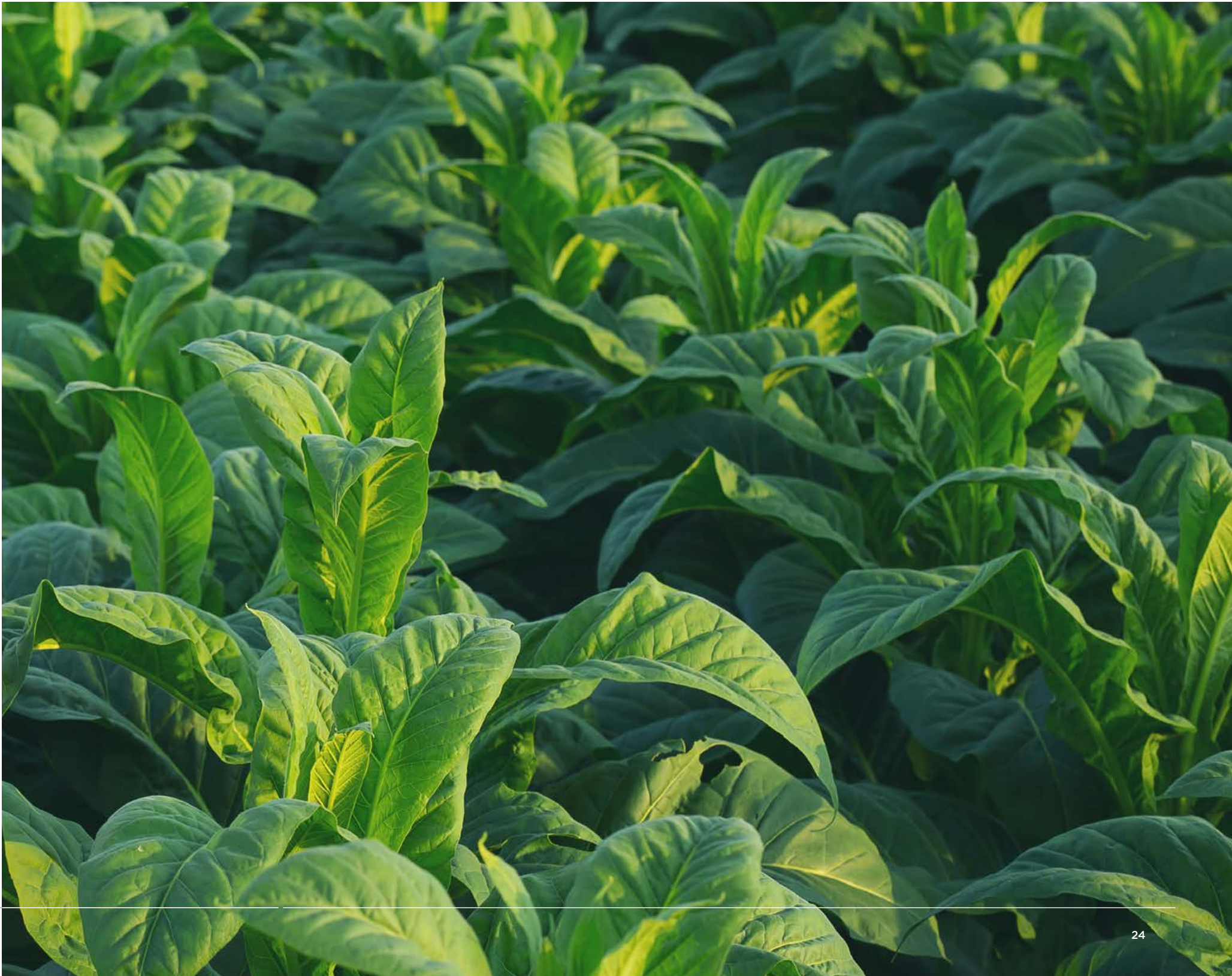
Ager-Bi

Ager-Bi is the brand name representing a **family of contact-acting plant protection products based on plant-derived pelargonic acid**, used to control annual and perennial weed growth in public areas, vineyards, orchards, to phytoregulate tobacco and in the pre-harvest drying of potatoes and grain legumes, representing a possible alternative in integration strategies to traditional solutions increasingly at the centre of the debate on whether their use is appropriate. Rapidly biodegradable in soil and with low solubility in water, this type of plant protection product does not generate residues in the soil or on treated plants, leaving soil fertility unaffected and preserving soil biodiversity and resistance to erosion.

In 2022, in view of the positive results of the tests carried out in previous years, a license was obtained for emergency use under Article 53 of Regulation (EC) No 1107/2009.

The licence was for the product **Ager-Bi Disseccante Gold**, a pre-harvest desiccant for peanuts and alfalfa. The product has achieved excellent results when used on peanuts, providing farmers with a valid support tool to ensure optimal harvest quality. Coldiretti, Noberasco and Società Italiana Sementi are behind an initiative to develop the Italian peanut sector in order to produce healthy, sustainable nuts that are 100% Italian in origin.

In 2022 Novamont has also sent the ordinary registration dossier for its formulation with a very high pelargonic acid content to the Ministry of Health, which will be marketed under the Ager-Bi brand once authorised. The uses for which ordinary authorisation has been requested are: tobacco suckering, suckering and under-canopy weeding of vines, pome fruits, olives, hazelnuts, pre-harvest drying of alfalfa, peanuts, potatoes, and non-agricultural weeding.



BIODEGRADABILITY

This is the ability of an organic substance, of plant or animal origin, to decompose into simpler substances by means of the enzymatic activity of bacteria and other microorganisms. Once the biological process is complete, the original organic substance will have been fully converted into simple, inorganic molecules: water, carbon dioxide, methane and new biomass. The phenomenon of biodegradation is part of the natural cycle of life on Earth: for example, the leaves of a tree that fall to the ground are biodegradable.



NEW ORGANIC
MATTER



DEAD ORGANIC
MATTER



ORGANIC
DETritus



DEGRADATION



FERTILE HUMUS

COMPOSTABILITY

This is the ability of biodegradable, organic matter (for example, plant cuttings, kitchen scraps, gardening waste, such as leaves and grass cuttings, some types of bioplastics, etc.) to be turned into compost in composting plants.

RENEWABILITY

The term refers to renewable sources of energy or material, i.e. which can be regenerated in a relatively short period of time. Bio-based products, made from renewable plant sources, are potential catalysts for change to disconnect development and resource use.

NOVAMONT’S MILESTONES IN 2022

In 2022, we were also involved, along with our Italian and international supply chain partners, in the development and launch of ready-to-go solutions for food packaging and pharmaceutical

sectors. These innovations represent a significant milestone for our Group. They are the result of the concerted effort made in recent years in the bioplastics and biochemicals sector in Italy, as

well as being a concrete example of what the application of a circular bioeconomy model can achieve.

THE NEWCOMPOSTABLE PACKAGING FOR RAVIOLI AND AGNOLOTTI

March 2022

Pastificio Fontaneto, leader in the production of high quality, home-made, fresh pasta has launched in the shops the new entirely compostable tray for “ravioli del Plin” and “agnolotti piemontesi”, now available in corner shops, supermarkets, deli counters and in foreign markets.

This is fully OK COMPOST-certified multi-component compostable packaging, consisting of a 100% biodegradable and compostable Mater-Bi bioplastic tray with a multilayer film containing Mater-Bi and a compostable label.

This unprecedented innovation in the fresh filled pasta segment is the result of a collaboration between Novamont, Gualapack, ILIP and Gruppo Poligrafico Tiberino.

The packaging guarantees a wide range of very high technical performances: from oxygen and humidity barrier, necessary for the preservation of fresh filled pasteurised pasta, to the high mechanical resistance of the material in the various atmospheric and temperature conditions (freezer, refrigerator and environment), from transparency to an industrial processing efficiency of the compostable polymer at least identical to the one used for traditional packaging.



PACKAGING IN THE PHARMA SECTOR

October 2022

Mix-Me, the multivitamin and multimineral nutritional supplement by DSM Nutritional Products, designed to combat malnutrition in developing countries and already distributed to millions of consumers, also comes to the market packaged in a paper laminate and bioplastic film Mater-Bi by Novamont, with over 65% of renewable raw material content. The innovative pack is biodegradable in soil and compostable both industrially and at home.

The new packaging was created by the synergy of Novamont with Ticinoplast, SAES Coated Films and Gualapack, a wholly Italian production chain. The biodegradable coating technology Coathink® created by Saes Coated Films creates high barriers against humidity and oxygen, requirement needed to preserve better the powder product and its micro-nutrients content for the entire shelf-life duration.



NEW FRUITS OF THE PARTNERSHIP BETWEEN MELINDA AND NOVAMONT

October 2022

Aware of how reducing the impact of packaging, the circular economy and the bioeconomy assets are increasingly more central and strategic, a few years ago Melinda started a collaboration with Novamont to create a bioplastic film that together with the tray, stickers and labels made the 4-fruit tray of the Melinda BIO line fully compostable. Now, the two companies are experimenting the new Mater-Bi bag, with good transparency and excellent resist-

ance, compostable in compliance with international regulation EN 13432. Melinda and Novamont have also started a research project on the use of apple processing waste from the Melinda chain to extract second-generation sugars that the two companies aim to use for the production process of bioplastic.



[GRI 2-1]

Sustainability management

We are facing an unprecedented emergency, in which we are running out of resources and filling landfills with waste. Exponential interconnected crisis are taking place, such as: climate change, demographic growth, geopolitical crisis, social problems, crisis related to raw materials and biodiver-

sity erosion. Thus, we are facing a global emergency that requires an urgent, systematic, joint approach. The complexity and the scope of this challenge is exacerbated further by the conflict between Russia and Ukraine which is slowing down the process and using up resources needed for decarbon-

isation of the economy. However, the enormous uncertainty of the current macroeconomic and geopolitical context is an opportunity for us to strongly reiterate the utmost importance of sustainable development.



To achieve genuine sustainable development, it is necessary to harmonise economic growth, social inclusion and environmental protection, by:



decoupling economic development from the consumption of finite resources, pollution and waste production



effectively managing problems that have an ethical and social impact, inside and outside the company

These aspects, together with the innovative business vision that has made Novamont a pioneer for over 30 years, are at the heart of a **corporate strategy that sees sustainability as its guiding principle**, that defines all business activities and that permeates the whole value chain. Since the outset, we have turned our attention to building a development model that integrates chemistry, the environment and agriculture and that facilitates the transition from a product-based economy to a system-based economy - themes that still characterise the Group's vision and mission to this day. Led by these principles, we pro-

mote a **circular approach to bio-economy** that is based on the efficient use of renewable resources and on territorial regeneration. We develop and manufacture products of plant origin that are biodegradable and compostable, conceived as solutions to specific problems closely connected to soil and water quality, pursuing the continuous innovation of our products, facilities and processes to achieve greater sustainability.

By applying proprietary technologies and redeveloping industrial sites that are no longer competitive or have fallen into disuse, we have created new value chains, new products and new jobs. Over

the years, we have built and consolidated a collaboration platform that brings together the world of bioplastics, composters, farmers, large-scale distribution, local authorities and other key local stakeholders.

Lastly, promoting ethical and sustainable development principles throughout the supply chain (sphere of influence) by adopting a collaborative approach towards advocacy with suppliers allows us to accelerate the transition towards more responsible, sustainable business models, and is therefore one of the key elements of our Group.

We are a certified B Corp Benefit Corporation

Mindful of what we can still do to promote a truly sustainable, inclusive economic model, in 2020 we adopted the legal form of **Benefit Corporation**, formalising in our articles of association our commitment to **goals of common benefit** for society, the local community and the environment we find ourselves in.

The term Benefit Corporation refers to a new legal form that was introduced in the United States in 2010. This was subsequently adopted by Italy (the first country in the world outside the US) with the Italian law of 28 December 2015. Companies that become benefit corporations undertake to:



incorporate goals of common benefit, in addition to the objectives of profitability, within their articles of association.



measure all their impacts and publish them annually, in a transparent and complete manner, in an **impact report**⁶ that describes the actions taken and the plans and commitments for the future.

6 - Novamont's 2022 Impact Report is available at www.novamont.com



“As a benefit corporation, Novamont pursues goals in the public interest, acting responsibly, sustainably and transparently towards people, communities, territories, the environment, cultural and social activities and goods, organisations, associations and other stakeholders.”

(Extract from Novamont’s articles of association)

At the same time as becoming a Benefit Corporation, we managed to achieve the **B Corp** certification, becoming part of a global movement set up with the aim of promoting and disseminating a business model that goes beyond generating a profit for shareholders and that seeks to innovate and maximise the positive impact on society and on the environment, for all stakeholders. To obtain B Corp certification, companies have to undergo a rigorous procedure of assessing the impacts generated by the business on the environment and on society, by completing the **B Impact Assessment (BIA)** developed by B Lab, a US independent non-profit organisation. Once the company obtains a minimum score of 80

out of 200, it is awarded B Corp certification. This testifies that the company acts in a responsible, sustainable and transparent way, pursuing an aim higher than mere profit. In its first year of assessment, Novamont achieved an excellent score of 104, thereby obtaining B Corp status and joining a global movement that now has more than 6000 companies in 89 countries and 159 industries, united by a single goal: to transform the global economy to benefit all people, communities and the planet. B Corps meet the highest standards of verified social and environmental performance, public transparency and accountability to balance profit and purpose. The B Corp Certification does not simply evaluate a product or ser-

vice, but assesses the overall positive impact of the company that stands behind it. Using the B Impact Assessment, B Lab evaluates how a company’s operations and business model impact its workers, community, environment and customers⁷.

With the inclusion of data from 2022, we obtained a new score of 136. The increase in our corporate performance was the result of a continuous improvement plan, and specifically the benefit actions pursued to achieve specific goals in the public interest.

7 - For more information on our score, please see our 2022 impact report

On obtaining the B Corp certification, we decided to adopt the BIA framework with the dual goal of conforming to the legal obligations of benefit corporations, reporting the impacts generated by the company, and obtaining an important tool in managing the Group's sustainability. In 2021, we formulated a **dynamic Master Plan** comprising a set of actions devised to reduce our impact and enhance our sustainability profile in each of the five areas of the BIA, while building on the work carried out over the last 30 years, relaunching it at a deeper, more advanced level.

By becoming part of the B Corp community, during 2022, we attended dedicated meetings of the B Corp network. These enabled us to stay up to date on projects for the entire community, to share ideas and to learn more about newly certified companies. We also took

part in *#UnlockTheChange*, the national movement campaign, coordinated by Nativa SB, to raise awareness among businesses, institutions and people, to “unlock” change, redefining in a concrete way a new business model, that is sustainable and regenerates society and the environment.

In March, the 'month of B Corp', we helped to spread awareness about the values and activities of the community by joining the social campaign I 'Dietro la B' (Behind the B) campaign launched by B Corp Europe. Going beyond the B Corp logo, the goal of the campaign was to show how the community is changing the way to do business, generating benefit for everyone. On our channels we've launched the results of the first impact report of the entire Italian community and on our website we've highlighted our own Impact Report.

We've also launched the campaign “No profit without benefit”, aimed at highlighting Novamont's ethical and political choice to pair economic management of the company with a positive, regenerative impact on the territories, on the communities, on the eco-system balance, becoming a B Corp certified Benefit Corporation. In particular, with this campaign we have recognised the need for the profit generated by a company to be closely connected to the benefit for the biosphere, territories and communities affected by industrial activity, thus reinforcing the role that a Benefit Corporation can play in the ecological transition of the development model.

IN 2022 NOVAMONT HAS RANKED AGAIN AMONG THE “BEST B CORPS FOR THE WORLD”

In 2022 Novamont was appointed again “B Corp Best for the World”, to reward the exemplary environmental performance. Assessed through the B Impact Assessment, in the impact area 'Environment', Novamont scored in the top 5% in its reference group, i.e. companies with more than 250 employees. In particular, Novamont is the only company in the 'Chemicals & chemical products' category and first in terms of score in Italy and Europe. Second at a global level.

The company stands out for its impact on the environment and for achieving the highest sustainability standards in this field through its circular bioeconomy model and good practices. Two-thirds of the achieved score are related to the production of Mater-Bi, the family of innovative, compostable and renewable biodegradable materials obtained through a ever-evolving, highly integrated supply chain, helping to increase the circularity of economic systems and redesigning applications, by exploiting the



combination of renewability, compostability, biodegradability in soil and the absence of eco-toxic effects and accumulation phenomena in the environment. The remaining third is associated to the implementation of best practices, including interventions to improve energy efficiency, buying energy from renewable sources, and raw materials with environmental certification.

According to our CEO Catia Bastioli 'It is fundamental to fully understand its systemic value, bridging between different bioec-

onomy sectors, its decarbonisation potential, and the capacity to disconnect resources and development, with its network of new systems and new bioproducts, its biorefineries that can use waste and by-products and the territory projects that can be increased to learn to do more with less. In this context Novamont sees Mater-Bi bioproducts as catalysts for the green transaction, creating real circular paths for co-planning, use and end-of-life that becomes new life'.

Sustainability Policy and Committee

The focus on these topics also led to the formalisation of a **Sustainability Policy**. The Policy, which was approved by the Board of Directors in June 2020, sets out the principles of Novamont's corporate culture and the commitments made towards responsible management of the impacts generated by the business on the environment, communities and people.

To manage sustainability topics in an increasingly structured and effective way, when we formalised the Policy, we also set up the **Sustainability Committee**. The Committee, which comprises the CEO, plant directors and ten corporate functions, interacts with senior

management and the Board of Directors in a proactive and advisory capacity. It also works synergistically with all Group functions and helps disseminate and integrate sustainability topics across all areas of the business and in its interactions with stakeholders.



EU taxonomy

To encourage the growth of sustainable investment and help achieve the objectives of the European Green Deal, the European Commission introduced – by Regulation (EU) 2020/852 and the related delegated acts – the **European Sustainable Finance taxonomy**. This is a classification system that indicates whether an economic activity can be considered environmentally sustainable. The application of the taxonomy imposes obligations both on non-financial and financial companies to report certain information in a standardised manner. The aim

is to increase the transparency of reporting to investors, allowing them to direct their investments towards environmentally sustainable activities and protecting them from greenwashing. The taxonomy is structured according to objectives, activities and criteria. In particular, **six environmental objectives** have been defined; for each one, the economic activities that can make a substantial contribution to at least one of them (“taxonomy-eligible” activities) have been identified. Clear technical screening criteria have been defined for each eligible activity

to determine whether it is carried out in a manner aligned with the taxonomy (“taxonomy-aligned”). Environmentally sustainable economic activities are therefore defined as those activities **that contribute substantially to the achievement of at least one of the six environmental objectives**, provided that they do not cause significant harm (“**Do No Significant Harm**” – DNSH) to any of the other environmental objectives and that they are carried out in compliance with minimum safeguards.

To this end, in 2022 our Group conducted an analysis of its 2021 financial year figures in order to identify eligible assets. The findings showed that our Mater-Bi products and Origo-Bi fall under sector 3.17 ‘Manufacture of plastics in primary forms’ of the **EU Regulation 2021/2139** (below Regulation 2021/2139), thus considered eligible in relation to criteria defined by the EU Regulation 2020/852 and its interpretations in relation to the **climate change mitigation** goals’ and ‘**climate change adaptation** goals’. The shares of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) attributable to these activities were then determined. For 2023, such activity was updated on the 2022 financial year figures. In addition, for the rate of eligible activity, we determined the alignment to criteria described in regulation 2021/2139.

Regulation (EU) 2021/2139 complements Regulation (EU) 2020/852 and establishes technical screening criteria for determining under which conditions an economic activity can be considered to contribute substantially to climate change mitigation or adaptation and whether it does not cause significant harm to any other environmental objective of the taxonomy.

ENVIRONMENTAL OBJECTIVES DEFINED BY THE EU

- 1 Climate change mitigation
- 2 Climate change adaptation
- 3 The sustainable use and protection of water and marine resources
- 4 The transition to a circular economy
- 5 Pollution prevention and control
- 6 Protection and restoration of biodiversity and ecosystems

REQUIREMENTS FOR ALIGNMENT UNDER THE TAXONOMY

- 1 Make a substantial contribution to at least one of the six objectives (according to the substantial contribution criteria)
- 2 Do no significant harm to other objectives (according to the DNSH criteria)
- 3 Respect the minimum safeguards (in relation to international legislation on workers’ rights)
- 4 Comply with the technical screening criteria set by the European Commission

Definition of activities considered eligible in relation to criteria defined by Regulation (EU) 2020/852

Products sold by the Group, economic activity they belong to and their eligibility under Regulation (EU) 2021/2139:

PRODUCTS SOLD BY THE GROUP	ECONOMIC ACTIVITY	ELIGIBLE FOR THE TAXONOMY (OBJECTIVE 1)	ELIGIBLE FOR THE TAXONOMY (OBJECTIVE 2)
Mater-Bi (bioplastic in primary form)	Manufacture of plastics in primary form	Yes	Yes
Origo-Bi (biopolymer in primary form)	Manufacture of plastics in primary form	Yes	Yes

Production of chemical products, mulching film made from Mater-Bi, in addition to Matrol-Bi and Ager-Bi, are not currently associated with any of the economic activities present in the taxonomy.

Definition of turnover share, CapEx and OpEx of *eligible activity*

Share of turnover, Capex and Opex at 31 December 2022

[in thousands of €]	TOTAL	% of activities eligible for the taxonomy	% of activities <i>not</i> eligible for the taxonomy
Turnover	425,895	71%	29%
Capex	10,201	85%	15%
Opex	20,460	85%	15%

In calculating eligibility for the three turnover indicators, CapEx and OpEx, the items referred to in Delegated Regulation (EU) 2021/2178 were taken into account. The income statement and balance sheet data of the Novamont Group's eligible activities for the calculation of the impact on the Consolidated Financial Statements were extracted by the Group's companies from the general accounting and cost

accounting systems used to prepare the statutory financial statements. These are prepared mainly in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

Please find below a brief description of the admission calculation method for the three indicators:

- **Turnover:** the proportion of taxonomy-*eligible* economic activities in terms of turnover was calculated as the portion of turnover earned from products and services associated with the taxonomy-eligible economic activities (numerator), divided by net turnover for the 2022 financial year (denominator). For more details on the accounting policies relating to consolidated net turnover, please see the explanatory notes to the Group's 2022 Consolidated Financial Statements.
- **Capital expenditure (Capex):** the proportion of taxonomy-eligible economic activities in terms of capital expenditure is defined as eligible investments (numerator) divided by total investments (denominator). The numerator consists of the tangible and intangible investments relating to activities or processes associated with taxonomy-eligible economic activities, while the denominator consists of the total investments made during the year. For more details of the accounting principles relating to investments, please refer to the explanatory notes to the Group's 2022 Consolidated Financial Statements.
- **Operating expenditure (OpEx):** the proportion of taxonomy-eligible economic activities in terms of operating costs is defined as eligible costs (numerator) of such activities, divided by total eligible costs (denominator). The operating costs used as a reference for the definition of both the numerator and denominator of the ratio denoting the impact on the Consolidated Financial Statements of those relating to eligible activities were determined on the basis of the fixed cost control model adopted by management. These include non-capitalised direct costs connected to research and development, maintenance and repair, and any other direct costs connected to the day-to-day maintenance of property, plant and equipment by the Group (Engineering Department) or by third parties to whom these tasks are outsourced, while raw material purchases, industrial utilities and other direct costs of the production process are excluded.

Verification of the alignment of eligible activities against the taxonomy criteria

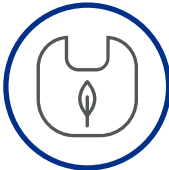
Economic activity 3.17 'Manufacture of plastics in primary form' is described in the Regulation 2021/2139 as 'manufacture of resins, plastics and non-vulcanisable thermoplastic elastomers, custom resin blending, as well as production of non-customised synthetic resins'⁸. The Reg-

ulation specifies that the economic activities that belong to this category could be connected to the NACE C20.16 code, in accordance with statistic ranking of the economic activities defined by 1893/2006 Regulation (CE)

Such economic activity represents the Group's core business in terms of turnover. In particular, Novamont's production of plastics in primary form can be divided into two macro-areas:



Production of **resins**, in particular biodegradable and compostable polyesters and copolyesters wholly or partially derived from renewable raw materials, under the proprietary brand name Origo-Bi®;



Production of **biodegradable and compostable plastic materials**, or blends of resins under the proprietary brand name Mater-Bi wholly or partly derived from renewable raw materials.

8 - The economic activity 'Manufacture of plastics in primary form' is a transition activity, see article 10 paragraph 2 of the (EU) Regulation 2020/852 if it meets the technical screening criteria described in point 3.17 of Regulation 2021/2139

Significant contribution to climate change mitigation

For what concerns 'significant contribution to climate change mitigation' see below c) for the applicable criterion:

c) derived wholly or partially from renewable raw materials and their life cycle greenhouse gas emissions are lower than the life cycle greenhouse gas emissions of equivalent plastics in primary form manufactured from fossil fuels. Life cycle greenhouse gas emissions are calculated using Recommendation 2013/179/EU or, alternatively, ISO 14067:2018 or ISO 14064-1:2018. Greenhouse gasses emissions quantified during the lifetime cycle are verified by an independent third party. Agricultural biomass used for the manufacture of plastics in primary form meets the criteria of Article 29, (2) to (5) of Directive (EU) 2018/2001. Forestry biomass used for the manufacture of plastics in primary form meets the criteria of Article 29, (6) to (7) of the above-mentioned Directive.

In order to assess the alignment of the Novamont Group's business with the greenhouse gas emissions criterion, the first step was to identify primary form plastics manufactured from fossil fuels that could be considered equivalent, taking into account both the chemical composition and intrinsic characteristics of the materials.

The analysis identified biodegradable plastic materials wholly derived from fossil fuels, that we had to tackle. In order to ensure the impartiality of this assessment, Novamont commissioned an external consultancy company to develop an LCA model and related calculation of the carbon footprint of equivalent plastics in primary form in accordance with ISO 14067:2018 Greenhouse gases - Carbon footprint of products - Requirements and guidelines for quantification . The results of this analysis are the

basis for the carbon footprint value against which Novamont has determined the alignment of its plastics in primary form⁹. With reference to the determination of the carbon footprint of materials, Novamont obtained ISO 14067:2018 - Systematic Approach (SA)¹⁰ certification in March 2023, so all carbon footprint values obtained are certified as specified in the taxonomy criterion. Agricultural biomass used for the manufacture of renewable component used in the production of Origo-Bi and Mater-Bi meets the criteria of Article 29, (2) to (5) of Directive (EU) 2018/2001. The verification of the fulfilment of the criteria set out in Article 29(2)-(5) of Directive (EU) 2018/2001 is carried out during the validation of renewable raw materials and updated annually by means of a special questionnaire, as set out in Management Procedure PG 20.

9 - More information about the main characteristics of the LCA model and relative sources that have been applied is available upon request
10 - ISO 14067:2018 defines principles, requirements and guidelines for qualification and reporting of product carbon footprint based on international reference standards for LCA studies. According to ISO 14067 standard it is possible to acquire the Systematic Approach certification (Annex C) in relation to all the procedures and the methods of calculation to determine the company products' carbon footprint

Do no significant harm (DNSH)

Please find below the results of the analysis of the alignment with DNSH criteria, in relation to the sector ‘manufacture of plastics in primary form’, described in regulation 2021/2139¹¹:

- *(2) Climate change adaptation: The activity meets the criteria set in appendix A of this attachment.*
Physical (severe and chronic) risks related to climate change listed in Appendix A (non-exhaustive list) of Reg. 2021/2139 have been included in FMEA analysis - *Failure Modes and Effects Analysis*, which is updated once a year. FMEA Analysis is used by Novamont for the systematic analysis of risk in complex systems or processes (special attention is paid to production processes) and is managed by the QASS Function. The aim of the application is to recognise, understand, limit and remedy potential weaknesses and risks and thus avoid errors or the stop of production process. This analysis was then extended to direct and indirect risks related to climate change in order to identify and qualify relevant risks and find appropriate preventive measures to avoid/control them. In particular, the physical risks of greatest relevance to Novamont concern, among the chronic ones, air and water temperature change, temperature variability, soil degradation and erosion, sea level rise and water stress, while, among the acute ones, droughts and, to a lesser extent, the risk of river flooding, with respect to which Novamont has already implemented adaptation actions such as diversified supplies of renewable raw materials and the definition of specific provisions for personnel working in plants in the event of

major weather events such as an increase in air temperature. In 2023, the analysis will be further integrated and refined in order to identify more adaptation actions and interventions. On the other hand, as far as the acute physical climate risk related to river flooding is concerned, the Group's production sites are subject to the Hydrogeological Structure Plan (PAI). The PAI is a planning document that identifies risk scenarios related to present and/or expected landslide and flood phenomena in the local area and associates them with regulations, limitations in land use and types of interventions, structural and otherwise, that are aimed at mitigating the expected damage. Specifically, it includes the identification and delimitation of hydrogeological risk areas, as well as the relevant safeguard measures. The PAI is drafted by the competent authorities in the region and, as required by Law 183/1989, it is not only a simple study accompanied by proposals for action, but a continuous update of problems and solutions. As a matter of fact, the area and its related hydrogeological risk conditions evolve over time, due to both natural and anthropic causes, and, consequently, the planning process must entail continuously updating risk scenarios. The process of updating the PAI has been underway for some years now, in different ways for the various Basin Authorities, some of which adopt variants for individual municipalities or groups of municipalities, while

others provide for the general revision of the PAI for their entire area. In any case, regardless of the way in which the PAI is updated, new interventions or structural variations of production sites are subject to directions and prescriptions related to the severity of the risk in order to mitigate acute physical risks that could in some way directly impact the site's production activities. Emergency plans have also been developed at the various sites, which include instructions on how to behave and what to do in the event of adverse weather conditions.

- *(3) The sustainable use and protection of water and marine resources: The activity meets the criteria set in appendix B of this attachment.*
Risks related to the water resource were addressed and assessed with EIA screening procedure (similar to a simplified EIA) carried out for the Terni and Patrica sites. The competent bodies did not request any further action to assess the impacts. In addition, the sites where Mater-Bi and Origo-Bi are produced are subject to the AIA (Integrated Environmental Authorisation) where the water resource is a subject of assessment and monitoring.
- *(4) The transition to a circular economy Not applicable.*

- *(5) Pollution prevention and control: The activity meets the criteria set in appendix C of this attachment.*
The sites where Mater-Bi and Origo-Bi are produced have the AIA. This implies the mandatory adoption of *Best Available Technologies* (BAT) where applicable (e.g. cogeneration and trigeneration plants, flue gas abatement system, etc.). Please see below a list of the BATs that have been implemented:
Emissions are equal to or less than the emission levels associated with the Best Available Technique Intervals (BAT-AELs) set out in the relevant BAT conclusions, including:
(a) best available techniques reference document (BREF) for polymer production (156);
(b) BAT conclusions on common waste water and waste gas treatment/management systems in the chemical industry (157).
No significant cross-over effects occur.
- *(6) The protection and restoration of biodiversity and ecosystems: The activity meets the criteria set in appendix D of this attachment.*
For the Terni production site, the impacts on biodiversity were addressed within the EIA submissibility assessment, with respect to which no further assessments such as the Impact Assessment (VINca) were required. For the Patrica site, on the other hand, the plant's emissions in the various environmental compartments were assessed as part of the AIA, but even here a VINca was not necessary, since the production facilities are not in the vicinity of Sites of Community Importance (SIC) and Special Protected Areas (ZPS).

11 - Reference to page 62 of the Regulation

Compliance with minimum safeguards

Compliance with the minimum safeguards is ensured by compliance with the Group's policies on human and labour rights management, anti-corruption and taxation, through the policies and initiatives reported in this NFD (Chapter 2 - Business Integrity and Stability and, with reference

to human rights, Chapter 3 - Supply Chain and Product Sustainability, Chapter 6 - Responsibility to Employees and Chapter 9 - Partnerships and Collaborations for the Regeneration of Territories). All supporting documentation is available at the Human Resources and Legal Affairs offices. Below is

the alignment for the manufacture of plastics in primary forms for the substantive criterion, the DNSH criteria and the minimum safeguards related to climate change mitigation for the three taxonomy indicators.

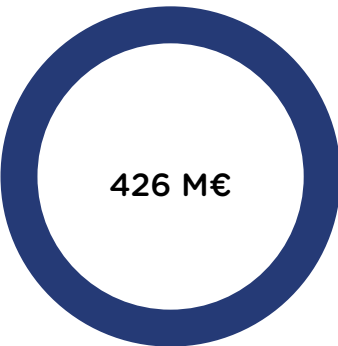
Results of the alignment

Based on the evidence of the analyses performed, the criteria of substantial contribution for alignment with the climate change mitigation goal, the DNSH criteria for

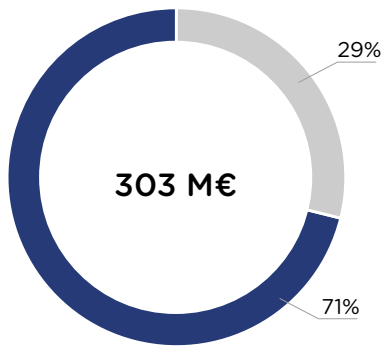
adaptation to climate change and the minimum safeguards are considered to be met. To conclude, economic activity 3.17 "Manufacture of plastics in primary forms"

is aligned and the alignment rates for the three indicators required by the taxonomy are shown below.

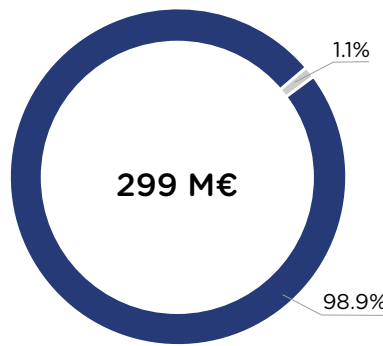
TOTAL TURNOVER



ELIGIBLE TURNOVER

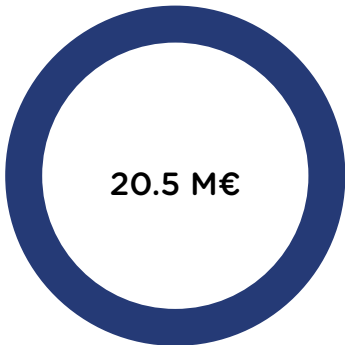


ALIGNED TURNOVER

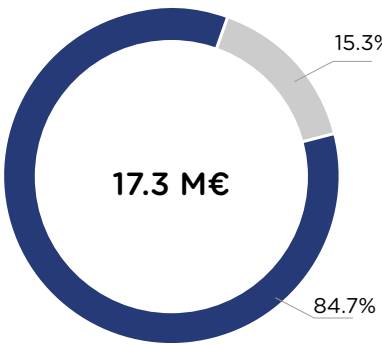


● % of activities eligible for the taxonomy ● In line with criteria set by Regulation 2021/2139
● % of activities not eligible for the taxonomy ● Not in line with criteria set by Regulation 2021/2139

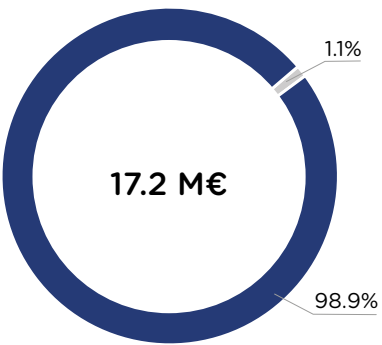
TOTAL OPEX



ELIGIBLE OPEX

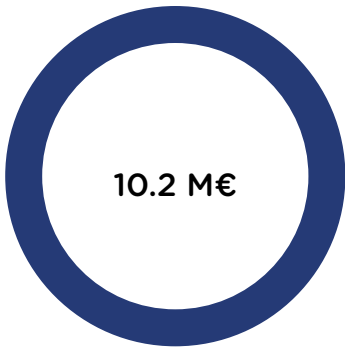


ALIGNED OPEX

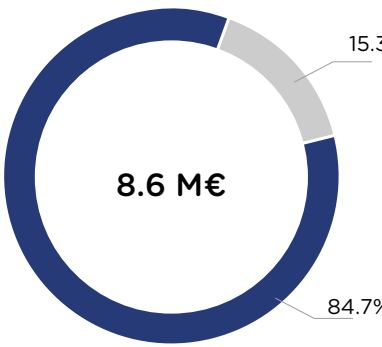


● % of activities eligible for the taxonomy ● In line with criteria set by Regulation 2021/2139
● % of activities not eligible for the taxonomy ● Not in line with criteria set by Regulation 2021/2139

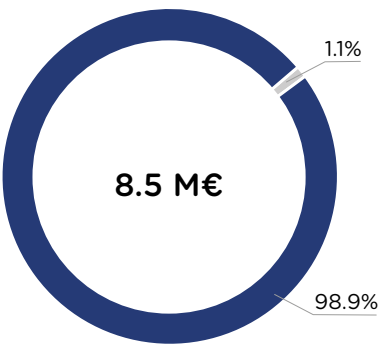
TOTAL CAPEX



ELIGIBLE CAPEX



ALIGNED CAPEX



● % of activities eligible for the taxonomy ● In line with criteria set by Regulation 2021/2139
● % of activities not eligible for the taxonomy ● Not in line with criteria set by Regulation 2021/2139

To determine the turnover alignment, a numerator was defined as the sum of the turnovers generated by the Mater-Bi and Origo-Bi grades meeting all criteria, i.e., the substantive criterion, the DNSH criteria and the minimum safeguards, and a denominator given by the consolidated turnover 2022.

To determine the aligned CapEx and OpEx ratios, a numerator was defined as the sum of the CapEx and OpEx (permissible) associated with the Mater-Bi and Origo-Bi grades meeting all criteria, and a denominator given by the total CapEx and OpEx (permissible) values. The quantities of CapEx and OpEx of the numerator associated with the Manufacture of Plastics in Primary Forms have been allocated on the basis of the corresponding Mater-Bi and Origo-Bi turnovers that meet all criteria. This is because the production facilities for the manufacture of plastics in primary forms are the same for all Mater-Bi and Origo-Bi technical grades and there are also no differences with respect to specific energy consumption, utilities and process yields between aligned versus non-aligned grades.

The high turnover alignment reflects the high environmental performance of Novamont's

bio-based, biodegradable and compostable primary-form plastics compared to biodegradable plastics made entirely from fossil fuels. In particular, compostable Mater-Bi and Origo-Bi resins are produced through integrated processes powered by energy from highly efficient co-generation plants and use 100% renewable electricity (for the portion purchased externally) as well as renewable monomers that perform better than fossil fuels. An in-depth look at Novamont's decarbonisation potential that would be achieved by making the most of its proprietary technologies (Bio-BDO and azelaic acid), integrated processes, cogeneration and trigeneration plants, the use of renewable electricity as well as the maximisation of production capacities can be found in the diagram on this page. A similarly high alignment is observed for CapEx and OpEx. This is due to two main factors: the manufacture of plastics in primary forms is the Group's core business and as already noted alignment of these plastics to the applicable criteria is very high. The non-aligned ratio of turnover (1.1%) relates to Mater-Bi and Origo-Bi grades that do not fulfil criterion (c) of substantial contribution to climate change mitigation.

DECARBONISATION POTENTIAL

In order to assess the alignment of the Novamont Group's business with the greenhouse gas emissions taxonomy criterion, one of the steps was to identify primary form plastics manufactured from fossil fuels that could be considered equivalent, taking into account both the chemical composition and intrinsic characteristics of the materials. The analysis identified biodegradable plastic materials wholly derived from fossil fuels, that we had to tackle.

The comparison showed that the decarbonisation potential associated with the 2022 volumes of Mater-Bi and Origo-Bi, aligned to the criteria of the taxonomy and certified, is estimated to be around 284,000 t CO₂e. This potential saving (about four times higher than the Group's Scope 1 emissions) would increase by more than 100,000 tCO₂e if one imagines maximising the current production capacity of the existing 1.4 bioBDO and azelaic acid (JV Matrica) plants, the result of many years of investment in technology, research, process scale-up, construction of the first plants and their continuous efficiency enhancement.

Model for KPIs for non-financial corporations according to Delegated Regulation 2021/2178

				Criteria for substantial contribution		Criteria for 'Do no significant harm'									
Economic Activity	NACE codes	Absolute turnover m €	Turnover share	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and sea resources	Circular economy	Pollution	Biodiversity and ecosystem	Minimum safeguards	Turnover share aligned with taxonomy, 2022	Category (qualifying activity)	Category (transition activity)
A. taxonomy eligible activity															
A.1 Environmentally sustainable activities (aligned with taxonomy)															
Manufacture of plastics in primary form	C20.16	299.3	70.3%	100%		100%	100%	100%		100%	100%	100%	70.3%	No	Yes
Turnover of Environmentally sustainable activities (aligned with taxonomy) (A.1)		299.3	70.3%	100%									70.3%		
A.2 Non environmentally sustainable taxonomy eligible activities (non-aligned with taxonomy)															
Manufacture of plastics in primary form	C20.16	3.2	0.7%	0%										No	Yes
Turnover of non environmentally sustainable taxonomy eligible activities (A.2)		3.2	0.7%	0%									0%		
Total (A.1+A.2)		302.5	71%												
B. taxonomy ineligible activity															
Turnover of taxonomy ineligible activity		123.4	29%												
Total (A+B)		425.9	100%												

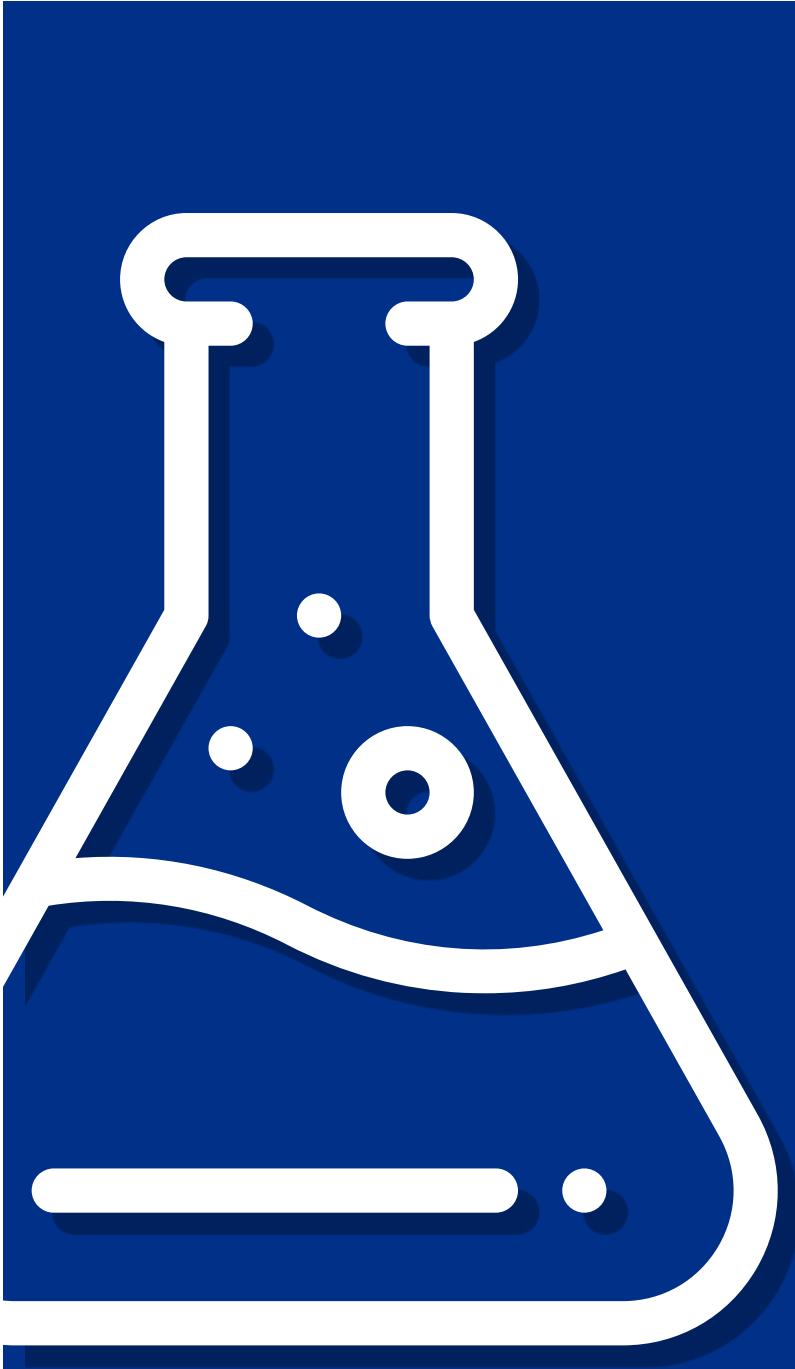
				Criteria for substantial contribution		Criteria ‘Do no significant harm’									
Economic Activity	NACE codes	OpEx absolute m €	Share of OpEx	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and sea resources	Circular economy	Pollution	Biodiversity and ecosystem	Minimum safeguards	Ratio of OpEx aligned to taxonomy, year 2022	Category (qualifying activity)	Category (transition activity)
A. taxonomy eligible activity															
A.1 Environmentally sustainable activities (aligned with taxonomy)															
Manufacture of plastics in primary form	C20.16	17.1	83.8%	100%		100%	100%	100%		100%	100%	100%	83.8%	No	Yes
OpEx of environmentally sustainable activities (aligned to the taxonomy) (A.1)		17.1	83.8%	100%									83.8%		
A.2 Non environmentally sustainable taxonomy eligible activities (non-aligned with taxonomy)															
Manufacture of plastics in primary form	C20.16	0.2	0.9%	0%									0%	No	Yes
OpEx of activities eligible for the taxonomy but not environmentally sustainable (A.2)		0.2	0.9%	0%											
Total (A.1+A.2)		17.3	84.7%												
B. taxonomy ineligible activity															
OpEx of Ineligible Activities to taxonomy		3.1	15.3%										0%		
Total (A+B)		20.4	100%												

				Criteria for substantial contribution		Criteria ‘Do no significant harm’									
Economic Activity	NACE codes	CapEx absolute m€	Rate of CapEx	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and sea resources	Circular economy	Pollution	Biodiversity and ecosystem	Minimum safeguards	Rate of CapEx aligned to taxonomy, year 2022	Category (qualifying activity)	Category (transition activity)
A. taxonomy eligible activity															
A.1 Environmentally sustainable activities (aligned with taxonomy)															
Manufacture of plastics in primary form	C20.16	8.5	83.8%	100%	100%	100%	100%	100%		100%	100%	100%	83.8%	No	Yes
CapEx of environmentally sustainable activities (aligned to the taxonomy) (A.1)		8.5	83.8%	83.8%									83.8%		
A.2 Non environmentally sustainable taxonomy eligible activities (non-aligned with taxonomy)															
Manufacture of plastics in primary form	C20.16	0.1	0.9%	0%									0%	No	Yes
CapEx of activities eligible for the taxonomy but not environmentally sustainable (A.2)		0.1	0.9%	0%									0%		
Total (A.1+A.2)		8.6	84.7%												
B. taxonomy ineligible activity															
CaEx of taxonomy ineligible activity		1.6	15.3%												
Total (A+B)		10.2	100%												

[GRI 3-3]

Research and Innovation

1



The development of technologies for the production of bioplastics and biochemicals that constitute unique solutions to specific environmental and social problems, giving rise to synergies in the circular bioeconomy and accelerating the value creation process.



Research projects



Partnerships with universities and research centres



Start-ups



Intellectual property

[GRI 2-25, 3-3]

Disclosure on Management Approach

Management approach

The strategic positioning on innovative products with high added value and the increasingly competitive environment in which Novamont operates require a significant commitment in terms of the research and development for new products and applications as tools that contribute to reducing pollution, and disconnecting resources and development. This commitment is based on a highly scientific and technological approach that has characterised Novamont since the beginning, resulting in its success and enabling it to maintain a competitive advantage in the market.

Every product formulation is created in pursuit of precise goals: to respond to market needs, to comply with the norms that regulate the bioplastics sector, but above all, to safeguard and regenerate the water and soil ecosystems. This translates into improving performance in terms of the quality and sustainability of the final applications. The resulting products are important not only because they are bio-based, biodegrada-

ble or compostable, but because they constitute the driving force of an integrated system that offers a wide range of opportunities for the community.

In 2020, Novamont issued its **Sustainability Policy**, which, on the topic of research and innovation, formalises the Group's commitment to:

- Promoting research and innovation, for turning waste and by-products from the value chain into new products;
- Adopting a management approach based on the principle of Life Cycle Thinking (LCT). Pursuing actions to mitigate and improve the environmental and social profile of its activities and products, by: (i) choosing or developing processes and systems that make it possible to reduce the consumption of energy and materials, (ii) using renewable energy sources, (iii) carefully designing products from an eco-design perspective throughout the life cycle, and (iv) purchasing the most eco-friendly products and raw materials (green purchasing);

- Fostering integrated knowledge networks through broad partnerships with companies, research centres, universities, associations, authorities and society, to accelerate the transition to more sustainable production and consumption models.

In pursuing those objectives, Novamont can count on the experience of numerous dedicated professionals involved in Research & Development (R&D) from a variety of disciplines (chemistry, biochemistry, biology, engineering, agronomy and biotechnologies). The R&D function plays a central role in guiding innovation in the Group; given the nature of its activities, it has to maintain a two-way dialogue with all the corporate functions.

In 2021, with the will to strengthen and maximise the innovation capacity within and outside the Group, the **Innovation Committee** was better formalised and the Transformation Process was launched, which gives projects a relevant role in innovation management.

The Committee, chaired by the CEO, was created to support the innovation process, from initial brainstorming to the research and development of processes and applications, right through to the pre-sales phase. It is responsible for stimulating ideas, choosing which projects to implement, deciding which paths to follow, accelerating the transition between the various steps and contributing to the assessment of risks and opportunities.

Novamont actively participates in national and international research and development projects in the area of the bioeconomy, establishing partnerships with businesses, associations, universities and research centres. This stimulates new knowledge flows, in synergy with other innovators, in a system of open innovation.

Over the years, all these investments have enabled us to develop a series of proprietary technologies to produce and improve the technical performance of bioplastics and biochemicals, by creating synergies among the various research areas (bioplastics, biotechnologies, agronomy, organic



chemistry) and by developing experiments on various oleaginous dry land crops.

In a context of growing competition in the bioplastics sector, protecting our patent portfolio is essential to safeguarding our business. In particular, the intense research and development work done over the years has led to significant growth in our intellectual property, with the continuous development of original technologies.

As part of its organisation system, the Group has established a set of procedures intended to regulate how corporate R&D activities are carried out. In 2020, the **Patent Box Management Process** was updated. This defines how the R&D activities that converge to create intellectual property (a strategic asset for the Group) are traced. The procedure for **Operational management of the Research & Development and ECOPEC functions** defines the responsibilities and methods for managing R&D and biodegradation laboratory projects.

Other actions, programmes and initiatives implemented by the Group in relation to the material topic are detailed in the following paragraphs.



Responsibilities

The employees involved in managing the aspects related to this topic are assigned to the following Novamont S.p.A. roles:

- Chief Executive Officer
- Research and Development
- Engineering
- Plastics Core Business General Management
- Agro
- New Business Development and Licences
- Product Ecology and Environmental Communication
- Intellectual Property and Legal Affairs
- Strategic Planning and Corporate Communications.

These functions interface with the Group's subsidiaries, by actively collaborating with specific functions and the respective site management. In particular, the new company Mater-Agro plays a crucial role not only in the development and dissemination of innovative products for the agricultural

sector, but also in the promotion of a new model of participatory innovation between agriculture and industry to protocols to regenerate contaminated, unstable soils at risk of desertification.

Complaint, consultation and discussion mechanisms

Further information on aspects relating to the material topic may be requested from the website www.novamont.com or by emailing info@novamont.com. Complaints may be made by contacting the Supervisory Board.

Putting innovation first

Novamont has always had a triple vocation as a manufacturing company, a training centre and a research centre. And it is in this latter area that we continue to dedicate a considerable part of our human and financial resources. These have enabled us to become established as a leader in sustainable innovation, by developing innovative products and systems with a reduced environmental impact.



3.3%¹
of the turnover

invested in Research and Development
The investments include the cost of personnel, the cost of tools and equipment depreciation, the purchase of goods and services of a technological nature (e.g. materials used in the laboratories) and the cost of patents

€35 million in innovative investments

~20%
of employees

in Research and Development activity
and involved in the following research areas:



Bioplastics



Scouting technologies for special materials projects



Agronomy



Biotechnologies



Organic chemistry



Multi-disciplinary services (including process engineering)

1 - The percentage has decreased compared to 2021 due to the increase in turnover. Investments (in absolute terms) in R&D are the same as in 2021

3 Research and Development centres and 4 Technology Innovation Hubs

in Novara, Terni and Piana di Monte Verna with pilot and demo plants



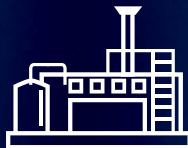
NOVARA

Research centre



PIANA DI MONTE VERNA

Research centre for the
development of industrial
biotechnologies



TERNI

Centre for research and
development of new
technologies, agronomy
and sustainability

7500
sqm

of areas dedicated to our labs
housing equipment and facilities ranging from laboratory-scale to
innovative pilot plants

~1500

An intellectual property of

active patents and
patent applications
in the sectors of natural and synthet-
ic polymers and conversion process-
es for renewable raw materials

5

Proprietary
technologies

Our technical expertise



Plastics conversion
technologies



Agronomy



Engineering



Materials
sciences



Chemical-physical
characterisation



Physical
chemistry



Rheology



Mechanical
characterisation
of materials



Analytical chemistry



Industrial
biotechnology



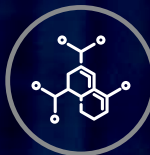
Polymer
synthesis



Contact with
food



Modification
of micro-organisms



Enzymatic
transformations



Experimental
design



Multivariate statistics
analysis

Research, Development and Innovation projects and partnerships

We actively participate in research and development projects, in collaboration with top Italian and international organisations in the public and private sectors, with the goal of creating strategic, interdisciplinary partnerships. This makes it possible for us to catalyse new initiatives and circular models, which can be replicated in other contexts, with extremely significant potential economic, environmental and social results.



We are active members of the **Circular Bio-based Europe Joint Undertaking (CBE JU)**, one of the ten institutionalised partnerships proposed by the Commission for areas where public-private collaboration is necessary to achieve the objectives and impacts of the Horizon Europe framework programme. Specifically CBE-JU is focused on technological challenges, policies and on the bio-based industry. Giulia Gregori, Group Head of Strategic Planning and Institutional Communication, is a member of the Governing Board.

The implementation of innovation activities along the entire supply chain is the driving force behind the development of our model, it is aimed on one hand at building new plants and demonstrators for innovative technologies, and on the other at steadily improving the performance and environmental profile of the products and applications developed.

Through proprietary and integrated technologies, we develop products from renewable, biodegradable and compostable sources, for innovative applications that can always offer new solutions to specific environmental problems. In this sense, the synergies established with brand partners, transformers and brand owners

are essential to make product innovation more sustainable and to help disseminate best practices. At Novamont, we have always seen the relationship with our Mater-Bi brand licensees as a dynamic partnership based on the mutual exchange of knowledge, on technological support, and on the transfer of innovation and the results of the massive investments made over the past 30 years.

Various collaborations are under way to explore the optimal management of product end-of-life. Collaborations with **public administrations, multi-utility companies** and the waste treatment sector in general have been essential for us to define best practice in organic waste management, setting an example for the rest of Europe and giving rise to important research and innovation projects. Of particular importance will be the joint initiatives to promote the use of compost, a by-product from the organic fraction recycling process, and initiate a composting culture in association with the Re Soil Foundation².

As Novamont, we are involved in numerous R&D projects funded by European, national and regional institutions. Below are some of the ongoing collaborations in this area in figures.

² - More information about the Foundation can be found on pages 163 in Chapter 5, "Soil protection and revitalisation"

In 2022, we were involved in projects focused on the following topics:



Agricultural value chain



Products from renewable sources



Biotechnologies



Soil



Biopolymer research



Waste recovery



Food packaging



Circular bioeconomy

As part of almost 550 partnerships with leading Italian and international companies in the field of the circular bioeconomy:



46%
Companies



17%
Research centres



17%
Universities



10%
Associations



3%
Government agencies
Local authorities



3%
Farming world



2%
Multi-utilities



2%
Foundations



65%
Abroad



35%
Italy

Some of the projects carried out in 2022:

Centro Nazionale Biodiversità

To create a national centre of research in the biodiversity field, funded by the Italian National Recovery Plan (PNRR), coordinated by CNR, putting together universities, businesses, governmental bodies and public research organizations located in Italy

VITALITY

To create an ecosystem of Innovation, Digitalization and sustainability for the Widespread Economy in Central Italy, funded by the Italian National Recovery Plan, to promote research activity, focusing on the innovation of the Polo Chimico Umbro

FRONTSH1P

FRONTSH1P

To contribute to the green transition of the Polish region of Łódzkie from a linear to a circular economy model, based on decarbonisation and territorial regeneration through the development of circular systemic solutions for multiple sectors (such as wood packaging, food, water, waste)

www.frontsh1p.eu



GRACE

GRACE

To upscale of miscanthus and hemp biomass, cultivated on marginal lands, with low productivity, contaminated or abandoned land, into bioproducts useful for several sectors, such as the chemical, agricultural, building, medical and cosmetic ones.

www.grace-bbi.eu

SCALBUR

SCALIBUR

to demonstrate innovative solutions to transform urban food waste and sewage sludge into high value-added products, helping cities to increase their recycling rate and creating new circular economy business opportunities

www.scalibur.eu

COMETA

COMETA

To study and validate low-impact, non-food cropping systems, suitable to be grown in marginal areas (at risk of erosion/desertification, under-used, polluted and/or poorly used) and being converted into bioproducts of interest to the agricultural and industrial sectors

www.novamont.com/come-ta

EFFECTIVE

EFFECTIVE

To show the sustainability of the production of polyamides and polyesters from renewable raw materials (e.g. sugars and vegetable oils) to obtain fibres and films

www.effective-project.eu



EMBRACED

To develop processes to recover and exploit the various fractions obtained from municipal solid waste, with particular reference to recovering the cellulose fraction of AHP waste (such as nappies and sanitary towels)

www.embraced.eu

VEHICLE

VEHICLE

To develop processes to obtain second-generation sugars to use in the manufacture of bio-based products from lignocellulose biomass

www.vehicle-project.com



B-Ferst

B-FERST

To improve the sustainability of cultivable land, by developing innovative bio-based fertilisers obtained by using organic waste in agriculture

www.bferst.eu



CIRCULAR BIOCARBON

CIRCULAR BIOCARBON

To recover the organic fraction of municipal solid waste and sewage sludge in final products with high added value for the industrial sector and final consumers

www.circularbiocarbon.eu

In carrying out our research and development work, which requires increasingly cross-cutting skills, we have developed a highly interdisciplinary, systemic approach involving universities and centres in various research sectors. For

us, these collaborations ensure constant updating on technological innovations, the exchange of experience and knowledge, and the use of the most advanced technologies, attracting young talent interested in the Novamont

world. In particular, in the context of funded projects, we work with a broad network of stakeholders, some key examples of which are given below.

NOVAMONT AND THE SCIENTIFIC COMMUNITY		
POLITECNICO DI TORINO	UNIVERSITÀ POLITECNICA DELLE MARCHE	CENTRO RICERCHE FIAT (CRF)
UNITELMA SAPIENZA	UNIVERSITÄT HOHENHEIM	ENEA
UNIVERSITÀ DEGLI STUDI DI BOLOGNA	UNIVERSITAT CENTRAL DE CATALUNYA	CIHEAM-IAMB - MEDITERRANEAN AGRONOMIC INSTITUTE OF BARI
UNIVERSITÀ DEGLI STUDI DI PERUGIA	CIRCC	FUNDACIÓN AITIIP
UNIVERSITÀ DEL PIEMONTE ORIENTALE	CNR	FUNDACIÓN CIRCE
UNIVERSITÀ DI SASSARI	AIMPLAS	INSTITUTO TECNOLÓGICO DEL EMBALAJE, TRANSPORTE Y LOGÍSTICA
UNIVERSITÀ DI TRIESTE	CREA	TECHNISCHE UNIVERSITÄT BERLIN
UNIVERSITÀ DI TORINO	CRES - CENTER FOR RENEWABLE ENERGY SOURCES	OTHER UNIVERSITIES AND CENTRES
UNIVERSITÀ DI SALERNO	UNIVERSITÀ DI PADOVA	



Novamont has long supported innovative circular bioeconomy projects, recognising the value of synergies between large companies and start-ups to accelerate innovation and generate new technologies.

In 2022, we also renewed our support for the “**BioInItaly Investment Forum - StartUp Initiative**”, organised by Intesa Sanpaolo Innovation Center, Assobiotec-Federchimica and Spring, the national cluster for green chemistry. The 2022 edition was carried out in partnership with Bird&Bird, Ayming and LCA. BioInItaly is the leading initiative for innovation in biotechnologies and in the biomedical and pharmaceutical sectors in Italy. The 2022 edition started in summer collecting applications from start-ups and research projects in the sector of Circular Bioeconomy, Red Biotech & Medical Device.

Novamont also became involved in the initiative **Terra Next**, the business accelerator programme for innovative start-ups and SMEs operating in the bioeconomy sector promoted by CDP Venture Capital and Intesa Sanpaolo Innovation Center in collaboration with Cariplo Factory. The programme is designed to promote bioeconomy and is aimed at developing entrepreneurial skills, while creating synergy with relevant companies that work in our country in views of open innovation. Novamont is involved as a tech partner offering our know-how to develop selected projects, contributing at the creation of a regional eco-system on topics related to soil health and sustainable use of biomasses.

“COMETA” PROJECT: THANKS TO GREEN CHEMISTRY NEW MODELS OF AGRO- INDUSTRIAL DEVELOPMENT ARE POSSIBLE IN SOUTHERN ITALY



The results achieved by the COMETA project have been presented at the CREA-CI research centre, in Caserta “Autoctone Mediterranean crops and their valorisation with advanced green chemistry technologies” aimed at researching low-input, innovative non-food crop cultivation systems such as cardoon, safflower, and brassicaceae - suitable for under-utilised, polluted and/or badly used marginal areas at risk of erosion/desertification, in the regions of Campania, Sardinia, Lazio, Sicily and Umbria.

The outcomes of COMETA have shown that Green Chemistry can act as a catalyst to give value to local peculiarities and skills, and to promote innovative agro-industrial development models over territories in Southern Italy that are particularly fragile or in a crisis, with significant environmental, social and financial advantages. Starting from so called multi-purpose crops, such as cardoon, safflower, and brassicaceae, it was possible to test and different fractions of these crops and to convert them into low-impact bio-prod-

ucts aimed at the agricultural and industrial sector. The products that have been produced were for animal feed, biodegradable and compostable plastics, mushrooms, biolubricants, ingredients for cosmetics, biostimulants and compost for agriculture, biopesticides, extracts for nutraceutical and health. Furthermore, processes that have been validated and developed within the scope of the project, have been included in over twenty publications, and some patents, showing that it is possible to create interconnect-

ed green chemistry value chains over the territory that catalyse an inclusive growth in Central and Southern Italy.

The success of the project was made possible by the synergy between business partners, research centres, universities and SMEs involved in the projects, that made it possible to valorise knowledge and skills developed on the different places.

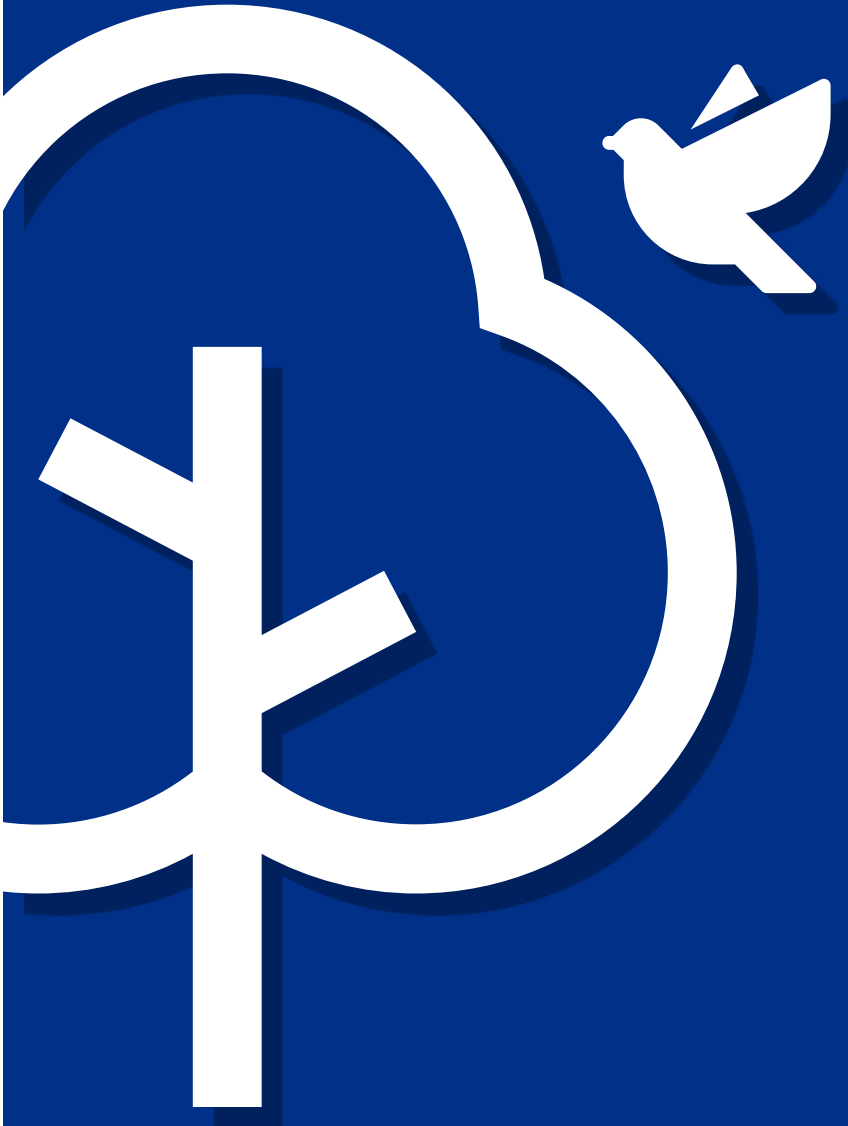
Funded by the Ministry for Education, University and Research, with the tender PON research and innovation 2014-2020 and coordinated by Novamont, in the COMETA project were actively involved: BIOAGRITEST - Centro Interregionale di Diagnosi Vegetale (PMI - Basilicata), CIHEAM - Istituto Agronomico Mediterraneo (Centro di ricerca - Puglia), CREA - Consiglio per la ricerca in agricoltura e l'analisi dell'economia agraria (centro di ricerca - Campania, Sicilia, Puglia, Lazio, Basilicata), ENEA - Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile (centro di ricerca - Basilicata, Lazio) and Università degli Studi di Sassari (Università - Sassari).



[GRI 3-3]

Business integrity and stability

2



Acting with transparency and integrity, by means of governance that is inspired by the highest standards in ethics and anti-corruption, to create economic value to be shared inside and outside the Group.



Code of Ethics



Governance model



Anti-corruption



Non-financial risks



Economic value generated and distributed

[GRI 2-25, 2-26, 3-3]

Disclosure on Management Approach

Management approach

In 2020, Novamont issued its **Sustainability Policy** which, on the topic of business integrity and stability, formalises the Group's commitment to:

- Promote the principle of equal opportunities and fight discrimination;
- Fight all forms of active and passive corruption.

Furthermore, in confirming its commitment to the management of quality, environmental impacts and health and safety in the workplace, in 2020 Novamont updated its **Policy for Quality, Environment and Health and Safety (QEHS)**, which provides that the Company and its subsidiaries must commit to:

- Respect the laws and regulations that apply to their activities and products, and where applicable, the food safety standards and the customer's requirements; if there is no appropriate law or standard, Novamont adopts and applies standards and methods that

reflect its commitment to conforming to the QEHS requirements, the best available techniques and the company's expectations;

- Develop, implement, measure, monitor, revise and continuously improve its processes, to ensure conformity to the standards ISO 9001, ISO 14001 and ISO 45001, and to Good Manufacturing Practices (GMP);
- Demonstrate a clear commitment, on the part of management, to the continuous improvement of QEHS performance.

In pursuing the commitments stated within the Policy, the Italian companies in the Novamont Group decided to adopt an **Integrated Management System (IMS) for Quality, the Environment, Health and Safety**. To ensure that the QEHS Policy is effectively implemented, Novamont and its subsidiaries regularly review the effectiveness of the IMS through assessment and auditing processes.

To ensure that company business is conducted fairly and transparently, Novamont S.p.A. in 2008 and in 2017 Mater-Biotech S.p.A. and Mater-Biopolymer S.r.l. adopted the recommendations of Italian Legislative Decree No. 231 of 8 June 2001, 'Regulation of the administrative responsibility of corporate entities, companies and associations, even without legal liability' (Legislative Decree. 231/01). To that end, they adopted an **Organisation, Management and Control Model (OMM)** that prevents and counters any risk of committing the offences mentioned in the Decree. In particular, for each category of offence identified, and following a risk assessment, the OMM provides a description of the respective types of offence, the business activities that may be at risk, the principles of conduct to be respected, the protocols for monitoring those activities and the flow of information to the Supervisory Board. The offences to which Novamont S.p.A. and the companies of the group that adopted an OMM are potentially exposed mainly include infringements of the rules on health and safety at work, environmental offences, tax offences, offences against the Public Administration

and corruption. In particular, various activities were identified as being exposed to corruption-related risks. As part of its organisation system, the Group therefore developed a set of procedures aimed at regulating how company activities are carried out and minimising the risk of committing the offences identified in the analysis of the risk assessment.

The version of the Novamont S.p.A. OMM in force as of 31 December 2022 was approved at the meeting of the Board of Directors on the 27 May 2022 and has also been mandated by new legislations that have introduced new items into the catalogue of offences under Legislative Decree 231/01, including smuggling offences. Moreover, due to Mater-Biopolymer S.r.l. merge into Novamont S.p.A. and the consequential inclusion of Patrica plant in the production sites of the holding company, and due to recent policies developments, Novamont S.p.A. OMM is being reviewed again. Furthermore, to monitor, supervise and assess the internal financial control system, Novamont in 2022 introduced a **Tax Control Framework (TCF)**, aimed at improving a virtuous company culture in re-

lation to financial management, by assessing the financial risk, monitoring financial relevant controls and adopting a governance model that guarantees the separation of roles and responsibilities. The TCF is always made of three main documents:

- 'Novamont Group tax Guidelines' define principles and guidelines that shall inspire tax compliance of sensitive company activities. Such principles must be implemented by all the company functions when carrying out tasks;
- The 'Tax Compliance Model' includes rules and defines roles and responsibilities to manage and monitor tax risks;
- The 'Information Flows and Interpretative Risk Management in the Tax Control Framework' defining the information flows between the main corporate bodies and functions involved, as well as the interpretative tax risk management process with the relevant authorisation levels.

We have also organised training activities for employees involved in tax relevant processes

in order to guarantee a better awareness in terms of prevention and management of tax risks. Moreover, in January 2023 the Group introduced a new procedure ('**management of import-export custom procedures**') drafted to regulate customs activities related to import of raw materials, equipment and machineries and exporting end products.

The aim of the project is to increase synergy between internal control systems. At the same time as approving the Organisation, Management and Control Models, the respective Boards of Directors of Novamont S.p.A., Mater-Biopolymer S.r.l. and Mater-Biotech S.p.A. appointed a **Supervisory Board**. This has the task of overseeing the operation of the Organisation, Management and Control Models and the Code of Ethics, and ensuring that they are complied with and kept up to date.

The members of the Supervisory Board are selected from those who meet the fit and proper requirements and who are independent and autonomous, accountable directly to the Board of Directors.

The companies are audited by their respective Supervisory Boards to ensure that the provisions contained in the OMM are properly implemented.

The Novamont Group opposes all forms of corruption, mindful of the adverse effects that corruption has on economic and social development. In addition, in view of the strategic importance of its business, the Novamont Group identifies measures to prevent corruption as an integral part of the Group's corporate social responsibility, in order to protect its organisation and all its stakeholders from any negative repercussions. Thus, the Group rejects and prohibits corruption without exception, and undertakes to respect all applicable anti-corruption laws. In this context, Novamont took inspiration from best practices and defined a system for preventing corruption, which includes the following components:

- Analysis and assessment of the risk of committing acts of corruption;
- Definition of principles, rules of conduct and procedures to protect the areas at risk of corruption;
- Information and training activities for its employees;

- Regular monitoring of the risks of corruption and the effectiveness and adequacy of the policy.

In 2020, Novamont adopted an **Anti-corruption Policy** in order to provide rules anyone who works with the Group, to enforce controls in the anti-corruption matter. In particular, the Policy establishes the obligation to follow anti-corruption norms, providing a definition of what can be interpreted as corruption, and establishing the obligation to notify any illegal practices in which employees might be actively or passively involved. This Policy is inspired by the principles of the Code of Ethics and, closely integrated with the Organisation, Management and Control Models required by Italian Legislative Decree 231/01 and with the Compliance Programmes (to be implemented by the foreign subsidiaries), is the most detailed tool in the fight against corruption.

In accordance with the legal provisions on compliance with Italian Legislative Decree 231/01, Novamont, Mater-Biotech and, in the period before the merge, Mater-Biopolymer have set up a system that allows employees to report – anonymously, if they wish – any unlawful conduct or conduct that could constitute a breach of the Code of Ethics and the Organ-

isation, Management and Control Models adopted by each company. **The associated implementing documentation, the Whistleblowing Procedure**, sets out: i) how to submit a report, ii) guidelines for whistleblowers, iii) safeguards and any penalties for whistleblowers and the individuals they report.

As part of an increasingly integrated system between the various compliance systems, and in accordance with the principles of integrity and ethics, in 2019 the Novamont Group adopted an **Antitrust Manual**. The aim was to foster a culture of competition within the Group and prevent antitrust offences by adopting effective compliance programmes. The Manual is aimed at all Group employees in order to teach them the basics of competition law, so that they can independently identify and report potential violations. In addition, a process management system has been defined and integrated with business processes to mitigate the risk of committing antitrust offences. This system includes internal reporting procedures that allow antitrust issues to be reported. In the case of *whistleblowing*, the process guarantees the whistleblower anonymity.

The Novamont Group believes in having a compliance system that embraces the different areas of the company, on the one hand

improving the company's competitiveness, ensuring its permanence on the market and thus protecting jobs and the interests of shareholders, and on the other hand avoiding sanctions in the event of the commission of an offence.

In order to make an additional distinctive contribution to the systematic and continuous dissemination of the culture of legality, transparency, ethics and fairness in the corporate culture, in 2022 Novamont drafted and distributed a **questionnaire on conflict of interest** to all managers and members of the Board of Directors. Such activity is a proof of the seriousness and transparency that the Group adopts towards people, community and territories.

In addition, for a company to be able to face successfully the major challenges of the future, it is essential that it has a solid, common strategy, with a coherent mission and a clear model to strive towards. To transform all this into value, the organisational structure must be flexible, fast, interconnected and focused on the objectives, without losing sight of the overall vision. Mindful of this, Novamont has prepared a **Strategy Document** which sets out the strategies, initiatives and projects that Novamont plans to undertake in order to achieve the goals it has set itself. The **Procedure for**

approval and management of the Strategy Document defines how the Group's Strategy Document should be drawn up, approved, circulated and enforced.

Other actions, programmes and initiatives implemented by the Group in relation to the material topic are detailed in the following paragraphs.

Responsibilities

The staff involved in managing the aspects related to this topic are assigned to the following Novamont S.p.A. roles:

- Chief Executive Officer
- Group Operations General Management
- Intellectual Property and Legal Affairs
- Human Resources
- Strategic Planning and Corporate Communications
- Planning and Control, Information Systems

These functions interface with the Group's subsidiaries, actively collaborating with the various functions and with site management.

Complaint, consultation and discussion mechanisms

For advice or to raise doubts about unethical or illegal behaviour and business integrity (including possible violations of the Organisation, Management and Control Model and/or the Code of Ethics), each employee can contact the Supervisory Board VIA the dedicated e-mail address or VIA the Group's Legal Affairs team at Novamont S.p.A. Reports may also be made anonymously.

[GRI 2-9, 405-1]

The governance model

Novamont S.p.A. has adopted a **traditional governance model** that seeks to ensure the proper functioning of the Company and the Group. The governance model is structured around the following bodies: the Shareholders’ Meeting, the Board of Directors (BoD), the Board of Statutory Auditors, the Supervisory Board (SB) and various Internal Committees. The statutory audit of the accounts is entrusted to an auditing company appointed by the Shareholders’ Meeting.



SHAREHOLDERS’ MEETING

Appoints the members of the Board of Directors and of the board of statutory auditors; Approves the Financial Statement and the Consolidated Financial Statement



BOARD OF DIRECTORS

Draws up corporate strategies, assesses the Group’s economic, social and environmental performance, analyses risks and opportunities, assesses compliance with regulations and codes of conduct, and approves the Non-Financial Statement.

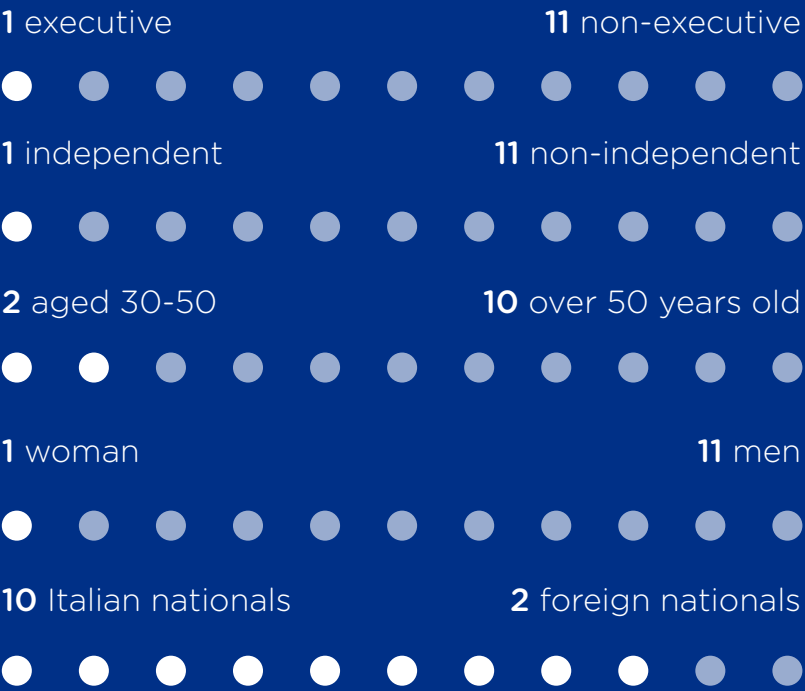
Composition as of 31 December 2022:		
1 CHAIRMAN <i>Pauli Gunter</i>	1 CHIEF EXECUTIVE OFFICER <i>Bastioli Catia</i>	10 BOARD MEMBERS <i>Visioni Paolo, Berger Roberto, Tazartes Antonio, Cerrina Feroni Marco, Vignoli Emanuele, De Simoni Marco, Navarretta Alberto, Baldrati Paolo, Calabrò Davide, Meropiali Franco</i>
meets at least three times a year		
● SUPERVISORY BOARD Ensures that the OMM is implemented and complied with, and sees that it is updated; Reports to the Board of Directors at least once a year on the work carried out. 3 MEMBERS	● INTERNAL COMMITTEES Permanent or temporary cross-functional task forces with decision-making and/or advisory powers. They meet at regular intervals.	● BOARD OF STATUTORY AUDITORS Ensures that the law and articles of association are complied with and that the principles of sound administration are followed. 1 CHAIRMAN 2 STANDING AUDITORS 2 ALTERNATE AUDITORS

The Governing body, appointed by the Shareholders' Meeting, is made of the Board of Directors, that currently has twelve members, who will remain in office until the Meeting approving the 2023 financial statements and who may be re-elected. The Board of Directors has full powers in the ordinary and extraordinary administration of the Company. In accordance with the Articles of Association, it may delegate some or all of its powers to an executive committee, which is made of its members or individual Directors, appointing one or more Chief Executive Officers.

Composition of the Board of Directors of Novamont S.p.A. as of 31 December 2022

12 members

of the Board of Directors



Non-financial risks

We have adopted the appropriate risk management model, which allows us, through their identification and classification, to produce a detailed map of the non-financial risks to which we could be exposed.

To ensure full compliance with Legislative Decree 254/2016, in 2019 we produced an initial map of the non-financial risks in areas identified by the Decree. The risks stem from the Group's activities and from its products throughout the value chain. In the 'Disclosure on Management Approach' section at the start of each chapter, we describe the approach to managing the material topics and, consequently, the potential associated risks. In 2022, taking into account all the changes in the environment in which we operate and following the review of the processes to identify material issues, the risk mapping was reviewed and updated with the aim of identifying any new emerging risks and reducing the potential impact on the business in the short, medium and long term.

POTENTIAL RISKS	POTENTIAL IMPACTS	MANAGEMENT APPROACH
MATERIAL TOPIC		
RESEARCH AND INNOVATION		
Lack of ability to innovate in order to develop the business	<ul style="list-style-type: none">• Damage to the reputation of the Group and the brand• Reduction in the Group’s competitiveness and future ability to innovate	Pages 57-58
Development of products that are not in line with market needs		
Incorrect management of intellectual property and technological skills		
Loss of leading position in the bioplastics sector		
BUSINESS INTEGRITY AND STABILITY		
Identification of strategies unable to withstand legislative changes in the sector	<ul style="list-style-type: none">• Limitations to carrying out the activities• Damage to the reputation of the Group and the brand• Reduction in the Group’s competitiveness and future ability to innovate• Disqualifications and fines• Impact on reaching business objectives	Pages 77-80
Non-compliance with standards (corruption, money laundering, competition, labour law)		
Malfunctioning of production plants		
Lack of availability and/or quality of raw materials for supplies		
Difficulties to achieve the expected economic/ financial performance		
Underestimation of economic, environmental and social impacts related to the business		

POTENTIAL RISKS	POTENTIAL IMPACTS	MANAGEMENT APPROACH
MATERIAL TOPIC		
VALUE CHAIN AND PRODUCT SUSTAINABILITY		
Non-compliance with local, regional and national environmental standards	<ul style="list-style-type: none">• Increase in the environmental impacts of the activities• Limitations to carrying out the activities• Damage to the reputation of the Group and the brand• Compromised relations with local communities• Increase in operating costs• Fines and sanctions• Reduction in the Group's competitiveness and future ability to innovate	Pages 97-101
Inefficient management of resources (e.g. energy, water)		
Poor oversight of environmental and social issues in the supply chain		
Creation of products that are not in line with good environmental practices		
Poor monitoring of direct and indirect environmental impacts		
Poor application of eco-design principles		
COMPLIANCE AND QUALITY OF THE PRODUCTS AND CUSTOMER CARE		
Failure to intercept regulatory developments in the field of bioplastics, bioproducts and the chemicals sector	<ul style="list-style-type: none">• Sanctions• Missed business opportunities• Increased environmental impacts of products during their life cycle• Damage to the reputation of the Group and the brand• Impacts on the health of the final consumer• Compromised customer relations	Pages 127-129
Non-conformity of products with biodegradability and compostability standards		
Non-compliance with the regulations for materials in contact with foodstuffs		
Non-compliance with the regulations of the chemical sector (e.g. REACH and CLP) for raw materials and finished products		
Reputation risk		
Unsatisfied customers		

POTENTIAL RISKS		POTENTIAL IMPACTS	MANAGEMENT APPROACH
MATERIAL TOPIC			
SOIL PROTECTION AND REVITALISATION			
Non-conformity of products with biodegradability in soil and compostability standards	<ul style="list-style-type: none">• Negative impacts on the soil• Damage to the reputation of the Group and the brand	Page 155	
Non-efficient management of the soil as a resource			
Loss of biodiversity			
RESPONSIBILITY TOWARDS WORKERS			
Conflicts and consequential labour law risks	<ul style="list-style-type: none">• Lack of suitably trained and qualified personnel• Loss of skills due to workers leaving the company• Disputes• Impacts on the health of the workers• Dissatisfaction of employees with repercussions on productivity• Damage to the reputation of the Group and the brand• Reduction in the Group's competitiveness and future ability to innovate	Pages 169-171	
Lack of positivity in the company environment and high level of correlated stress			
Poor attention to topics related to diversity and inclusion and failure to counter forms of discrimination			
Inadequate appreciation and motivation of workers and difficulty in attracting and retaining talents			
Loss of specialised personnel			
Failure to adapt staff skills to business growth			
Poor trade union relations			
Failure to transpose or misinterpretation of legislation on workers' rights			
Non-compliance with laws and/or regulations regarding the health and safety of workers in the different phases of product processing and concerning workplace conditions			

POTENTIAL RISKS		POTENTIAL IMPACTS	MANAGEMENT APPROACH
MATERIAL TOPIC			
COMMUNICATION AND PROMOTION OF SUSTAINABILITY			
Inadequacy of communication or conveying of incorrect messages in social or marketing campaigns	<ul style="list-style-type: none">• Damage to the reputation of the Group and the brand• Loss of competitive advantage	Page 189	
Failure to consider or to meet stakeholders' expectations			
Unfavourable perception of the sustainability of biodegradable and compostable products			
EDUCATION AND TRAINING OF NEW GENERATIONS			
Identification of methods not sufficiently suitable or effective in raising awareness of environmental and social issues among new generations	<ul style="list-style-type: none">• Lack of civic responsibility• Failure to develop professionals who are up to the challenges of sustainability and the circular bio-economy• Reduction in the Group's competitiveness and future ability to innovate	Page 205	
Insufficient connection between theoretical training and the practical application of knowledge (connection between universities and companies, dialogue with the industry)			
PARTNERSHIPS AND COLLABORATION FOR TERRITORIAL REGENERATION			
Participation in unlawful partnerships or associations that may restrict free and fair competition	<ul style="list-style-type: none">• Damage to the reputation of the Group and the brand• Loss of competitive advantage• Missed business and research opportunities• Decline in regional employment• Fewer positive economic impacts for the region• Compromised relations with local communities• Compromised or conflictual relationships with institutions	Pages 221-222	
Failure to notice or participate in national and international research calls			
Inability to seize business opportunities arising from partnerships and collaborations			
Absence of synergies, collaborations and specific skills along the value chain			
Actions/behaviours that can cause conflicts with institutional bodies			

Our integrity

The values, principles and codes of conduct that have always informed our work have been consolidated over time and are expressed nowhere better than in our Code of Ethics.

This document, which is available in both Italian and English, presents the **system of values and commitments** that Novamont recognises and shares with its *stakeholder*, as well as the **set of rules of conduct** that govern the relationships between employees, customers, the public administration and suppliers, in the knowledge that ethics in corporate activities are a duty for all players involved in the Group. The document was adopted for the first time in 2004 and is constantly updated in the light of organisational and/or legislative developments.

Every employee is required to know the Code of Ethics, to contribute actively to its implementation and to report any shortfalls; thus, the Group undertakes to provide its employees (including new recruits) with **suitable training**. Employees and *stakeholders* are informed by the publication of the OMM and the Code of Ethics, on the website and on the company board.

In 2022 we organised training sessions about the legislative decree 231/2001. Such training involved mainly newly hired people who

were taught the basics of the topic, but also the company management. In the latter case, training focused not only on the subject of Legislative Decree 231/2001, but also on integrated compliance and corporate liability. Training was also addressed to groups of Mater-Biotech and Mater-Biopolymer employees ex Legislative decree 231/2001 and its topic was an update.

The principles defined in the Code of Ethics

 Impartiality	 Confidentiality	 Personal integrity	 Quality of products and services
 Honesty	 Transparency in shareholder relations	 Environmental protection	 Fair competition
 Equity of authority	 Development of human resources	 Segregation of duties to avoid conflicts of interest	 Community responsibility
 Diligence and accuracy in the performance of duties and contracts	 Abstention in the event of potential conflicts of interest	 Integrity and fairness in the management and any renegotiation of contracts	 Transparency and completeness of information

Novamont S.p.A. and its subsidiary Mater-Biotech S.p.A. before merging have adopted their own Code of Ethics, while the subsidiaries Novamont France S.A.S., Mater Agro S.r.l., Novamont GmbH, Novamont Iberia S.A.S., and Novamont North America Inc. act according to the principles of the Code of Ethics of Novamont S.p.A.

For the BioBag Group, BioBag International AS has produced a Code of Conduct, formulated to protect human rights and the free-

dom of each individual. The document, which applies to all BioBag Group subsidiaries, sets out the system of social norms and values (regarding child labour, discrimination, working conditions, health and safety, freedom of association and voluntary work) that must be respected by all employees and partners of the Group.

In addition, BioBag International AS, BioBag Norge AS, Dagöplast AS, BioBag Americas Inc. and BioBag World Australia Pty Ltd

have adopted their own employee handbook, containing the objectives, values and standards of conduct that employees must follow, in line with the values and commitments expressed in the Code of Ethics and Code of Conduct. Lastly, BioBag Sverige AB, BioBag Finland Oy, BioBag Zenzo A/S and BioBag Polska Sp. z o.o. operate in compliance with the regulations contained in the Working Environment Act, which governs relations between employers and employees in Norway.



[GRI 2-27, 205-3, 206-1, 406-1, 416-2, 417-2, 417-3]

Sanctions and legal actions

In 2022, against the companies in the Group:



No events related to cases of corruption were confirmed or contested.



No events related to cases of discrimination were confirmed or contested.



No legal action was taken because of anti-competitive or anti-trust conduct or monopolistic practices.



No cases emerged of non-compliance with regulations and/or voluntary codes concerning the information and labelling requirements of products and services.



No cases emerged of non-compliance with regulations and/or voluntary codes concerning marketing communications.



No cases emerged of non-compliance with regulations and/or voluntary codes concerning the impacts of products and services on health and safety.



No significant sanctions were imposed as a result of violations of social or economic laws and/or regulations.

This Sustainability Report only mentions sanctions considered to be significant, i.e. amounts that exceed €50,000¹.

1 - The amount refers to a cut-off rule also applied consistently in previous reports

[GRI 201-1]

Economic value generated and distributed

In monetary terms, it represents the economic impact that Novamont’s business has had and which is redistributed to the main stakeholder categories. It therefore provides a complete picture of the relationships between Novamont and the socio-economic system it interacts with.



The economic value generated and distributed to stakeholders is calculated on the basis of a re-classification of items in the profit and loss statement used in Novamont S.p.A.’s Consolidated Financial Statements as of 31 December 2022. In 2022, the economic value generated by our Group was €426 million, while the economic value distributed, equal to €418 million, was as follows:

- **Operating costs:** these mainly include costs incurred for purchasing raw materials, ancillary materials, consumables and goods and services;
- **Employee remuneration:** this includes all costs incurred in managing personnel (e.g. salaries and wages, social security contributions, severance pay, etc.);
- **Remuneration of lenders:** this includes interest and other financial charges;
- **Remuneration of Public Administration (PA):** this mainly includes income tax;
- **Remuneration of the community:** this includes the amount of donations, membership dues and sponsorships.

Economic value generated and distributed by the Novamont Group (until 31 December)

[in thousands of €]	2022	2021	2020
Economic value generated	425,895	413,981	286,763
Economic value distributed	417,949	368,158	260,842
Operating costs	366,015	318,154	196,371
Employee remuneration	43,708	43,080	34,430
Remuneration of lenders	5,942	4,428	3,755
Remuneration of the Public Administration	1,172	1,343	24,943 ²
Remuneration of the community	1,112	1,725	1,343
Economic value withheld	7,946	45,823	25,921

2 - the figure includes the substitute tax, in the amount of €18.4 million, related to the use, as of 31 December 2020, of the option granted by Article 110 of Decree-Law 104/2020 concerning the revaluation of intangible and tangible assets

[GRI 3-3]

Value chain and product sustainability

3



The development of a responsible and sustainable production chain using raw materials of plant origin from sustainable agriculture, careful selection and management of suppliers (by promoting respect for human rights throughout the value chain and in relations with suppliers), appropriate management of energy and water resources and greenhouse gas emissions, while respecting the biodiversity of the territories in which the Group operates.



Raw materials



Renewable energy sources



Waste recovery and recycling



Responsible value chain

[GRI 103-2, 103-3, 303-2, 306-1]

Disclosure on Management Approach

Management approach

In 2020, Novamont issued its **Sustainability Policy** which, on the topic of value chain and product sustainability, formalises the Group's commitment to:

- Ensuring that processes, products and workplaces do not endanger the health and safety of workers or the community, and minimising any pollution;
- Adopting a management approach based on the principle of Life Cycle Thinking (LCT). Pursuing actions to mitigate and improve the environmental and social profile of its activities and products, by: (i) choosing or developing processes and systems that make it possible to reduce the consumption of energy and materials, (ii) using renewable energy sources, (iii) carefully designing products from an eco-design perspective throughout the life cycle,

and (iv) purchasing the most eco-friendly products and raw materials (green purchasing);

- Minimising greenhouse gas emissions, the use of water resources and their qualitative deterioration throughout the value chain;
- Helping to mitigate contamination of the soil and oceans;
- Helping to maximise efficiency in the management of organic waste in urban and metropolitan areas by encouraging biological recycling;
- Guaranteeing respect for human rights throughout the sector, including the supply chain.

Furthermore, in confirming its commitment to the management of quality, environmental impacts and health and safety in the workplace, in 2020 Novamont updated its **Policy for Quality, Environment and Health and Safety (QEHS)**. This states that the Company and its subsidiaries must undertake, among other things, to adhere to the principles of sus-

tainable resource management, pollution prevention, environmental management, product safety and sustainability, if necessary by joining international voluntary programmes that champion those principles.

For the BioBag Group, BioBag International has issued its **Policy for Quality and the Environment**, which formalises its commitment to comply with the regulatory, legislative and other relevant requirements applicable to environmental matters. In 2021, Novamont started the process of integrating its quality, environment and health and safety requirements.

In pursuing the commitments stated, the Group's Italian companies decided to adopt an Integrated Management System (IMS) for Quality, the Environment, Health and Safety¹. Regarding the material topic, the IMS provides for the control, monitoring and, if necessary, mitigation of environmental impacts. As part of its organisation system, the Group has therefore developed a set of procedures aimed at regulating how company activities are carried out

and minimising the risk of committing the offences identified in the analysis of the risk assessment, including environmental offences. Procedures related to the material topic include:

- **Incident Management during freight transport:** this provides instructions for managing accidents during the transportation and/or delivery of finished products;
- **Raw Materials Validation:** this defines the raw materials validation process with the aim of reducing health and environment risks related to the conformity of Mater-Bi with the certification requirements;
- **Purchase Management:** this describes the methods, subjects and areas of responsibility related to purchases;
- **Acquisition, Monitoring and Control of Environmental Data:** this describes the method of acquisition, processing and use of environmental data from the Group's sites;

- **Supplier Qualification, Evaluation and Monitoring Procedure:** this defines the general criteria, responsibilities and operating methods adopted by the Group to manage and control the supplier qualification, evaluation and monitoring process.

To achieve increasingly high performance levels, in 2020 the Group also adopted the B Impact Assessment **(BIA)² framework** as the main tool for managing sustainability, including environmental topics.

With regard to management of the **supply chain** – mainly composed of suppliers of raw materials, goods and services (consultancy and logistics services, supply of commercial goods and maintenance equipment, and provision of labour) and plant, machinery and industrial equipment – Novamont aims to develop lasting and trust-based relationships with suppliers who share the Group's values and who demonstrate the same commitment to acting responsibly and ethically in all aspects of the business. In particular, commercial relations are promoted exclu-

sively with suppliers that can provide guarantees that they respect the fundamental human rights of their employees. As part of this commitment, Novamont requires its suppliers to comply fully with the Code of Ethics. In addition, by acquiring timely monitoring data on the supplier's performance, an **Evaluation Report** can be drawn up which allows Novamont, where significant discrepancies are recorded, to make decisions about the appropriate actions to be proposed to suppliers to improve their performance. For several key suppliers, an additional assessment is required to examine specific aspects of sustainability.

The Group is unaware of any situations where child labour or forced labour are used by companies that provide goods and services purchased by the Group. Moreover, all suppliers guarantee freedom of bargaining and association.

Spurred by its commitment to strengthening the approach in the management of sustainable purchases, in 2022 Novamont launched a **review of the Supplier Qualification, Evaluation and Monitoring Procedure**. The aim

1 - Further details on the IMS can be found on pages 131-132 in Chapter 4 'Compliance and quality of the products and customer care'

2 - More information on the framework can be found on page 31

was to factor in criteria that not only assess aspects related to the quality and safety of supplies, but also take into consideration supplier behaviour, particularly in relation to environmental and ethical/social issues. In 2022, the project intended to **evaluate and monitor the sustainability performance of the Group's raw material suppliers** continued on the EcoVadis platform. For the second year of the project, the group managed to achieve positive results, increasing the coverage of overall evaluated suppliers.

The Group's **energy consumption** is mainly attributable to production processes and, to a lesser extent, to the lighting and air conditioning of buildings and the operation of pilot plants. Energy management – or the set of strategies, actions, procedures and instructions planned and implemented with the aim of saving energy in managing the business – is coordinated by the Energy Manager, a dedicated member of staff from Engineering.

In order to comply with the requirements of the Ministerial Decree of 11/05/21, in 2021 Novara and Terni offices appointed a **Mobility Manager**, a new role, specialised in management and pro-

motion of sustainable mobility for what concerns employees' commute.

In 2022 such person has worked to carry out a Home-Work commuting Plan, that made it possible for Novamont to start sustainable mobility policies and initiatives, to rationalise employees systematic mobility and to reduce polluting emissions, while improving the workers' quality of life.

The management of **greenhouse gas emissions**, whose end goal is achieving the complete decarbonisation of the business, is applied to all three categories of emissions from industrial activities: Scope 1, Scope 2 and Scope 3. The main sources of **Scope 1** greenhouse gas emissions (or direct emissions) are those associated with the production of electricity and heat in the plants owned by the Group. Monitoring and reducing those emissions is a key objective. Novamont's target for the future is for its direct emissions from energy production to be as close to zero as possible. The solutions to achieve this goal include modernising and replacing plants with new high-efficiency plants that consume less energy and run on biofuel (where this can be supplied continuously in sufficient

quantities and on acceptable technical and financial terms), based on best available techniques and actions to offset the residual emission allowances that cannot be reduced further (carbon offset), by purchasing high-quality certified carbon credits. **Scope 2 emissions** (indirect emissions) include emissions from the use of the electricity, heating and steam purchased. Since 2010, Novamont has purchased and used electricity from renewable sources, prioritising wind and solar power whose origin is traced and certified through Guarantees of Origin (GOs). The supply is formalised in the purchase agreement with the supplier of the energy utilities and covers all the Group's offices in Italy. The Dagöplast production site and other BioBag Group sites also run on renewable electricity. This drastically reduces the Group's indirect greenhouse gas emissions and, at the same time, supports the development of the market for sustainable renewable sources. For this reason, Scope 2 emissions are quantified and reported with the **location-based** and **market-based**³ calculation methods. Lastly, **Scope 3 emissions** (indirect emissions) include emission sources that are not under the direct control of the company, but whose emissions are indirect-

ly due to the company's activity. These emissions make up the largest⁴ share and managing them is one of the key aspects of the Novamont model. More specifically, innovative and integrated agro-industrial supply chains are being developed. These are based on agricultural raw materials that make the most of the local area and are grown using regenerative agriculture protocols that can remove greenhouse gases by increasing soil organic carbon (SOC). It also involves the development of new integrated processes to recover waste from other supply chains (e.g. cellulose from sludge, sugars present in process waters, waste vegetable oils and biogenic CO₂). In future, switching to alternative feedstock, making recovery processes more efficient and maximising the use of renewable sources will make it possible to reduce the consumption of resources and thus the greenhouse gas emissions of our business model, as well as increasing the circularity of economic systems. To supplement this, where available and with similar quality to conventional products, Novamont purchases raw materials that have lower GHG

emissions throughout their life cycle or that are carbon neutral. It is also stepping up advocacy with its suppliers on the importance of greenhouse gas management.

In 2021, Novamont carried out a carbon footprint analysis of the entire Group (in accordance with ISO 14064-1). It followed this with a feasibility analysis of the possible decarbonisation scenarios that will feature in the company's strategic plan, in a way that is compatible with its economic sustainability. In 2022 the analysis was updated and fine-tuned in its estimate of Scope 3 emissions, and the calculations were carried out in compliance with the GHG protocol guidelines.

When it comes to **water resources**, Novamont continually obtains and analyses consumption data from industrial plants and water networks. This enables it to identify any anomalies in consumption and to ensure compliance with the various existing regulations. For the Terni and Patrica plants and the Piana di Monte Verna research centre, water used in the production plants, laboratories and pi-

lot plants is abstracted from the groundwater near the production areas. Water used for sanitation is taken directly from the water mains. At the Bottrighe plant, water is essentially used in cooling and is mainly abstracted from the river. Lastly, at the Dagöplast production site, water is used to cool the processing plants. At all production sites in Italy, periodic analyses are carried out to assess the quality of waste water according to specific tabulated values (referred to in Legislative Decree No. 152/06, Annex 5, Table 3, discharge into surface water). These set out the statutory limits on discharging waste water into the receiving body of water, which cannot be exceeded. The characterisation of waste water is done through chemical analyses carried out by external laboratories and internal controls.

The Group chiefly produces **waste** in its production activities and in the management of its warehouses and offices. Non-hazardous waste accounts for the largest share of total waste. It primarily consists of packaging of the raw materials used in the production processes

3 - In the location-based approach, the Scope 2 emissions are calculated using the average emission factor associated with the national energy mix. In the market-based approach, however, the Scope 2 emissions are obtained by considering the emissions generated by the electricity production plants that supply Novamont. The origin of the electricity is disclosed in the contractual documents. The supply of energy from renewable sources is certified by Guarantees of Origin (GO)

4 - Scope 3 emissions are being fine tuned and consolidated due to the high variability of the carbon footprint data observed in different raw materials purchased by Novamont, for which we are currently trying to find more fundamental data that, unfortunately, is not always available

and sludge from the biodigester at the Bottrighe plant. Waste that is classified as hazardous is due to water containing solvents from the Patrica plant. Waste disposal is subject to the control and traceability requirements laid down by the relevant legislation.

Novamont recognises the importance of safeguarding the natural value and **biodiversity** of the areas surrounding the Group's plants. Therefore, to protect those sites, specific precautions are taken in accordance with local, national and international legislation. The only exception is Bottrighe, whose industrial facilities are located within the Po Regional Park, part of the Natura 2000 network. For the Bottrighe site, Novamont carried out an integrated risk assessment for biodiversity in 2019 using the *Biodiversity Impact Risk* (BIR) methodology. By assessing the biodiversity status, the potential impacts generated by the company's activity and the degree of awareness of the value of biodiversity, this methodology has made it possible to identify areas for improvement for the most sensitive components directly controlled by the company (e.g. emissions to air and water, internal sensitivity to the issue, etc.).

Lastly, the Group adopts methodologies and practices to assess and **quantify the environmental loads and impacts, both direct and indirect**, associated with the activities of the organisation and the product life cycle - from the selection of raw materials to the final recycling - in a *Life Cycle Thinking* approach. These include the **LCA methodology (Life Cycle Assessment)**, an internationally standardised tool (ISO 14040 and ISO 14044) adopted by Novamont in 1998. This makes it possible to assess the flow sequence of environmental impacts and to mitigate them by improving the efficiency of the entire production process. In November 2022, Novamont followed up on the project by receiving the **ISO 14067:2018 SA** certification - which defines principles, requirements and guidelines to quantify and state the carbon footprint of products, which will be, therefore, qualified in a standardised and certified manner. The project is going to be completed by the end of March 2023. Novamont also uses LCA methodology at the organisational level (Organizational Life Cycle Assessment).

Other actions, programmes and initiatives implemented by the Group are detailed in the following paragraphs.

Responsibilities

The employees involved in managing the aspects related to this topic are assigned to the following Novamont S.p.A. roles:

- Chief Executive Officer
- Quality, Environment and Safety
- Product Ecology and Environmental Communication
- Engineering
- Strategic Planning and Corporate Communications.
- Logistics and Purchasing
- Research and Development
- Group Operations General Management

These roles communicate with the Group's subsidiaries, by actively collaborating with specific people and the site management's counterparts. Since 2020, they have operated with the coordination and support of the Sustainability Committee and internal working groups involved in the management of B Corp certification and pursuit of the common benefit.

Complaint, consultation and discussion mechanisms

For aspects concerning the material topic, the Group provides the opportunity to request information and to make complaints through its website www.novamont.com or by emailing csr@novamont.com and info@novamont.com. Complaints may be made by contacting the Supervisory Board.



[GRI 2-6, 204-1, 412-1]

The sustainable value chain

Characteristics of the supply chain

Responsible management of the supply chain is an essential component of our strategy. Thus, we undertake to guarantee the maximum quality of the products and services purchased, while respecting environmental and social criteria.

In 2022 the global markets trend has been deeply affected by the Russian-Ukraine conflict, which destabilised the supply chain - both for natural and oil-based materials - and caused significant fluctuations in European natural gas prices. All this facilitated, for most of the year, an increase in prices of commodities, which

in the latest years have resulted in increasing inflation and consequently slowing down the global economy.

Our group has been affected by this trend, as it becomes clear looking at the reduction of raw materials purchases that have decreased by 21%, despite the expenses

being almost identical to 2021.

For the Group's Italian sites, in 2022 the purchase turnover from suppliers operating locally - i.e. those with headquarters in Italy - accounted for 48% of total purchases.



The topic of **sustainable purchasing** corresponds to the integration of Corporate Social Responsibility principles in a company's procurement processes and decision-making. It also means promoting those principles throughout the supply chain, by adopting a collaborative approach with its suppliers to accelerate the process of continuous and widespread improvement throughout the value chain. With the aim of strengthening the oversight of our supply chain and establishing increasingly virtuous business relations with it, in 2021 we launched **an experimental project that saw the start of a structured process of evaluating and monitoring the CSR performance of our main suppliers**, drawing on the support of EcoVadis, an independent international rating company that aims to improve the environmental and social practices of companies by leveraging the influence of global logistics chains.

The main tool used by EcoVadis consists of a collaborative platform that allows companies to monitor the sustainability practices of their suppliers, manage their risks and request the implemen-

tation of corrective actions where necessary. The assessment methodology incorporates different international sustainability standards (Global Reporting Initiative, UN Global Compact, ISO 26000) and is based on 21 CSR criteria grouped into four categories: Ethics, Environment, Work Practices, Human Rights and Sustainable Purchases.

For 2022 we decided to increase the number of suppliers to assess, including relevant raw materials suppliers that had not been involved in the first evaluation that extending the invite to different categories, involving 27 suppliers⁶. This made it possible to achieve an overall coverage (also including suppliers involved in the first year of the project) of 86% in terms of overall expenses of the Group for raw materials.

Also in 2022 results have been extremely positive, both for the level of suppliers' reactivity to the invitation campaign and for the achieved scores. In particular, the positive response rate (i.e. Suppliers that decided to undergo the EcoVadis assessment, sharing with Novamont their scorecard)

has risen from 75% in 2021 to 88% in 2022: this result is connected, on one side to a higher sensitivity of suppliers in terms of sustainability, but also to Novamont's advocacy strategy. Moreover, the average score achieved by the suppliers who underwent the evaluation was 34% higher than the average of all the companies evaluated by EcoVadis. Of the four pillars on which the EcoVadis assessment is based, the areas dedicated to work, human rights and environment were those in which suppliers performed best.

In 2022 we have also worked on the definition of **post assessment-criteria** which have been included in the Management Procedure related to Suppliers' Qualification, Evaluation and Monitoring, so that they are assessed not only for criteria related to quality and safety of their supplies, but also in relation to ethical-social criteria for the suppliers. The post assessment criteria are based on performance thresholds and are used to define the frequency of evaluations, corrective measures that suppliers need to implement to improve their performance and actions that need to be taken to-

6 - suppliers of the BioBag group are excluded



wards provided who refused to undertake the evaluation. Such criteria have been shared with our suppliers in order to make the qualification program more believable, more transparent and to increase the response rate.

The EcoVadis project made it possible for us to increase our advocacy activity on the topic of sustainable purchases, thanks to our attendance to national and international events. These include the EcoVadis World tour in Milan, that

took place in October 2022, when our Sustainability Manager presented Novamont's experience in the EcoVadis project and started a round table with the participants about the topic of green procurement.



At Novamont we have been using the EcoVadis platform since 2015, continually renewing the assessment of our sustainability practices at the request of our customers.

Following the update of the EcoVadis assessment in late 2021, we obtained a score of **83/100** (7 points higher than previously). The thematic area of "Sustainable Procurement" saw the most significant increase.

The score confirms our Group's position in the top 1% of companies rated highest by EcoVadis in the sector "Manufacture of basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms".

For this reason, we received the prestigious **Platinum medal**, which is the highest rating that EcoVadis offers.

[GRI 301-1]

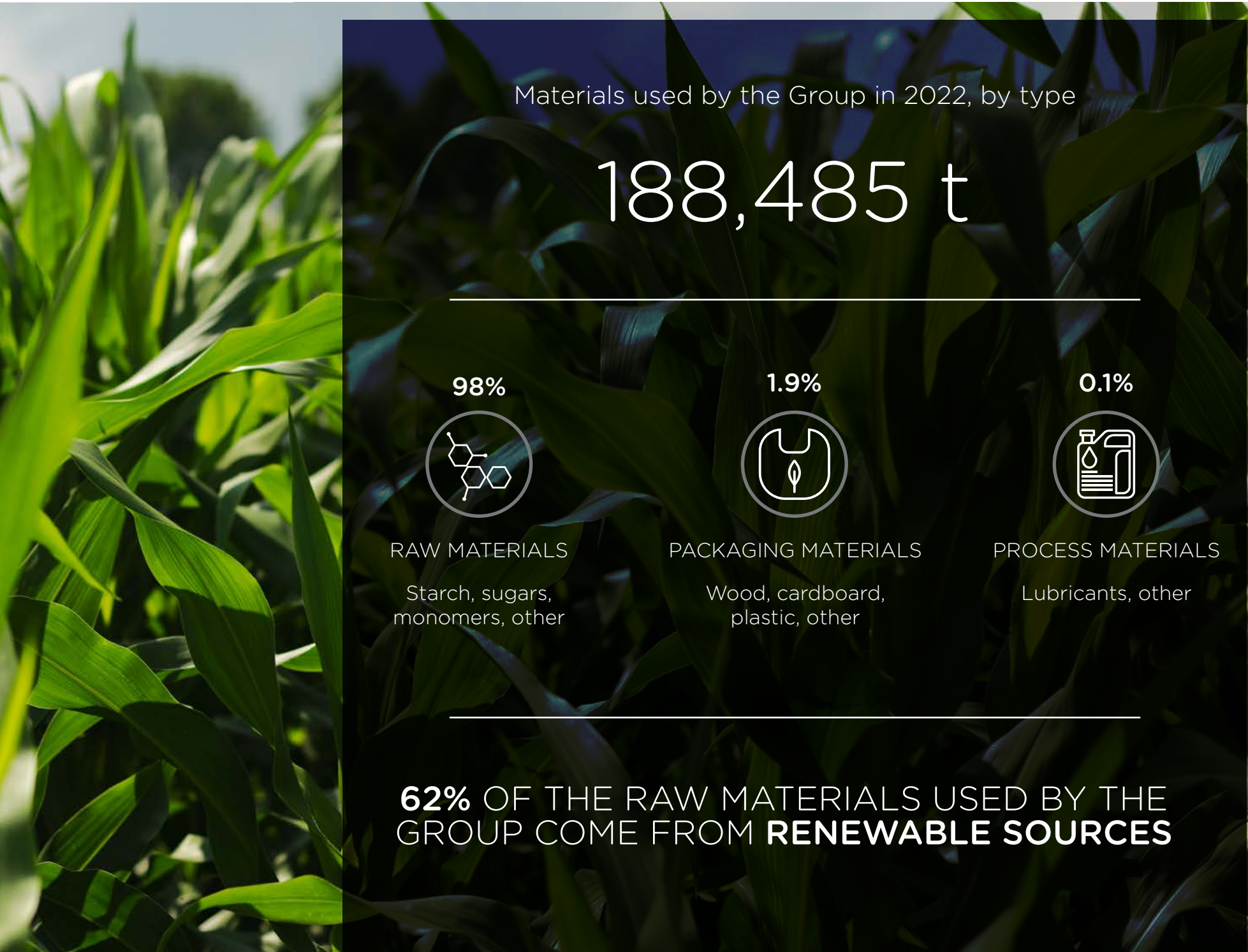
Purchasing goods and raw materials

Almost all materials purchases are raw materials, an essential resource for our business. In 2022, the total weight of the materials used by the Group was 188,485 t, of which 116,039 t was renewable and 72,446 t non-renewable, in line with the decrease in purchase volumes.

With a view to sustainable procurement, also in 2022, we consolidated the purchasing of **carbon neutral-certified raw materials** in

accordance with the PAS 2060. This certifies that a quantity of greenhouse gas emissions has been offset equal to that emitted by the entire production cycle.

The purchase of this raw material offset the release into the atmosphere of about 10,957 t CO₂e (CO₂ equivalent), through international energy efficiency projects and projects for the use of third-party-verified renewable sources.



[GRI 302-1, 302-3]

Sustainable production

Energy consumption

In a bid to make a positive contribution to safeguarding and protecting the environment, we are constantly in search of the most suitable solutions that ensure the responsible use of resources and better management of the Group’s consumption.

The various solutions adopted at the Bottrighe plant include a **co-generation plant** for the production of the electricity and thermal energy used in the manufacturing process. This has reached 90% overall efficiency, hence the energy efficiency certificates (white certificates) associated with it. The surplus electricity is sold to the national grid. In 2022 thanks to the cogeneration plant we were able to reduce the use of prima-

ry energy by 22%. The site also has a **biodigester**, a hi-tech plant that treats the excess biomass from the fermentation process, manufacturing by-products and sludge from the purification plant, and generates **biogas**. Since July 2020, this has been 100% converted into **biomethane**, as a result of the upgrades carried out on the biodigestion plant. The biomethane produced is fed directly into the gas network, contributing to

the spread of renewable energy sources. The company passed the supervisory audit and confirmed its **advanced biofuel certification** for the biomethane produced, in accordance with the Italian Ministerial Decree of 14 November 2019. Regarding the bio-BDO purification unit, there is a **mechanical recompression system** for exploiting all the waste heat which would otherwise be lost.



Lastly, a **combustor** used for the thermal oxidation of liquid and gaseous refluents from the polymerisation process is in operation at the Terni plant, which would otherwise be sent to external disposal plants. From the combustion process, thermal energy used in the production process and for space heating is recovered. In October 2022, the plant was equipped with

an automatic monitoring software for the site energy consumption (electricity, methane gas, steam). Once the implementation is finished, thanks to this platform it will be possible to detect the areas with the highest energy consumption, and to quantify their impact on the company consumption, identify energy inefficiencies, to carry out a benchmarking anal-

ysis and to calculate the performance of technologies in place, provide support for the implementation of solutions to improve energy efficiency, and to guarantee the highest performance of the plants, leading to, as a direct consequence, a great economic saving in the management of the productive process.

For what concerns the Patrica plant, in 2022 the works on the construction of the **trigeneration plant** have been completed. This uses the methane combustion process for the production of electricity, steam and cooled water, and for heating diathermic oils, which are used in the plant production processes and for the heating in the offices. The plant

was commissioned in May, starting with important energy and environmental optimisations, with a consumption reduction of primary energy resources of approximately 12%.

The Piana di Monte Verna research centre in 2021 was equipped with a plant with new air-cooled refrigeration units equipped with

inverters. Such action, does not only meet new European policies on Fluorinated greenhouse gases (F-gases), it also represents an highly energy-efficient solution, with an energy saving for 2022 estimated of 28.528 kWh, equal to 4% of the overall 2022 consumption.



Other energy efficiency measures carried out during the year included the progressive replacement of traditional light fittings with LED light fittings at the Terni and Novara sites.

Finally, with the aim of strengthening the corporate culture on energy saving issues, in 2022 Novamont worked on the creation of an **energy decalogue**. The decalogue is shared with all the em-

ployees and hangs on the walls of all the offices of the Group, it includes a series of daily tips that workers can follow during their working day to avoid waste in the work environment.

In 2022 the energy intensity indicator decreased by 4% compared to 2017 and 2018, but it increased in comparison to 2021, mainly because of the reductions of sales related to the complex geopo-

litical context that in 2022 has affected the European industry. Specifically, the regulations that are still applied in Europe, which do not allow to differentiate between bio-product production and fossil fuels imported from China in terms of environmental performance and territorial regeneration; considering soaring raw material and energy costs in Europe it does not allow for innovative production chains and

citizens' sensitivity to the circular bioeconomy. These two aspects explain why it is possible to import fossil fuels in dumping conditions from China, and why fake products are increasing in some European Countries where the bioplastics market is more developed. The effect is a shift in production from certified renewable products to fossil fuels, and sometimes to fake products, with obvious negative environmental consequences, thus not pushing existing integrated supply chains, the result of many years of invest-

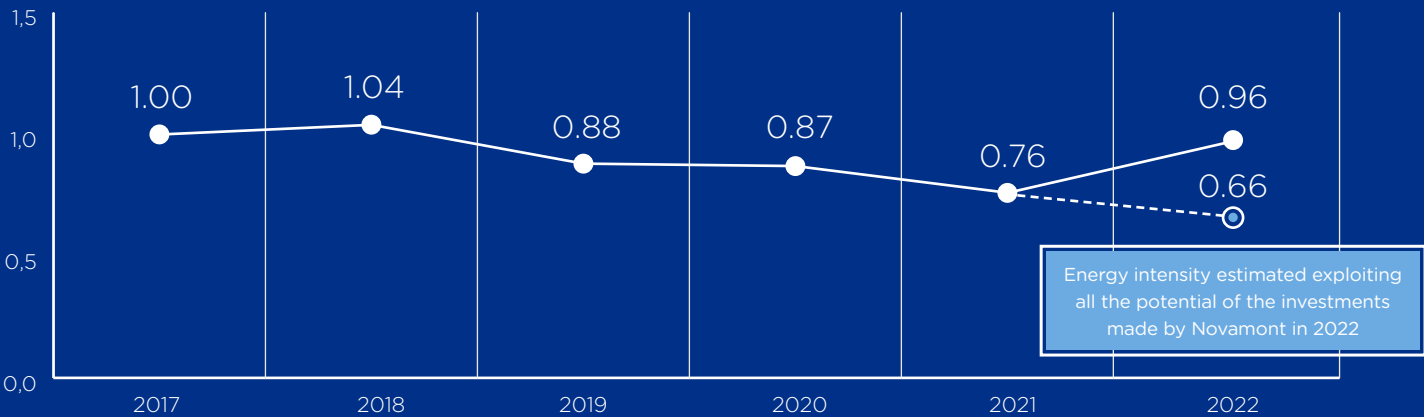
ment in technology, research, process scale-up, construction of first plants and their continuous efficiency upgrading, a fundamental platform for further evolution and investment: which gives an idea of the severity of the waste. An estimate of energy intensity in full swing, i.e. exploiting the full potential of the production investments Novamont has made over the years, would be 0.66 (see graph).

Energy consumption can mainly be attributed to the use of methane (86% of total energy consumption) to feed the Bottrighe

cogeneration plant, the Patrica trigeneration plant, and generate heat (through boilers), in the Patrica and Terni production processes and to a lesser extent for space heating. A significant share of the Group's energy consumption (13%) is associated with electricity. This is predominantly used to power production plants, and to a lesser extent for the lighting and air conditioning of buildings. The Novara site purchases steam which is mainly used for space heating, and to a lesser extent for the operation of pilot plants.

The **energy intensity** indicator (which is obtained from the ratio between the total energy consumption of the Group's Italian sites⁷ and the total amount of Mater-Bi and other *biochemicals* produced by the Group in the reference year) recorded a decrease of 4% relative to 2017.

Standardised energy intensity of the Group's Italian sites



7 - The indicator was calculated taking into account the Group's Italian sites, in order to allow a comparison with previous years

For 2022, 99.8% of the **electricity** purchased by the Group came from **Guarantee of Origin (GO)**-certified **renewable energy sources** (particularly wind, solar and hydro power). Furthermore, the **Zero Emission Electricity** certificate confirms that the purchase and cancellation of the GOs were done in a correct and traceable manner⁸. In this way, we avoided emissions of greenhouse gases and other pollutants.

In addition, all heating purchased by the Group (and associated with consumption at the Dagöplast site and sites in Sweden and Denmark for office heating) is produced from renewable sources, in particular wood chips and wood pellets.

8. - This certification covers all the Group's Italian sites, while for the Dagöplast production site, it is the electricity supplier that directly issues the certificate

Total energy consumption within the Group, by geographical area ⁹

[GJ]	2022	2021	2020
TOTAL	1,325,323	1,383,401	1,300,863
Europe	1,325,136	1,383,155	1,300,863
Italy	1,304,371	1,361,299	1,300,863
Novara	0.9%	1%	1%
Terni	9.7%	14.3%	14.2%
PMV	0.4%	0.5%	0.5%
Bottrighe	47%	46.3%	51.1%
Patrica	42%	37.9%	33.2%
America	125	200	-
Oceania	63	47	-

Total fuel consumption of the Group, by type

[GJ]	2022	2021	2020
NON-RENEWABLE			
Methane	1,236,241	1,135,526	1,053,347
Liquid and gas refluents	4,494	6,678	6,720
RENEWABLE			
Biogas	-	-	31,616

Standards, assumptions and methods used for the calculation

- methane consumption: direct measurements
- liquid and gas refluents consumption: based on process data
- biogas consumption: direct measurements

Conversion factors

- LHV Methane 2020-2022: 35.3 MJ/Sm³
- LHV biogas: 19.7 MJ/Sm³

Source

- LHV methane 2020: tables of national standard parameters for monitoring and reporting greenhouse gases – ISPRA 2020

- LHV methane 2021: tables of national standard parameters for monitoring and reporting greenhouse gases – ISPRA 2021
- LHV methane 2022: tables of national standard parameters for monitoring and reporting greenhouse gases – ISPRA 2022

9 - For 2021, the trend in energy consumption is influenced by the extension of the reporting scope to BioBag Group companies and to Novamont's foreign sites. 2020 data exclusively refer to the Italian companies of the group

Electrical energy, steam and heating of the Group

[GJ]	2022	2021	2020
ELECTRICITY			
Purchased	190,854	348,650	284,077
of which from renewable sources	99.8%	99.8%	100%
Sold (surplus electricity from the Bottrighe cogenerator)	53,587	44,108	60,142
HEATING			
Purchased	279	376	-
of which from renewable sources (wood chips and pellets)	100%	100%	-
Sold (biomethane)	60,520	73,239	23,454
STEAM			
Purchased	7,563	9,518	8,699

Standards, assumptions and methods used for the calculation

- electricity consumption (Italian sites, Dagöplast and other BioBag sites): billed consumption
- electricity consumption (foreign sites and BioBag sites in Poland, Australia and Ireland): estimated from the specific consumption per

- employee at the Novara site (2019), considering only the electricity consumption for lighting, space heating and the data centre
- wood chip consumption: direct measurements
- steam consumption: direct measurements

Conversion factors

- Electricity: 3.6 MJ/kWh
- Steam 2022: 2.77 MJ/kg
- LHV biomethane: 33.45 MJ/Sm³

Source

Energy manager

NOVAMONT RECEIVES THE FIRST ENVIRONMENTAL AWARD



In February 2022, a ceremony was held for the Impresa Ambiente Award, an initiative promoted by the Venice-Rovigo Chamber of Commerce with the collaboration of Unioncamere and the patronage of the Ministry of Ecological Transition. At the ceremony, Mater-Biotech won the prestigious award for the category **'Best Process/Technology for Sustainable Development'**, reserved for companies that have developed and applied a new production technology that makes a concrete contribution to sustainable development and environmental protection.

According to the motivation of the award: 'Novamont has implemented an innovative process for the production of 1,4-butanediol, obtained from renewable resources by fermentation and no longer from a petroleum-based process. Such process happens in Bottrighe, in the province of Rovigo, in a plant that has been subject to industrial reversion and regeneration. Its reclamation generated significant saving of soil, in addition to the reuse of about 60 % of the existing plant, transforming the old plant into a cutting edge plant, energy saving champion'.

'This award is a fundamental recognition of Novamont Group's commitment to decarbonisation of the economy with highly integrated productive processes, to improvement of energy efficiency, to support renewable energy sources, to implement solutions that can solve concrete environmental issues', declared Stefano Dessì, director of the Mater-Biotech plant.

The Bottrighe Mater-Biotech plant, in the Rovigo province, was created reconvertng an abandoned site, with an investment of over 100 million Euro and became operational in October 2016. It was the first plant in the world

to produce **1,4 bio-butanediol** (1,4bio-BDO) directly from sugars using a fermentation process. The 1,4 bio-BDO is used as a *building block* for the production of Novamont bioplastics: in particular, it is instrumental in producing the

fourth generation of Mater-Bi, significantly increasing its content of renewable raw materials. 1,4 bio-BDO has less than half the *carbon footprint* of conventional BDO (produced from fossil fuels).



[GRI 305-1, 305-2, 305-7]

Emissions

Emissions of greenhouse gases into the atmosphere are primarily associated with the Group’s energy consumption. They are divided into direct emissions (*Scope 1*) and indirect emissions (*Scope 2*). For *Scope 1* emissions, in 2022 the Group emitted a total of 70,943 t CO₂e, of which 69,645 t CO₂e from methane combustion, 494 t CO₂e from liquid and gaseous waste combustion, 6 t CO₂e from diesel fuel for fire-fighting vehicles, and

799 t CO₂e from process gas. 2021 rising trend (64,360 t CO₂e) is mainly due to the commission of Patrica trigeneration plant, powered by natural gas, which made it possible to reduce the quantity of electricity bought from the national grid, that is generated in a less efficient way. However, we would like to point out that the trends in *Scope 1* emissions are not strictly comparable over the years, since they are related to

the variable supply of raw materials which may be internal or external to the Group. Thus, these emissions can be included in the calculations of *Scope 1* and *Scope 3* emissions (upstream phase), respectively. **Biogenic emissions of CO₂** from biotechnological processes also amounted to 18,068 t CO₂ (19,248 t CO₂ in 2021).

Standards, assumptions and methods used for the calculation

- emissions from methane combustion: calculated by applying an emission factor. For the Bottrighe and Patrica plants we used certified direct greenhouse gas emissions (ETS system)
- emissions from the combustion of liquid and gas refluents: the chemical composition of the refluents and the related stoichiometric balance of the combustion were considered
- emissions from fermentation: stoichiometric balance

Gases included for the calculation

CO₂

Base year

2018

Approach used to consolidate the data

Operational control

Emission factors

- Methane (2022): 1.991 CO₂/Sm³

Source

- Methane: tables of national standard parameters for monitoring and reporting greenhouse gases – ISPRA 2022

Scope 2 emissions of the Group, by method

[t CO ₂ e]	2022		2021	
	Location-based	Market-based	Location-based	Market-based
TOTAL	18,173	838	33,274	1,044
Electricity	17,392	60	32,295	69
Heating	2.6	-	3	-
Steam	778	778	975	975

Standards, assumptions and methods used for the calculation

- emissions from electricity, steam and heating: calculated by applying an emission factor
- *market-based* emissions from heating and electricity equate to zero as in the former case the fuel is 100% vegetable biomass and in the latter case Novamont uses electricity from renewable sources (99.8% of total consumption).

For the remaining amount (0.2%) we used emission factors of the corresponding national residual mix

Gases included for the calculation

CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃

Base year

2018

Approach used to consolidate the data

Operational control

Emission factors

- *Location-based* electricity (2022): 0.260 kg CO₂e/kWh (Italian sites)
- Steam (2022): 0,285 kg CO₂ e/kg
- Location-based Heating (2022): 0,01 kg CO₂ e/kg

Source

- Location-based
 - Italian sites: ISPRA 2022 Report 363/2022 ‘Efficiency and decarbonisation indicators in Italian energy and power sector’
 - Foreign sites: *Tool GHG Protocol ‘electricity emission factors – Scope 2-3 in Ecoinvent v3.8’*

- Market-based Residual mix
 - European foreign sites: AIB - *European residual mixes 2022* - https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2022/AIB_2022_Residual_Mix_Results_.pdf
 - sites in the USA: EPA - <https://unhsimap.org/cmap/resources/electricity2019>
 - Site in Australia: “*Electricity accounting*” *Climate Active April 2021* - <https://www.climateactive.org.au/sites/default/files/2021-04/Climate%20Active%20Electricity%20Accounting.pdf>
 - Steam, heating (no Italy): Ecoinvent 3.8 (2022)
 - GWP factors: *IPCC Sixth Assessment Report: Climate Change* (2021) (100 years)

NOx emissions of the Group, by geographical area

Other significant emissions monitored for the Group’s Italian offices are NOx from the combustion of methane used in the Bottrighe cogeneration plant and in boilers for steam production. The decrease registered in comparison to 2021 is related to the Patrica trigeneration plant, as its combustion conditions generate lower NO_x emissions than the boilers that have been replaced.

	2022	2021	2020
TOTAL	13,946kg	19,811 kg	18,726 kg
Novara	0%	0%	0%
Terni	10%	6%	10%
PMV	0%	0%	1%
Bottrighe	52%	50%	48%
Patrica	38%	44%	41%

Thanks to the purchase of 100% electricity from renewable wind sources, the energy self-produced by the cogeneration plant and the production of biomethane (Bottrighe plant), we achieved a total of

33,895 TONNES OF AVOIDED CO₂e IN 2022¹⁰

All these actions make it possible for us to support, in concrete terms:



The decrease in emissions of greenhouse gases and other pollutants



The improvement in the environmental performance of all our products



The development of the market in renewable sources

In 2022, we continued the programme to offset Scope 1 emissions associated with the combustion of natural gas used in Novamont’s energy production plants and the combustion of Terni’s process waste that cannot be reduced at the moment (residual emissions), through the

purchase of certified carbon credits that support international projects to reduce CO₂ emissions.

In 2022, the purchase of certified carbon credits amounting to 64,500 tCO₂e (made to offset the Group’s 2021 emissions) made it possible to support the ‘Hunan

Qidong Kaidi Biomass Power Project, a biomass residue recovery project for the generation of electricity and heat developed in the Hongfeng industrial area in Hunan Province (China).

10 - This figure was calculated with respect to a theoretical scenario in which, in 2022, all the electricity and thermal energy were purchased externally from the national grid (Italy mix), the Bottrighe site did not have a cogeneration plant, and recovery of the biogas did not take place. The figure is divided as follows, emissions avoided by using renewable electrical energy (wind power): 32,226 t CO₂e; emissions avoided by the cogeneration plant and the sale of electricity and biomethane: 16,551 t CO₂e

[GRI 303-1, 303-3, 303-4]

Water resources

Water resources are a precious commodity that must be managed consciously. For this reason, we are working to minimise our water consumption and encourage the reuse of this resource. At our production plants in Terni and Patrica, for example, a system is in operation that recovers purge water from the cooling towers, which is stored and then reused in the plants.

The only exception is Bottrighe, whose industrial facilities are located within the Po Regional Park, part of the Natura 2000 network. The plant is primarily responsible for the Group’s water abstraction and waste water, and about 95% of the amount abstracted is used as cooling water. The water is abstracted from the water table and from the Po River: in the latter case, the water is abstracted and returned to the same body of wa-

ter, so as not to cause any impact in terms of scarcity of the water resource.

During 2022, the Group’s water consumption per kg of product remained constant. The increase in total volume of 18% compared with the previous year is therefore linked to the growth in production volumes. The total volume of water consumed was 11,950 MI.

The Group’s abstracted water and waste water, by source and destination

[Megalitres – MI]	2022	2021	2020
TOTAL ABSTRACTED WATER	11,950	14,515	12,274
Surface water – Po River	8,473	11,083	9,285
Groundwater – Well	3,441	3,399	2,959
Water from third parties – Water mains	36	38	30
TOTAL WATER DISCHARGES	12,074	14,713	12,330
Surface water	12,060	14,697	12,314
Groundwater	14	15	16

Standards, assumptions and methods used for the calculation

- Water consumption and abstraction solely concern the Group’s Italian sites and the Dagoplast plant, given their significance in terms of volumes
- The data on water abstraction are taken from billed consumption or from direct meter readings
- The data on water discharge volumes are taken from direct measurements and estimates
- For the identification of water stress areas, the mapping of the *Baseline water stress* provided by the *Water Risk Atlas Aqueduct* was considered. This measures the ratio between the total annual water abstracted and the total renewable annual supply available, taking account of the use

upstream. According to this indicator, the Novara site, the MaterBiotech production site and the Dagoplast production site are located in low water stress areas and account for 97% of the Group’s water withdrawals. The remaining 3% of withdrawals fall in areas of high water stress where the production sites of Terni, Patrica and the Piana di Monteverna research centre are located.

- All of the waste water is freshwater, since the suspended matter content is less than 1,000 mg/l.

Source
WRI Aqueduct 2014

[GRI 306-2, 306-3]

Waste

Our policy aims to reduce and correctly manage waste; for this reason we set up initiatives that encourage, where possible, its recovery and a suitable disposal method for hazardous substances. In accordance with Italian and European legislation on waste, which seeks to prevent its production and to consider dumping in landfills as a “last resort”, we help maximise the amount of waste sent for recycling, achieving a percentage of 93% in 2022. Furthermore, we try to encourage the purchase of raw materials that are transported inside tankers, thereby avoiding the use of packaging. Where possible, the same policy is also implemented to transport Mater-Bi. The overall amount of produced waste decreased by 12% in comparison to 2021, due to the decrease in production volumes.

Waste produced by the Group, by type and method of disposal

[t]	2022			2021			2020		
	Hazardous	Non-hazardous	TOTAL	Hazardous	Non-hazardous	TOTAL	Hazardous	Non-hazardous	TOTAL
TOTAL	1,602	13,154	14,756	2,073	14,614	16,687	2,410	11,298	13,708
R	1,435	12,344	13,779	1,887	13,641	15,527	2,171	7,988	10,159
D	166	810	976	186	975	1,161	239	3,310	3,549
<div><div>Standards, assumptions and methods used for the calculation</div><div><ul style="list-style-type: none">• In calculating the waste, only the Group's Italian sites and the Dagösplast plant were considered. With reference to the Group's other sites, which mostly consist of offices, the waste produced is not significant.• The data was collected from waste disposal service providers• Category D includes the types of disposal: D8, D9, D13, D14, D15• Category R includes the types of recovery: R3, R5, R12, R13, R14</div></div> <div><div>• For specific details of each type, see Annexes C and D in Part IV of Italian Legislative Decree No. 152/06</div><div>Source Annexes C and D in Part IV of Legislative Decree No. 152/06, as amended</div></div>									

At Novamont, we are constantly engaged in the search for innovative industrial processes that are able to recover and transform the waste from our production, with a view to a circular economy. At our Patrica plant, this waste recovery approach has enabled us to create a process waste water separation and purification system for the recovery of **tetrahydrofuran (THF)**, a chemical intermediate generated during the polymerisation reaction. Once distilled, THF is used in the chemical and pharmaceutical industries.

REGENERATIVE TURNOVER

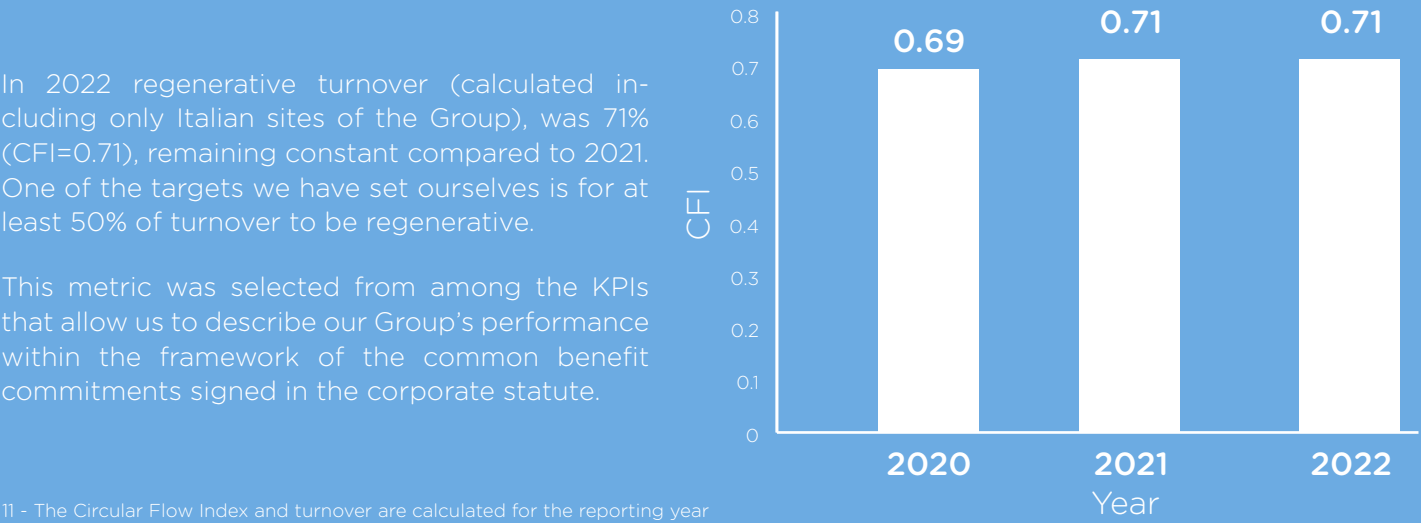
During 2021, we developed a metric at Novamont that would allow us to measure our contribution to the circular bioeconomy. In particular, our circular (or regenerative) material flows were linked to the economic value generated by the Group thanks to the implementation of a circularity indicator called “**regenerative turnover**”. Regenerative turnover is defined as the product of the Circular Flow Index (CFI) multiplied by turnover¹¹:

Regenerative turnover = CFI * Turnover

The Circular Flow Index quantifies the organisation's *input* and *output* regenerative material and energy flows. *Input* circular flows are represented, for example, by renewable raw materials (of plant origin) or recycled raw materials and energy from renewable sources or recovered from process waste; examples of output circular flows are the waste sent for recycling, recovery or regeneration, recovered by-products, and final products with compostability and certified biodegradability, i.e. that have at least one practical recovery option.

By contrast, linear flows (understood as non-regenerative flows) are composed of energy from fossil fuels, non-renewable raw materials and waste sent to landfills.

Regenerative turnover represents, in essence, the percentage of turnover linked to the circularity of a company. The higher the regenerative turnover, the more able the company is to earn revenue from its products and circular activities – for example, from raw materials and renewable energy, from certified biodegradable and compostable products, and from recovered waste.



[GRI 3-3]

Compliance and quality of the products and customer care

4



Compliance with national and international laws, standards and regulations that govern the use of renewable, biodegradable and compostable products and that can influence the industry in which the Group operates. Sharing circular bioeconomy models.

Guarantee the satisfaction of the Group’s customers by creating products that meet the highest quality and performance standards for the characteristic parameters and by offering active support to the customers themselves.



EN 13432



REACH



Legislative overview



Product safety



Customer satisfaction

[GRI 2-25, 3-3, 416-1, 417-1]

Disclosure on Management Approach

Management approach

In 2020, Novamont issued its **Sustainability Policy** which, in relation to the subject of product conformity and quality, formalises the Group's commitment to ensuring that processes, products and workplaces do not endanger the health and safety of employees or the community, and to minimising any form of pollution.

The Group also updated its **Policy for Quality, the Environment and Safety (QEHS)** in 2020. Among the various commitments, the QEHS Policy establishes the importance of:

- Complying with the laws and regulations that apply to the Group's activities and products and, where applicable, food safety standards, as well as the customer's requirements; in the absence of a law or suitable standard, Novamont voluntarily adopts and applies standards and methods that reflect its commitment to meeting the require-

ments of its QEHS Policy and to putting into practice the best available techniques;

- Developing, implementing, measuring, monitoring, revising and continuously improving its processes, to ensure conformity to the standards ISO 9001, ISO 14001 and ISO 45001, and to *Good Manufacturing Practices* (GMP);
- Ensuring that workers, service providers and contract employees have the appropriate resources, information and training they need to carry out their work in a competent and safe manner, in such a way that achieving the system goals in terms of conformity of the products and services is guaranteed;
- Regularly examining the effectiveness of the QEHS integrated system by means of verification and auditing processes.

In pursuing the commitments stated within the QEHS Policy, Novamont decided to adopt an **Integrated Management System (IMS) for Quality, the Environment, Health and Safety**. Regard-

ing the material topic, the IMS provides for the control, monitoring and, if necessary, mitigation of impacts on the environment and on the health and safety of workers, customers and consumers. Monitoring begins with a preventive analysis, identifying the hazards, assessing the risks and subsequently defining preventive and protective measures.

For the BioBag Group, BioBag International has issued a Quality and Environment Policy whose commitments are consistent with Novamont's policies. Harmonisation with Novamont's applicable quality, environment, health and safety requirements is under way, which led, in 2022, to drafting a new shared plan of action.

As part of its organisation system, the Group has developed a set of procedures aimed at regulating how company activities are carried out and minimising the risk of non-compliance identified in the analysis of the risk assessment. Procedures related to the material topic include:

- **Raw Materials Validation Procedure:** this defines the validation process for a new raw

material, taking into account its impact on the health of operators and the environment, as well as on the safety, conformity and quality of the finished product. The procedure refers to the assessments stipulated both by the regulations relating to chemical products (REACH (Regulation (EC) No 1907/2006) and CLP (Regulation (EC) No 1272/2008)) and by those relating to food contact materials, and to the assessments required under any other industry regulation or applicable standard.

- **The Hazard Classification Request Procedure and drafting of the safety data sheet for outgoing chemicals:** this requires verification of the hazard classification of outgoing products from the Novamont Group and the subsequent drafting of the associated hazard communication documents (information sheet, SDS, eSDS, label).

In compliance with these principles, the design of each new product always includes:

1. An assessment of the new raw materials, in terms of **hazard classification and risk management**, and in terms of the potential effects on their biodegradation (where this characteristic is applicable) and on the environment in general;
2. Verification of **compliance with the regulations** on materials intended to come into contact with food or other industry regulations, in accordance with the intended final use;
3. An **assessment of the products** made with new raw materials, on the basis of the regulations concerning chemicals and the required performance characteristics: biodegradation and disintegration by composting, suitability for contact with food, etc.;
4. The performance of **conversion tests** with customers, in order to optimise the operating conditions in the field to obtain the finished products.

The aforementioned design and development phases, for example in the development of a new grade of Mater-Bi, trigger a series of activities aimed at providing

new products with the documentation necessary for them to be sold, including the drafting of the **safety data sheet or information sheet**, the **technical data sheet**, and the preparation of a **monitoring plan** designed to monitor the reproducibility of the characteristics of the product itself. For some products, the sharing of **information on sustainability** is also envisaged in accordance with international standards and *best practice*, including UNI EN 16848:2017 Bio-based products – Template for B2B reporting and communication of characteristics with a specific data sheet, and UNI EN 16935:2017 Bio-based products – Requirements for Business-to-Consumer communication and claims.

The activities of assessing and checking compliance with **Regulation (EU) No 10/2011 on plastic materials and articles intended to come into contact with food** entail the following steps:

1. Conducting **preliminary tests** for fact-finding purposes on prototypes that represent the finished products, following legal protocols and industry standards

(e.g. series UNI EN 1186:2003 Test methods for overall migration at high temperatures);

2. Drafting and sending the **declaration of compliance** for supplies intended to come into contact with food;

3. Preparing a **monitoring plan** (for parameters relevant for the purposes of suitability for contact with food) on fully operational industrial production lines;

4. **Providing specific support** to customers in terms of training on the topic of contact with food, assisting with the drawing up of testing plans and examining the results of tests conducted by customers.

Novamont not only certifies its own products, but also **actively assists its customers** in obtaining the certification of finished products. To that end, it provides training on the subject together with test reports (disintegration tests) obtained from its own internal laboratories during the product development phase, and occasionally reports of tests carried out at third-party organisations that facilitate customer certification.

The quality of Novamont's products and services is assessed annually using a **customer sat-**

isfaction survey. The results of the analysis are used to identify improvements aimed at ensuring that customers are 100% satisfied. With regard to complaints in particular, Novamont has a specific **Customer Complaint and Report Management Procedure**, which describes how the organisation implements the process of managing complaints from external customers. The **Non-Compliance and Recommendations Management Procedure** defines the activities, responsibilities and key features that the non-compliance and recommendations management system must have.

In 2021, Novamont also updated its **Recall Plan**, the purpose of which is to protect public health by removing products that have been deemed unsafe from the market.

Lastly, the Group periodically monitors the **guidelines and policies, laws and standards, projects, initiatives and proposals** from international (European Commission), national (Ministry of Environment and Energy Security, Ministry of Health, Ministry of Enterprise and Made in Italy, Ministry of Agriculture and Food Sovereignty) and regional. Other actions, programmes and initiatives implemented by the Group are detailed in the following paragraphs.

Responsibilities

The personnel involved in managing the aspects linked to this topic are assigned to the following Novamont S.p.A. functions:

- Chief Executive Officer
- Product Ecology and Environmental Communication
- Quality, Environment and Safety
- Corporate Relations and Associations
- Sales
- Group Operations General Management
- Logistics and Purchasing
- Intellectual Property and Legal Affairs
- Group Finance and Control Administration Department

These functions interface with the Group's subsidiaries, by actively collaborating with specific functions and the respective site management. In addition, Novamont employs a qualified professional (**Business Operator - Food Contact Expert**) who ensures that the rules applicable to Food Contact Materials (FCMs) are known and correctly applied.

Complaint, consultation and discussion mechanisms

The Novamont Group provides the opportunity to request information through its website www.novamont.com or by emailing info@novamont.com. Complaints may also be made to Novamont's Customer Service, who will forward them to Group companies and to the function responsible.



[GRI 403-1]

Corporate management systems

We are committed to managing all our processes diligently and responsibly. To that end, the Group’s Italian companies have an Integrated Management System (IMS) for Quality, the Environment, Health and Safety.

The IMS, which applies to all employee categories, encompasses the set of procedures, processes and resources necessary to develop, implement, monitor and review goals and targets to mitigate possible risk factors linked to quality, the environment and safety, with a view to continuous improvement. To promote this commitment, the Group’s Italian sites are for certified for the standards ISO 9001:2015, ISO 14001:2015 and ISO 45001, which define the requirements for implementing a management system (for quality, the environment and the health and safety of workers, respectively) within an organisation.

The audit activities to maintain the ISO 9001, ISO 14001 and ISO 45001 certification continued in 2022, both remotely and in presence.

The infographic is set against a background image of a worker in a white lab coat and blue safety glasses. It features icons for five Novamont sites: Novamont Novara (factory icon), Novamont Piana di Monte Verna (factory icon), Novamont Patrica (factory icon), Novamont Terni (factory icon), and Mater-Biotech (factory icon). A central line labeled 'Triple certification' connects to three circular icons representing the certifications: a ribbon for Quality ISO 9001, a tree for Environment ISO 14001, and a shield with a checkmark for Safety ISO 45001. Below each icon is a brief description of the standard.

Novamont Novara

Novamont Piana di Monte Verna

Novamont Patrica

Novamont Terni

Mater-Biotech

Triple certification

QUALITY ISO 9001
The international standard that sets out the requirements for a quality management system

ENVIRONMENT ISO 14001
The international standard that sets out the requirements for an environmental management system

SAFETY ISO 45001
The international standard for the occupational health and safety management system

For what concerns BioBag Group companies: BioBag International, BioBag Norge, Dagöplast and BBI Sverige are certified under the following certifications ISO 9001:2015 and ISO 14001:2015, and BioBag World Australia in 2022 has received a ISO 9001:2015 certification. The other companies in the Norwegian Group are working to obtain certification or to align themselves with the procedures established for BioBag International and certified for ISO 9001:2015 and ISO 14001:2015.

Regulatory environment

The regulatory environment significantly influences the market in which Novamont operates. Therefore, we closely monitor changes in the national and international legislative framework for the sector, which regulates the use of renewable, biodegradable and compostable products.



The European Union is an important driving force for the development, among its member countries, of a socio-economic system that makes social and environmental sustainability issues a practice, setting itself ambitious goals for zeroing its impact on the climate and for the transition to a circular economic model.

This has led to the development and implementation of an ambitious programme: the European *Green Deal*, and to carry out numerous plans and strategies aimed at countering the impacts of the climate crisis and facilitating the transition towards a fairer, more sustainable society. Among the number of initiatives recently issued by the Commission, the most relevant for Novamont are:

1

The proposal for a new Ecodesign for Sustainable Products Regulation, published on 30 March 2022 which sets ecodesign requirements to significantly improve products durability, circularity, energy performance and other environmental sustainability aspects. The specific product information requirements will enable consumers to know the environmental impact of their purchases. The proposal expands the existing ecodesign framework in two ways: on the one hand, by including the widest possible range of products and, on the other hand, by broadening the scope of the requirements to which products must comply, defining criteria not only for energy efficiency but also for circularity and for an overall reduction of the environmental and climate footprint of products.

2

The second part of the **Circular Economy** packet, published on the 30 November 2022 includes:

- A **European Strategic framework on bio-based, compostable plastics**, which clarifies production criteria and how to use bio-based plastics, with specific instructions for biodegradable and compostable plastics.
- A **Proposal to review EU legislation on packaging an packaging waste** with the following three main objectives: I) reducing the generation of packaging waste and promoting reusable and refillable packaging solutions; II) promoting high quality recycling by making all packaging on the EU market recyclable in an economically sustainable manner by 2030; III) reducing the need for primary natural resources and creating a well-functioning market for secondary raw materials by increasing the use of recycled plastics in packaging through binding targets.
- A **Proposal for a regulation that establishes a European certification framework for carbon adsorption** Once it is adopted, the proposal will be the first volunteer framework, at an European level, to certify carbon adsorption, stocking and removal in a reliable way. The proposal aims at promoting innovative technologies to absorb carbon and sustainable solutions for agriculture, contributing to EU objectives in terms of climate, environment and pollution. Among the various technologies and practices that can be implemented, in agriculture and forestry, carbon farming practices can sustainably improve carbon storage in soils and forests or reduce the release of carbon from soils, creating a new business model for farmers and foresters.



3

There were also important developments in the field of sustainable finance during 2022: On 30 March 2022, the Sustainable Finance Platform published a **Report** containing recommendations on the technical screening criteria for the remaining four environmental targets of the **EU taxonomy** (Target 3 - Sustainable use and protection of water and marine resources; Target 4 - Transition to a circular economy; Target 5 - Pollution prevention and control; Target 6 - Protection and restoration of biodiversity and ecosystems), which includes criteria on the use of circular raw materials for the manufacture of plastic packaging items.

4

Finally, on 16 July 2022, the **Fertiliser Products Regulation (EU) 2019/1009** came into force, which aims to allow organic fertilisers and soil improvers (compost and digestate products) access to the EU internal market, so that they can compete on an equal footing with mineral fertilisers. The main objectives are: to stimulate the recycling of organic matter from bio-waste; to integrate organic fertilisers into the scope of the regulation; to introduce harmonised EU standards for products derived from organic waste materials; and to create access to CE marking and free trade for organic fertiliser products throughout the EU.

On the subject of the circular economy, Italy is also making steps forward, and in June has approved, with Ministerial Decree No. 259, the **National Strategy for the Circular Economy**, a policy document aimed at defining new administrative and fiscal tools to strengthen the secondary raw materials market (SRM), so that they are competitive in terms of availability, performance, and cost compared to virgin raw materials. The Strategy is a fundamental tool to achieve climate neutrality goals and defines a *roadmap* of measurable actions and targets leading to 2035. It aims, among other things, to rationalise the use of material resources, seeking to **replace non-renewable materials with renewable, recycled, biodegradable and compostable materials**.

The document makes explicit reference to the concept of **bio-economy**, i.e. the socio-economic system that encompasses and interconnects economic activities that use renewable resources to produce food, materials and energy, and which represents a fundamental declination of the circular economy that Novamont has long embraced.

Italy is also developing other important plans and strategies to enable it to reach the sustainability targets set at European and international level.

A first example is the **2030 National Biodiversity Strategy**. The results of its public consultation were published in July 2020. With the first National Biodiversity Strategy, covering the decade 2011-2020, Italy set itself the following strategic vision for 2050: "biodiversity and ecosystem services, which are our natural capital, are conserved, evaluated and, as far as possible, restored, because of their intrinsic value and, so that they can continue to sustain economic prosperity and human well-being in the long term despite the profound changes taking place at global and local levels". This first experience highlighted the need for a common knowledge base and operational tools to implement the commitments made in occasion of the European Biodiversity Strategy to 2030, with results measurable by monitoring preliminary data.

On 8 March 2022, the **Ecological Transition Plan (ETP)** was also approved. It requires to act on several macro-objectives shared at European level: climate neutrality; zero pollution; adaptation to climate change; restoration of biodi-

versity and ecosystems; transition to circular economy and bioeconomy.

For what concerns the last point, the Plan highlights the need to specify a legal, fiscal and administrative framework to facilitate this transition. From now until 2030 the objectives will be:

- to create the conditions for a raw and secondary material market, such as agricultural and agro-food waste and by-products in terms of availability, performance and cost, by acting on the standardisation of material, and on the criteria to remove the waste status from these products ('*End of Waste*');
- to put into practice the principle of 'Extended Producer Responsibility' to take responsibility for the final fate of the product, as well as the "Polluter Pays" principle
- to develop a taxation method that facilitates the transition towards circular economy, that can be achieved by phasing out environmentally harmful subsidies and with positive forms of incentives for activities related to repairing goods and a design that is more sustainable;

- to create the conditions to extend product life thanks to product design inspired by the principles of modularity and repairability;

- to strengthen research and development in the field of eco-efficiency, improving the traceability of goods and resources in their life cycle, while integrating and strengthening indicators to measure the degree of circularity of the economy according to *Life Cycle Assessment* methodologies, the *Carbon Footprint* and, in a logic of process economy assessment, through KPIs that allow the key phases of the circular economy to be considered in a unified way: purchase, production, logistics, sale, use and end of life;

- to design new consumer education and interdisciplinary training programmes for circular economy experts, while simultaneously developing facilities and public-private agreements for entrepreneurial development in this new sector;

- to identify measures that can discourage bad planned products obsolescence practices; in particular, with a view to promote circular economy, tools to protect and better manage resources and raw materials become fundamental.

The objectives of the ETP were also developed in accordance with the policy lines of the **National Recovery and Resilience Plan**, in which, an important investment item is the increase in use of biomethane to better recover organic waste. The increase in biomethane, achieved by maximising energy recovery of organic waste, it is strategic to strengthen a circular economy based on reuse, and it is a significant element to reach European decarbonisation targets. If channelled into the gas network, biomethane can contribute to 2030 targets with an overall greenhouse gas saving, compared to fossil methane life cycle, of between 80 and 85%. In addition, digestate used in agricultural soils contributes to increasing carbon storage in the soil, helping to turn agriculture into a *carbon negative* system.



[GRI 3-3, 417-1]

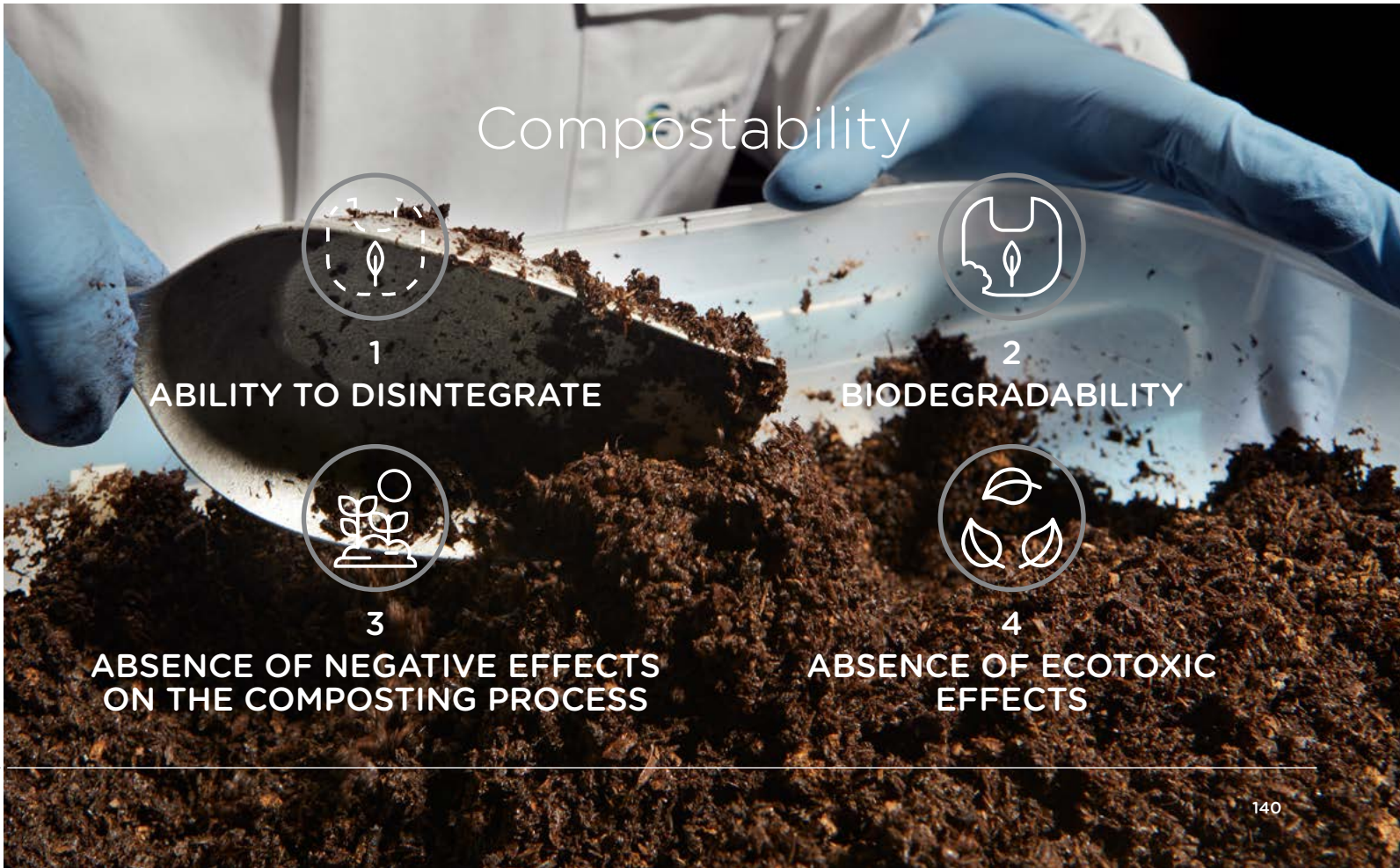
Product conformity

At Novamont, we pay the utmost attention to the conformity of our products during each design phase. For us, “conformity” means not only meeting the requirements of applicable laws and the performance criteria of materials, but ensuring the maximum protection of the environment and consumers, in line with our circular bioeconomy model.



Conformity with compostability requirements

Mater-Bi is our family of biodegradable and compostable bioplastics³, two essential properties that are tested in our laboratories using standardised methods. Biodegradability is determined by exposing the material to the enzymatic activity of microbial populations and measuring its conversion into carbon dioxide and water (mineralisation), compared with the conversion obtained in parallel with natural polymers that are definitely biodegradable (such as cellulose). However, to demonstrate the compostability of the material, measuring the mineralisation is not sufficient; it is also necessary to demonstrate the absence of ecotoxic effects on plants, macro-organisms and microorganisms in the soil, as well as the ability of a product made from the material to disintegrate (break up physically) under composting conditions. This allows us to determine the geometry of products compatible with the composting processes, and to guarantee the environmental safety of the compost obtained.



In Europe, the reference standard that determines the characteristics that a material must have for it to be defined as “compostable” is

EN 13432 - Requirements for packaging recoverable through composting and biodegradation - Test scheme and evaluation criteria for the final acceptance of packaging.

This standard was developed by the CEN (*Comité Européen de Normalisation*) under a mandate from the European Commission, following the European Directive on packaging and waste from packaging (94/62/EC). It incorporates the definitions of biodegradability, compostability and non-toxicity as applied to compostable materials used in packaging.

The standard **EN 14995 Plastics - Evaluation of compostability - Test scheme and specifications** has the same set of requirements, but applies to plastics in general, and not just to packaging.



Conformity with the EN 13432 standard is our priority in any process intended to create a new material, with the aim of always offering the possibility of organic recycling at the end of the product life cycle.

In addition to industrial composting, various grades of Mater-Bi can also be composted at home, in domestic composters. Other forms of recycling are also possible, such as mechanical and chemical recycling, as well as energy recovery. For specific products, other end-of-life processes are possible, such as biodegradation in soil for mulching films, and water biodegradation for cosmetic products.

Conformity with product safety requirements

The safety of our products, both during the production/processing phase and during use, largely depends on the raw materials used.

For this reason, we adopt a **precautionary approach** that relies firmly on the application of the regulations on the production and management of chemical products – namely, REACH (Regulation (EC) No 1907/2006) and CLP (Regulation (EC) No 1272/2008) – and are always looking to select safe raw materials, seeking to minimise the use of substances that are hazardous to health and to the environment.

Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulates the production, import and use of chemicals in Europe with the aim of improving the protection of human health and the environment from risks that may arise from activities related to the production, handling, transformation, use and dispersion of substances in the environment.

Regulation CLP (Classification, labelling and packaging, Reg. EC No 1272/2008) aligns previous EU legislation with the GHS¹. It also provides criteria for the classification and labelling of chemicals to ensure a high level of protection of health and the environment, as well as the free movement of substances and mixtures.

Regulation (EU) No 10/2011 lays down specific rules for the manufacture and placing on the market of plastic materials and articles intended to come into contact with food, in order to ensure their safe use.

1 - Global Harmonized System of classification and labelling of chemicals



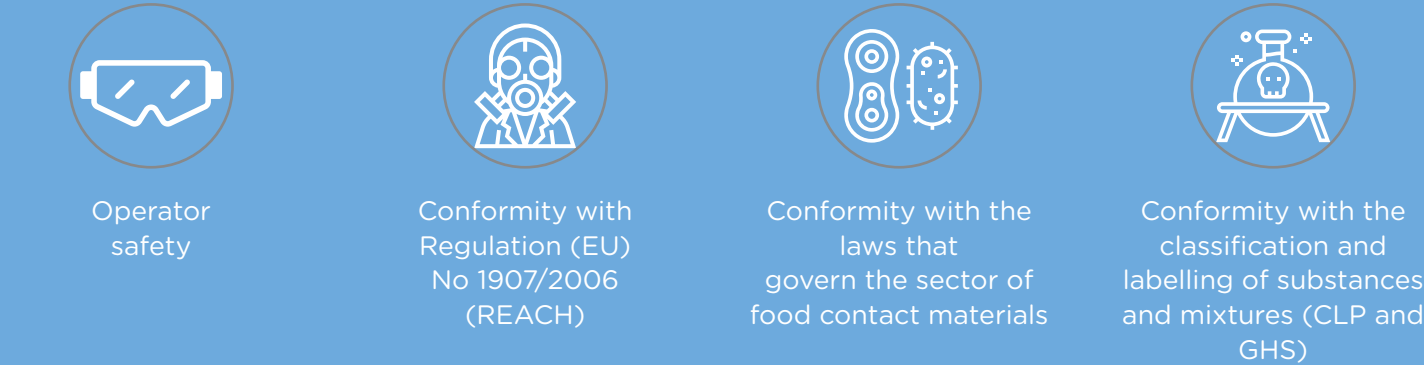
For materials intended to come into **contact with food** (such as cutlery, plates and cups), in addition to complying with industry regulations, Novamont is actively involved in developing the finished product, together with the customer, by working together to identify suitable testing strategies to maximise the product's safety.

Some substances that are particularly critical because they are intrinsically dangerous, or because there is controversy over their safety, are not used in the production of Mater-Bi. These include: plasticisers from the phthalates family, chlorinated, brominated, fluorinated and perfluorinated substances, by-products of animal origin, substances described as allergens by the regulations on food labelling, including latex, such as endocrine disruptors like bisphenol A (BPA) and SVHC (*Substances of Very High Concern*) that are included in the candidate list provided in the REACH regulation.

Each stage in the life cycle of our products is studied to identify the impact on health and safety:



By following a procedure that begins with pilot tests and ends with industrial tests, we undertake to guarantee:







According to regulations that are applied internationally, such as GHS, Mater-Bi is not a hazardous material and can be processed in complete safety from the point of view of both the worker and the environment.

Compostability certification

Depending on the application and the country of reference, each of our products fully satisfies the above-mentioned national and European standards and laws on conformity.

The compostability of our products is certified by several international third-party organisations, which periodically carry out tests and monitoring. In general, there is no obligation to certify conformity with composting standards. However, in some countries, for specific applications (for example, carrier bags and bags for fruit and vegetables), laws are in force that require the certification of conformity to those standards. All grades intended for applications that entail disposal by industrial composting have at least one of the four certifications described in the following table².

LOGO	DESCRIPTION	CERTIFIER	STANDARD
	Industrial compostability in Italy. This allows compostable items to be clearly identified	CERTIQUALITY (Italy)	EN 13432 + Certification scheme developed by CIC
	Industrial compostability recognised in Europe	TÜV AUSTRIA (Belgium)	EN 13432 EN 14995
	In the United States, this guarantees compostability in industrial composting plants	BPI (USA)	ASTM D6400
	Industrial compostability recognised in Europe and in Australia	DIN CERTCO (Germany)	EN 13432 AS 4736

EN 13432 Requirements for packaging recoverable through composting and biodegradation – Test scheme and evaluation criteria for the final acceptance of packaging
EN 14995 Plastics – Evaluation of compostability – Test scheme and specifications
ASTM 6400 *Standard Specification for Compostable Plastics*
AS 4736 *Biodegradable Plastic-Biodegradable Plastics Suitable for Composting and other Microbial Treatment*

2 - The complete list of Mater-Bi certifications can be found on the website www.novamont.com/eng/mater-bi-certifications

99.7% of the Mater-Bi sold in 2022 was certified for compostability. The remainder consists of Mater-Bi grades that do not need to meet this requirement in order to be used.



Our environmental certifications

We are committed to growing the market for sustainable products, using environmental certifications, which contain transparent, detailed and verified information about the sustainability performance of our products. In this way, we help consumers make more informed choices.



Mater-Bi was the first product to obtain eLabel!, the environmental trademark promoted by the *Kyoto Club*, that **certifies the environmental and social performance of products with respect to objective and transparent parameters**: the renewable content of raw materials, their environmental and social sustainability, the greenhouse gas emissions and the recovery method.



The EU Ecolabel is the EU's mark for products and services that, while providing high performance standards, are characterised by a **reduced environmental impact during their entire life cycle**. In particular, we obtained the EU Ecolabel for a hydraulic fluid in our line of Matrol-Bi biolubricants. For the label to be awarded to lubricants, specific criteria apply regarding the presence of prohibited or restricted substances, water toxicity, biodegradability and the potential for bioaccumulation, renewable ingredients, packaging and performance.



ISCC PLUS is a scheme that **monitors and demonstrates the sustainability of products** by checking the **traceability requirements in the production chain**. For example, among the parameters considered, it verifies that any cultivation of biomass does not take place on land characterised by a high degree of biodiversity and a high carbon reserve, and that good farming practices and human rights are respected. In accordance with this voluntary certification scheme, we are able to demonstrate the sustainability of the Mater-Bi produced, starting with ISCC PLUS-certified maize starch.



Mezzi Tecnici AIAB is the label developed for the production of technical equipment allowed in organic farming. In addition to **complying with existing regulations on the technical means allowed in organic farming**, Mezzi Tecnici AIAB-certified products are **compatible with the environment** and meet strict safety requirements. In particular, the standard aims at guaranteeing the highest content of renewable raw materials, the use of natural renewable NON-GMO sources, the total biodegradability of the product in soil, and the absence of negative effects on the environment. At Novamont, we were the first to develop a grade of Mater-Bi to be used in the production of mulching films that are biodegradable in soil, in accordance with the guidelines.

Customer satisfaction

Our products’ conformity to European regulations and laws is only the first essential step towards achieving our true goal: our customers’ trust and satisfaction, and supports our circular bioeconomy model.

We know that the quality of our products and associated services is measured not only with respect to norms and standards, but by what our customers think. This is why we use a customer satisfaction measurement system, which includes various monitoring tools covering three main areas.



SATISFACTION

Assessment of the level of approval



COMPLAINTS

Analysis of complaints and reports



CUSTOMER LOYALTY

Adherence to brand specifications

The results of these surveys enable us to identify any areas in which to make improvements, and what actions to take.

Satisfaction

For 2022, we have commissioned again a third party to conduct the bioplastics customer satisfaction survey. This year, the survey was further enriched with an in-depth section on customers’ perceptions of certain distinctive elements of Novamont’s business model (Green Procurement, Soil Protection, Decarbonisation, Cultural Growth and Sustainability Report). Customers were able to choose the method (interview or a questionnaire they could complete themselves).

Satisfaction was measured aggregating data related to the fields that we most care about, adding for 2022 a new field dedicated to the business model:



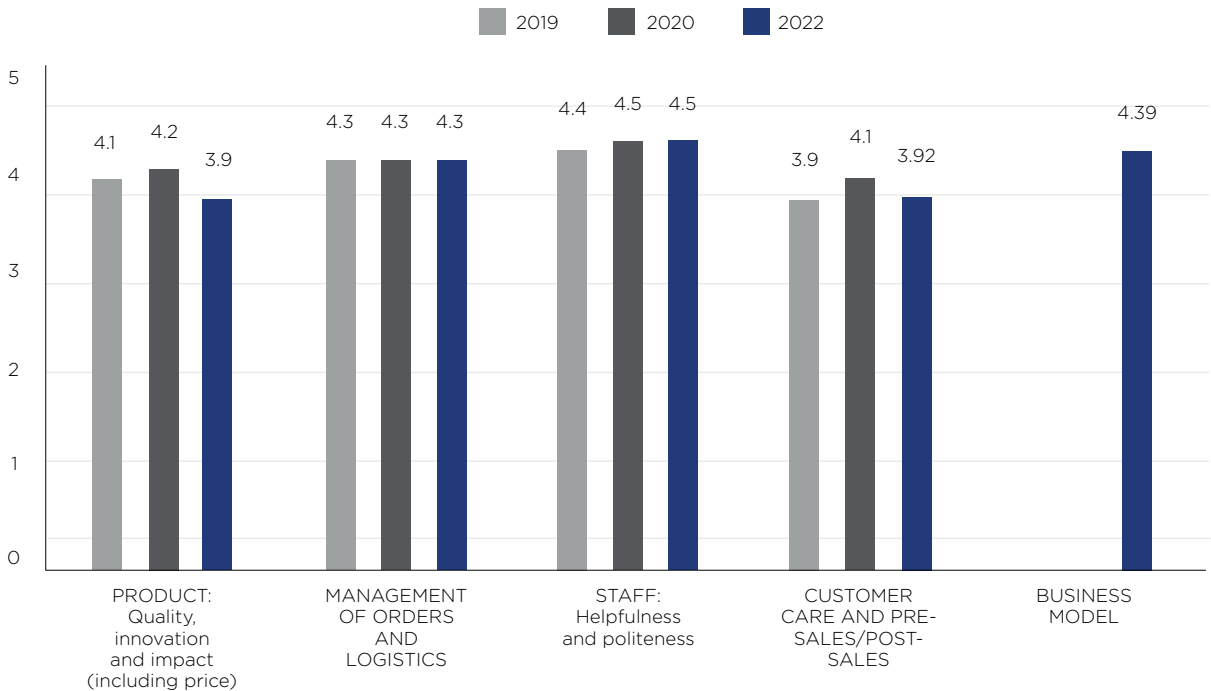
The response rate was 76% and the individual responses were aggregated into four main sectors, for which the average satisfaction was calculated.

65% of the customers interviewed stated that they were satisfied or very satisfied with the Novamont Group: this percentage decreased compared to the past as the level of satisfaction was profoundly affected by the general economic environment, which resulted in customers being more sensitive to price issues. This theme was

also clear in the development of the 'Product: quality innovation and impact' score, the cause of the reduction can be traced back to the price as one of the evaluation criteria for this sector. Nevertheless, the product and the management of related services - which includes product delivery and accompanying documenta-

tion as well as the helpfulness and competence of the staff - remain Novamont's strengths. The survey enabled us to identify areas for improvement, particularly in relation to the importance that customers assigned to certain criteria, for which the *management* developed the corresponding strategies.

Average satisfaction, by area³

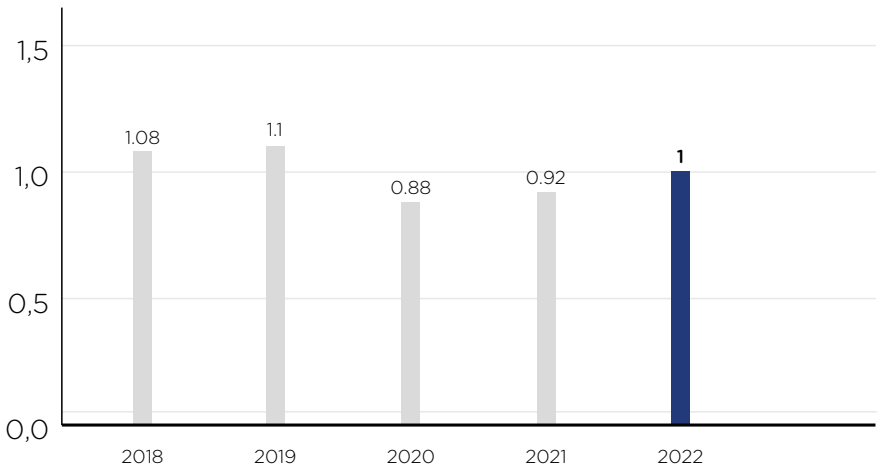


3 - The graph does not show results for 2021 as the survey was carried out on customers in the THF business and not for bioplastics, while data for the 'business model' area, only surveyed from this year onwards, are not available for previous years

Complaints

For years, we have used a synthetic indicator to measure the incidence of customers' complaints and reports, called the **Complaints Index (CI)**⁴. The graph below shows the trend for Novamont's CI in the period 2018-2022, from which we can see relative stability over the years. The positive handling of events with margins of uncertainty, such as the launch of products in new markets, has meant that the incidence of complaints has essentially remained constant.

Complaints Index



$$CI = \frac{\text{Nr. Complaints} + \text{Nr. Reports}}{t_{\text{product sold}}} \times 1000$$

Customer loyalty

We want our customers to see us as partners; the relationship with many of them is governed by an agreement on compliance with product processing regulations. This ensures that the final product meets high quality standards.

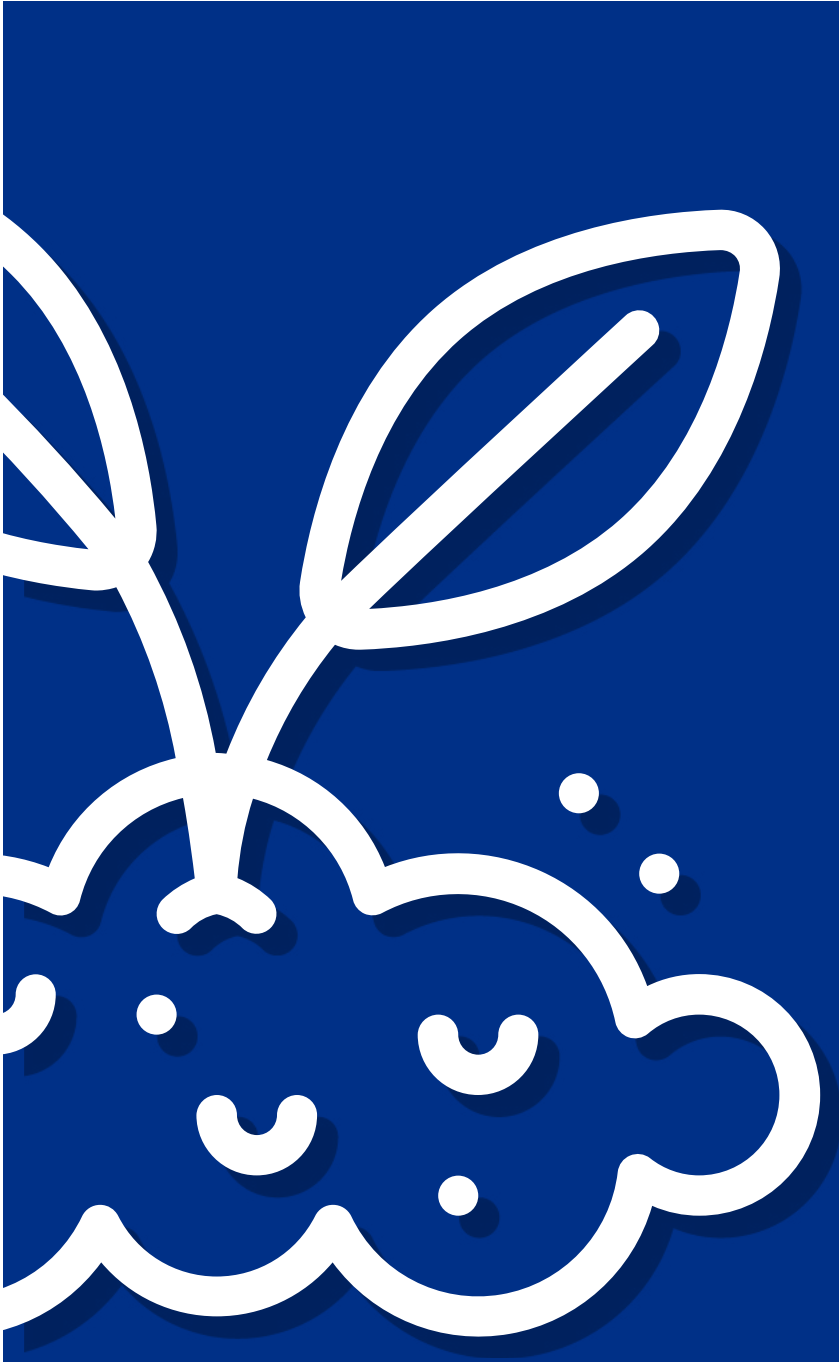
In 2022, 71% of the Mater-Bi placed on the market went to customers who are licensees of the trademark, which compared to 2021 have increased by 20% Moreover, the number of applications covered by the brand has increased by 25%

4 - The index is independent of the actual acceptance of responsibility by Novamont

[GRI 3-3]

Soil protection and revitalisation

5



The development of multidisciplinary projects with the world of agriculture and research, for the maintenance and strengthening of soil fertility, revitalising rural areas and creating low-impact products, capable of completing the carbon cycle and restoring soil organic matter. The contribution to more awareness at the territorial and institutional level about the importance of healthy soil.



Soil
fertility



Sustainable
agriculture



Awareness of the importance
of soil

[GRI 2-25, 3-3]

Disclosure on Management Approach

Management approach

From raw materials of plant origin to product end-of-life, Novamont’s products interact closely with the soil, a non-renewable resource that plays a central role in maintaining life on Earth, but whose functionality is under severe threat.

In 2020, Novamont issued its **Sustainability Policy** which, on the topic of soil protection and revitalisation, formalises the Group’s commitment to:

- Contributing to the development and spread of raw materials of plant origin, grown using sustainable farming practices that put the health of the soil first, enhance the fertility of the land and restore its organic matter;
- Helping to maximise efficiency in the management of organic waste in urban and metropolitan areas by encouraging biological recycling;

In applying those principles, Novamont promotes an approach to agriculture based on **the top-down exploitation of local raw materials**, which can be grown on marginal land, maintaining biodiversity and paying close attention to the fertility of the soil. To encourage further the safeguard of the soil, Novamont has adopted various solutions aimed at promoting the correct management of the organic fraction, using compostable products and biodegradable solutions designed especially for agriculture (mulching films, clips, pheromone dispensers) which do not generate persistent microplastics. The Group carries out experimental projects that involve public administrations, mass catering and waste management companies, together with other authorities and associations, to create virtuous systems and a culture of sustainability. The end goal of these solutions is to obtain **high-quality compost**, an essential element for preserving organic matter in soil, and at the same time develop the sector for the biological recovery of the organic fraction, boosting employment and having positive impacts on circularity.

Lastly, by establishing the Re Soil Foundation, Novamont has been promoting specific initiatives and events that aim to spread awareness and knowledge about soil. More information about the actions, programmes and initiatives implemented by the Group in relation to the material topic are detailed in the following paragraphs.

Responsibilities

The employees involved in managing the aspects related to this topic are assigned to the following Novamont S.p.A. roles:

- Chief Executive Officer
- Strategic Planning and Corporate Communications
- Research and Development
- Product Ecology and Environmental Communication
- Quality, Environment and Safety
- Agro

These roles communicate with the Group’s subsidiaries, by actively collaborating with specific

people and their respective site management’s counterparts. In particular, the Mater-Agro company plays a crucial role not only in the development and dissemination of innovative products for the agricultural sector, but also in the promotion of a new model of participatory innovation between agriculture and industry to protocols to regenerate contaminated, unstable soils at risk of desertification.

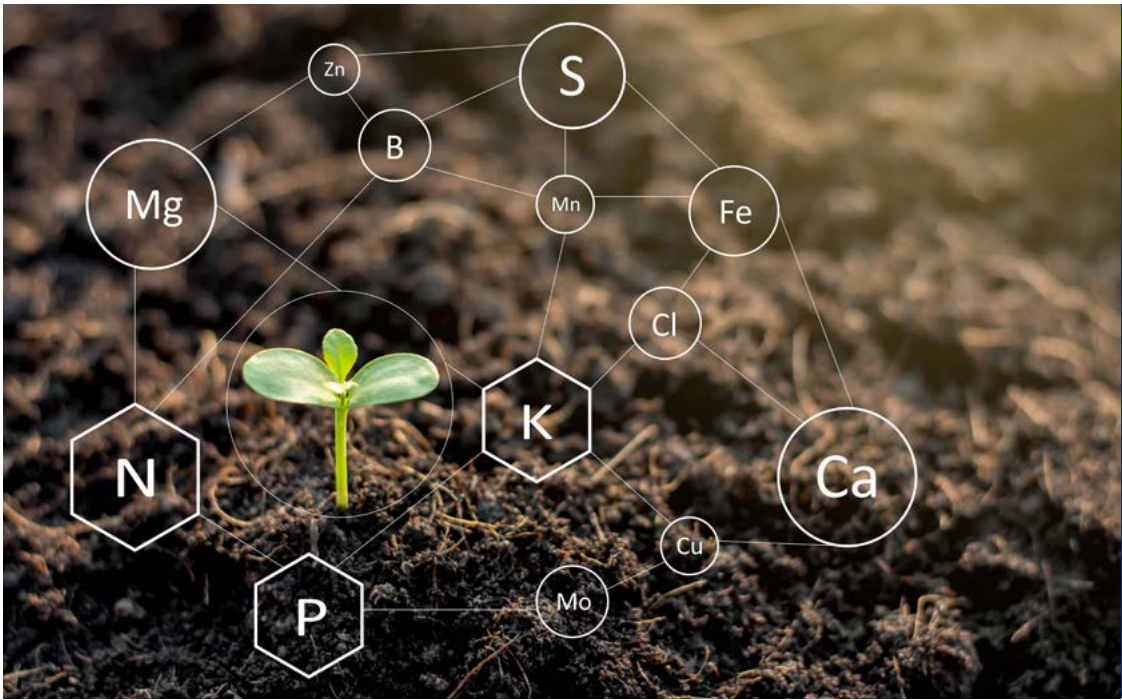
Complaint, consultation and discussion mechanisms

For aspects concerning the material topic, the Group provides the opportunity to request information through its websites www.novamont.com and www.materbi.com, or by emailing info@novamont.com.



Together for the protection of the soil

The bioeconomy, designed within a circular perspective, can be a strategic tool when seeking to regenerate territories, starting by maintaining and enhancing soil fertility, by restoring the organic matter, by building a new relationship between towns and agriculture, and by developing industrial facilities able to process waste and sustainable products that do not accumulate in the environment.



Soil is a **non-renewable resource** that is of vital importance in ensuring food production and plant growth, regulating water flows to groundwater and rivers, removing contaminants, reducing flood risk, regulating energy flows to/from the atmosphere and maintaining local biodiversity. Furthermore, thanks to its ability to capture carbon from the atmosphere (*carbon sink*), soil makes an essential contribution in the fight against climate change.

Soil health plays a key role for life, not only of plants, but of all living organisms on Earth. Despite this, non-sustainable farming practices, chemical pollution and the accumulation of non-biodegradable substances and products have led to a progressive **deterioration and loss of organic matter from the soil**, with a subsequent reduction in its fertility. Furthermore, the progressive expansion of urban areas has led to a marked acceleration of the process of **soil sealing**, a phenomenon that has a huge impact on the soil, as it completely destroys or compromises its functionality. Combating the intensification of these phenomena is becoming a priority, if we are to help fight climate change and increase food security.

To face of this need, a number of solutions emerge that combine environmental protection with economic and social development.

First and foremost, **storing organic carbon in the soil** by increasing its organic matter can contribute to halting these phenomena. The **correct collection of the organic fraction** and use of **compostable solutions** help reduce the contamination of organic waste and

produce high-quality compost, an essential element for preserving organic matter.





In our **research and development** activities, we seek to identify **native crops** that can be grown on marginal, non-irrigated land, to exploit local specific characteristics while maintaining biodiversity. In 2022, agronomic testing also continued on oleaginous dry land crops (such as trinaseed cardoon), which are of potential industrial interest and which can grow on marginal, dry land, at risk of erosion and/or desertification, as well as in contaminated soil.

At the same time, in our **production**, we maximise the use of all production components, which from “waste” become co-products, or the starting point of new value chains.

By following this approach, we activate **innovative agro-industrial value chains** that reflect the local area, in collaboration with farmers and their associations, such as **Coldiretti**¹, the main farming entrepreneurs’ organisation in Italy and Europe.

¹ - More information on this collaboration can be found on page 229 in Chapter 9 ‘Partnerships and collaboration for territorial regeneration’

MATER-AGRO BESIDE FARMERS IN THE FIGHT AGAINST CLIMATE CHANGE

Mater-Agro was launched in September 2021, founded by Novamont, Coldiretti and Consorzi Agrari d'Italia (CAI) and it is entirely dedicated to farmers.

The new company aims to promote a new model of participatory innovation between agriculture and industry, helping farmers maintain good crop yields through sustainable agronomic solutions: from pelargonic acid-based plant protection products to biolubricants, biodegradable mulching film and other applications in biodegradable bioplastic, and the development of dryland crops able to withstand the effects of climate change on temperatures and water availability. To promote and

distribute its new products and services throughout the country, Mater-Agro relies on the widespread network of Consorzi Agrari d'Italia.

Through Mater-Agro, protocols will be designed to regenerate contaminated, unstable soils at risk of desertification. An “experimental farm” will be set up that will teach farmers and researchers about transforming degraded areas into centres of innovation and development for efficient, sustainable crop management, as well as facing the new challenges of climate change.



Our applications for the farming world act on various levels, benefiting a number of environmental aspects:



RITERRA

The biodegradable mulching films made of Mater-Bi under the RITERRA brand name and marketed exclusively by CAI, in addition to meeting the technical performance requirements of agronomic efficiency - in weed control without the use of herbicides, water saving and erosion control, and biodegradability in soil according to the EN17033 standard -, are the top-notch mulching films on the market, with high product quality standards and very strict control specifications. The market started by 2022 farming campaign placed the RITERRA product on a national level.

2 - For more information, see page 23.
3 - For more information, see page 22.



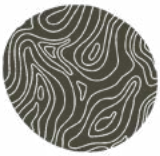
AGER-BI

Rapidly biodegradable in soil and with little water solubility, pelargonic based acid plant protection products represent a sustainable alternative to traditional products for some specific applications² In this field, Mater-Agro carried out several direct collaboration experiences with the leading companies in the national agri-food field, including Consorzio di Tutela Valdobbiadene Conegliano Prosecco Superiore DOP, Donnafugata, Ente Parco Nazionale dell'Isola di Pantelleria, Philip Morris, IBF servizi and Melinda.



MATROL-BI

Biodegradable biolubricants for farm machinery minimise the risks associated with their dispersion in the ecosystem and consume less energy³.



RE SOIL
FOUNDATION
Regeneration for a clean and healthy soil

Re Soil Foundation

We are actively involved in raising awareness, both at the territorial and institutional level, about soil, soil issues and possible solutions.

In line with the goals of the Mission “*A Soil Deal for Europe*” in 2020, together with the University

of Bologna, Coldiretti and Politecnico di Torino, Novamont funded the **Re Soil Foundation**, the foundation created to **safeguard soil** and to boost a real change starting from the key idea of local regeneration.

In 2022, the Foundation worked actively to promote training and awareness initiatives and improve knowledge about issues related to soil health, involving approximately 2500 participants.

In 2022, the Foundation contributed to the **dissemination of knowledge**, scientific content and information on soil health by publishing news, editorials, case studies, and **position papers** conveyed

through dedicated communication campaigns on its web and social networks and through **newsletters** and podcasts.

There have also been several **training activities** dedicated to students and teachers starting from primary school to post-degree levels. In particular, we would like to mention the following initiatives:

*Bioeconomy4YOU*⁵

Contest for primary, lower and upper secondary schools, and for teachers, promoted by the foundation, in collaboration with Cluster Spring, Fondazione Raul Gardini, Novamont, *Transition2Bio*, with the goal of raising awareness, encouraging thinking and collecting ideas on how new generations imagine their future for what concerns circular bioeconomy.

Module dedicated to soil in the Biocirce Master⁶

Involving lecturers and experts on a national and international level.

Bioeconomy Pilot Plan: “RiGenerazione Scuola”

For the “RiGenerazione Scuola” plan, the Minister of education has launched a pilot project to collect educational experiences in the field of bioeconomy in relation to different topics. The project was presented in Bruxelles and the selected initiatives include also activities promoted by Re Soil.

The goals of the Re Soil Foundation



1

Promoting soil protection in Italy and in Europe



2

Spreading knowledge, scientific content and information on the topic of soil health



3

Creating the conditions for developing territorial case studies and increasing their number



4

Promoting a *policy-shaping* process on the issue of soil protection

Kit SOILAB

An educational kit for primary and lower secondary schools, dedicated to soil and developed in 2021, made available to *Slow Food* for the “Orto in Condotta” (a school garden project); it set the basis for the development of an interactive exhibit presented at several events, among which Terra Madre Salone del Gusto.



4 - More information can be found in the Implementation Plan https://ec.europa.eu/info/sites/default/files/research_and_innovation/funding/documents/soil_mission_implementation_plan_final_for_publication.pdf

5 - Additional information is provided on page 217 in Chapter 8 ‘Education and training of new generations’

6 - Additional information is provided on page 215 in Chapter 8 ‘Education and training of new generations’

Like every year the Foundation has also promoted and attended several **events**. Among these, the launch of the first **States General for Soil Health**, took place on the 10th of November at the Ecomondo trade fair. Promoted by the

National Coordination Group for the Bioeconomy (CNBBSV) of the Presidency of the Council of Ministers and Re Soil Foundation in collaboration with CREA and ISPRA, *Ecomondo Scientific Technical Committee, European Mission A*

Soil Deal for Europe, put together the main actors, national and international experts to draft a platform to support the development of an Italian Strategy for soil.



Finally, in line with the goal of creating 100 living labs and light-house farms⁷ for soil health proposed by the Mission 'A *Soil Deal for Europe*', in 2022 the Founda-

tion set up a **multidisciplinary technical group** that during the year started the construction of the first lighthouse network bring-

ing together 18 companies. The network was presented in June for the *Smart Island Capraia* Event.

7 - For further information visit the following link: www.soilmissionsupport.eu/II-lh

NOVAMONT RECEIVES THE 2022 SUSTAINABLE DEVELOPMENT AWARD



On the occasion of the Ecomondo fair held in November 2022, Novamont was awarded the 'Sustainable Development 2022 - Natural Capital Section' prize, dedicated to Italian companies that have carried out or launched innovative projects in support of natural capital. The protection and regeneration of natural systems, in fact, are crucial factors for the establishment of new, long-lasting economic models capable of producing welfare and extensive benefits, also for local communities.

The Sviluppo Sostenibile Foundation and *Italian Exhibition* Group (organiser of the Ecomondo trade fair), with the patronage of MITE and in collaboration with WWF, CREA-RETE RURALE NAZIONALE have awarded Novamont the prestigious award to acknowledge "the strategy aimed at spreading sustainable farming practices, with the objective of reducing CO₂ emissions from farming activities and returning quality organic matter to the soil".

"The award - stated Edo Ronchi, president of the Sviluppo Sostenibile foundation - was established to raise awareness and promote new practices and better innovations in the different green economy sectors. We have seen an year-on-year increase in the number of companies attending and in the quality of the projects: this is a good sign for our companies and start-ups for which sustainability is becoming a distinctive emblem."

[GRI 3-3]

Responsibility towards employees

6



Promoting practices and initiatives aimed at protecting the rights of the Group’s employees and contractors (respecting equal opportunities and fighting all forms of discrimination), and at developing their skills, involving them and guaranteeing respect for regulations on health and safety in the workplace.



Equal opportunities



Non-discrimination



Training



Health and safety



Internal communication

[GRI 2-25, 3-3, 2-30, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8]

Disclosure on Management Approach

Management approach

Novamont acknowledges the central role of its employees and the importance of establishing solid, transparent relationships with them based on mutual trust. Managing employment relations is therefore based on protecting workers' rights and maximising their contribution, with a view to enhancing the wealth of skills that each employee has.

In line with this approach, and in accordance with national and international standards, the Group's policies seek to prevent **any form of discrimination** based on age, gender, sexual orientation, state of health, race, nationality, political opinions and religious beliefs. Furthermore, Novamont undertakes to **protect the moral integrity** of its employees, by guaranteeing the right to working conditions that respect the dignity of the person and a safe and healthy workplace. No attitude or conduct that might harm a person or his or her convictions or preferences in any area is tolerated.

Finally, **no form of irregular employment** or use of child or forced labour is tolerated¹.

In 2020, Novamont issued its **Sustainability Policy** which, on the topic of responsibility towards employees, formalises the Group's commitment to:

- Ensuring that processes, products and workplaces do not endanger the health and safety of workers or the community, and minimising any pollution;
- Promoting the principle of equal opportunities and fighting discrimination;
- Guaranteeing respect for human rights throughout the sector, including the supply chain.

Furthermore, in confirming its commitment to the management of quality, environmental impacts and health and safety in the workplace, in 2020 Novamont updated its **Policy for Quality, Environment and Health and Safety (QEHS)**, which provides that the Company and its subsidiaries must commit to:

- Ensuring that workers, service providers and contract employees have the appropriate resources, information and training they need to carry out their work in a competent and safe manner, in such a way that achieving the system goals in terms of conformity of the products and services is guaranteed;
- Ensuring that all workers take actions to prevent accidents and injuries by following the procedures for managing work-related risks;
- Identifying, reporting, recording and analysing accidents and unplanned events, in order to learn from them and to implement corrective and preventive actions.

For the BioBag Group, BioBag International has issued a **Quality and Environment Policy** whose commitments are consistent with Novamont's policies. Harmonisation with Novamont's applicable quality, environment, health and safety requirements is under way, which led, in 2022, to drafting a new shared plan of action.

Harmonisation with Novamont's applicable quality, environment, health and safety requirements is under way. In pursuing the commitments stated in the QEHS Policy, the Italian companies of the Novamont Group decided to adopt an **Integrated Management System (IMS) for Quality, the Environment, Health and Safety**². Regarding the material topic, the IMS provides for the control, monitoring and, if necessary, mitigation of negative impacts on the health and safety of workers. Monitoring begins with a preventive analysis, identifying the hazards, assessing the risks and subsequently defining preventive and protective measures. These activities are carried out throughout all manufacturing stages in accordance with the **precautionary principle**. The risks may be reassessed in the light of events, organisational changes, physical changes and whenever it is necessary to modify one of the variables involved. Particular attention is paid to working at height or in confined spaces, to the use of equipment, to exposure to noise, and to the use of chemicals. In the latter case, from the initial phase of selecting the raw materials, each new component

is selected considering the risks linked to its processing and to its presence in the finished products, both for the environment and for the health and safety of workers, as defined in the **Raw Materials Validation Procedure**. However, the activities carried out in the company do not carry a high risk of occupational illness. Each year, the results of the risk assessment and monitoring are reviewed using **performance indicators**. System goals and preventive and/or corrective actions are then defined on the basis of the performance trend. For the retrieval of accident data, the Group operates a monitoring system for its performance indicators in line with the UNI ISO 45001 management system.

In order to investigate work-related accidents and find effective solutions to prevent their recurrence, the Group has adopted guidelines that define how to carry out a **Root Cause Investigation**, with the involvement of workers' representatives, in addition to procedures for identifying what action should be taken to reduce the risks. Regular internal and external auditing procedures ensure that the IMS is of a high quality.

At all of Novamont's Italian sites, a **qualified physician** is appointed to carry out the activities required by Italian Legislative Decree No. 81/08, while cooperating with the company in all related activities. Every year, the physician draws up a health monitoring plan, schedules regular, preventive check-ups and inspects workplaces. He or she also takes part in regular meetings on the topic and helps draft the Risk Assessment Document. All these activities entail the involvement, consultation and participation of workers and their representatives.

The Group follows a careful and rigorous hiring process; all personnel are hired with regular employment contracts and the **Human Resources Selection, Induction and Training Procedure** defines the responsibilities and methods to ensure that the Selection, Induction and Training process takes place on the basis of equal opportunities and non-discrimination for everyone concerned.

With particular reference to training on quality, the environment and safety, a specific staff **Training, Information and Education**

1 - See the Novamont Code of Ethics for more details

2 - Further details on the IMS can be found on pages 131-132 in Chapter 4 "Compliance and quality of the products and customer care"

Procedure has been defined. This describes the requirements to certify, educating and training personnel and ensure that all workers have the necessary quality, safety and technical know-how to do their job efficiently and safely. The health and safety activities covered both compulsory training (in accordance with Italian Legislative Decree No. 81/08 and the State-Region Agreement of 21/12/2011), and training on operating procedures and instructions to develop or maintain workers' skills, resulting in more efficient risk management. In order to satisfy specific risk management needs, training is given to external personnel.

Every year, the Group draws up a **Training Plan**: this is designed to identify both the company's training needs in terms of what is compulsory, and the specific needs that emerge from a discussion with the various company functions. For training activities, Novamont calls on external companies and highly qualified personnel, who give specific training sessions in the classroom and *online*.

Developing constructive dialogue with the trade unions is essential for creating a calm, collaborative

work environment, which enables us to have a better understanding of our employees' needs. Over the years, Novamont has built up a fruitful **dialogue with the AU** (Amalgamated Union) – which is present at all of the Group's Italian sites – and with the trade union representatives. The Group thus guarantees trade union rights and the freedom of association of workers.

For the Group's Italian companies, all employees are covered by **collective bargaining agreements** in accordance with the national collective bargaining agreement for chemical industry employees, while all executives are covered by the national collective bargaining agreement for executives of manufacturing and service companies. In France, all employees are covered by the *Convention collective nationale des commerces de gros*. In Spain, all employees are covered by the *Convenio Colectivo de la Industria Quimica*. In Germany, employees are covered by non-collective bargaining agreements, since the size of this site does not warrant the application of collective bargaining laws. Finally, Novamont North America adheres to the Federal State Laws and to the

laws of Connecticut, and the *Fair Labour Standards Act* (FLSA) is the federal reference law³.

To achieve increasingly high performance levels, in 2020, the Group adopted the framework of the *B Impact Assessment (BIA)*⁴, **as the main tool for managing sustainability topics, including those connected with employee well-being**.

Other actions, programmes and initiatives implemented by the Group are detailed in the following paragraphs.

Responsibilities

The personnel involved in managing the aspects linked to this topic are assigned to the following Novamont S.p.A. functions:

- Chief Executive Officer
- Human Resources
- Quality, Environment and Safety
- Group Operations General Management
- Strategic Planning and Corporate Communications

These functions interface with the Group's subsidiaries, by actively collaborating with specific functions and the respective site management. Since 2020, they have operated with the coordination and support of the Sustainability Committee and internal working groups involved in the management of B Corp certification and pursuit of the common benefit.

Finally, in accordance with Italian Legislative Decree No. 81/08, every Italian site has a reference function for health and safety in the workplace (Prevention and Protection Service – PPS).

Complaint, consultation and discussion mechanisms

For aspects concerning the health and safety of workers, complaints may be made (while respecting the worker's privacy) using a specific form, to be sent to the Supervisory Board at each Group site. Furthermore, occupational hazards or hazardous situations can be reported to the Prevention and Protection Service (verbally, on paper, or by email) by the workers themselves or by the relevant person in charge, or by RLSSA union representatives.



3 - www.dol.gov/agencies/whd/flsa

4 - More information on the *framework* can be found on page 31

[GRI 2-1, 2-7, 2-8, 2-1, 405-1]

Workforce characteristics

Our employees are an essential resource: without them our success would not have been possible. It is important for us to maintain relations with them that are based on loyalty and mutual trust.

On 31st December 2022, our workforce consisted of 642 employees, an increase of 1.4% over 2021 (with 633 employees)⁵.

There were also 31⁶ external workers at Novamont's Italian sites, consisting of Co.Co.Co. Employees (continuous collaboration) in research and development and temporary workers mainly employed in production and administrative activities. The yearly average data

in 2021 was 32.8 and in 2020 30.8, without any relevant changes. Finally, there are no employees with no guaranteed hours.

We have always preferred to build stable and lasting working relationships; among our personnel, there is a marked predominance of employees with permanent (98,6%) and full-time contracts (97%). Diversity is essential to ensure a dynamic and socially co-

hesive environment: by the 31st December 2022, 31% of the employees were women. the significant number of employees under 30 years of age (9,7%) confirms our willingness to offer job opportunities to young people, in a business context characterised by dynamic partnerships with universities and institutions.

5 - Compared to the previous edition of the document, information on the number of employees of the Biobag Group, which entered the DNF scope for the first time in 2021, has been revised to align the data reporting methodology used with that of the Novamont Group. Last year, the integration of business processes and systems was still ongoing

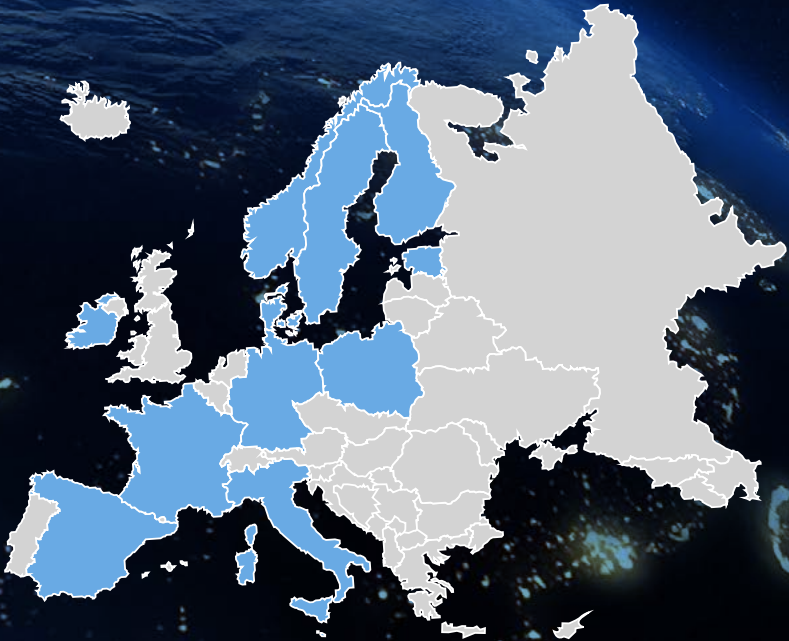
6 - Average value.



642 employees as of 31 December 2022

- Italy: 487
 - Novara: 167
 - Terni: 125
 - Piana di Monte Verna: 15
 - Patrica: 115
 - Bottrighe: 65

- Denmark: 5
- Estonia: 93
- Finland: 2
- France: 4
- Germany: 2
- Ireland: 2
- Norway: 11
- Poland: 1
- Spain: 3
- Sweden: 6



AMERICA
USA: 22



OCEANIA
Australia: 4

The Group’s employees, by gender and geographical area

[No. of people]	31 December 2022		31 December 2021		31 December 2020	
	Men	Women	Men	Women	Men	Women
GEOGRAPHIC AREA						
Europe	438	178	447	161	363	112
America	5	17	6	16	2	2
Oceania	1	3	1	2	0	0

The Group’s employees, by contract gender and geographical area

[No. of people]	31 December 2022		31 December 2021		31 December 2020	
	Permanent contract	Fixed-term contract	Permanent contract	Fixed-term contract	Permanent contract	Fixed-term contract
GENDER						
Men	442	2	439	15	355	10
Women	191	7	175	4	108	6
GEOGRAPHIC AREA						
Europe	607	9	589	19	459	16
America	22	0	22	0	4	0
Oceania	4	0	3	0	0	0

The Group’s employees, by applied work-time arrangement,gender and geographical area

[No. of people]	31 December 2022		31 December 2021		31 December 2020	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
GENDER						
Men	439	5	450	4	362	3
Women	184	14	164	15	103	11
GEOGRAPHIC AREA						
Europe	599	17	591	17	462	13
America	21	1	21	1	3	1
Oceania	3	1	2	1	0	0

Employees in the Novamont Group by professional category, gender and age group⁷

	31 December 2022					
	No. Of PEOPLE	Men	Women	% < 30 years	30-50 years	> 50 years
Directors	35	82.9	17.1	0.0	25.7	74.3
Managers and Employees	352	56.5	43.5	8	63.6	28.4
Manual workers	255	84.7	15.3	13.3	60.8	25.9

7 - Following higher availability of data, in 2022 it was possible to provide a breakdown of employees by professional category, gender and age group, also including the Novamont Group's foreign companies, while the comparison with the three-year period (2020-2021) is only possible for the Group's Italian sites. Furthermore, in order to allow for better comparability of data with foreign companies, the professional categories of the Italian offices were revised and grouped into three categories. In particular the category of 'Managers and Employees' also includes the roles of managerial employees included in the previous Reports

Employees in Italy by professional category, gender and age group

	31 December 2022					
	No. Of PEOPLE	Men	Women	% < 30 years	30-50 years	> 50 years
Directors	19	84.2	15.8	0.0	15.8	84.2
Managers and Employees	292	62.0	38.0	8.9	65.1	26.0
Manual workers	176	97.7	2.3	12.5	64.8	22.7
	31 December 2021					
Directors	21	85.7	14.3	0.0	19.0	81.0
Managers and Employees	281	64.4	35.6	11.0	64.8	24.2
Manual workers	182	97.3	2.7	14.3	67.0	18.7
	31 December 2020					
Directors	21	85.7	14.3	0.0	19.0	81.0
Managers and Employees	276	63.8	36.2	12.0	65.9	22.1
Manual workers	169	97.6	2.4	12.4	72.2	15.4



The Group’s incoming and outgoing employee turnover rates, by gender, age group and geographical area⁸

	2022			
	INCOMING		OUTGOING	
	No. of People	Rate [%]	No. of People	Rate [%]
GENDER				
Men	22	5	32	7.2
Women	33	16.7	14	7.1
AGE GROUP				
< 30 years	19	30.6	20	32.3
30-50 years	29	7.5	16	4.1
> 50 years	7	3.6	10	5.2
GEOGRAPHIC AREA				
Europe	52	8.4	44	7.1
America	2	9.1	2	9.1
Oceania	1	25.0	0	0

Ongoing and outgoing employees in Italy by gender and age range

	2022				2021				2020			
	INCOMING		OUTGOING		INCOMING		OUTGOING		INCOMING		OUTGOING	
	No. of People	Rate [%]	No. of People	Rate [%]	No. of People	Rate [%]	No. of People	Rate [%]	No. of People	Rate [%]	No. of People	Rate [%]
GENDER												
Men	11	3.0	18	4.9	28	7.4	10	2.7	24	6.7	12	3.3
Women	16	13.6	6	5.1	5	4.6	5	4.6	11	10.3	5	4.7
AGE GROUP												
< 30 years	9	18.8	9	18.8	15	26.3	4	7.0	18	33.3	2	3.7
30-50 years	16	5.2	10	3.3	14	4.5	8	2.6	16	5.2	10	3.2
> 50 years	2	1.5	5	3.8	4	3.4	3	2.5	1	1.0	5	4.8

8 - The incoming and outgoing turnover rates are calculated by dividing the number of new hires and terminations, respectively, recorded in 2022, by the number of employees, by gender and geographical area at 31 December 2022.

Following higher availability of data, in 2022 it was possible to provide a breakdown data by gender and age group, also including the Novamont Group’s foreign companies, while the comparison with the three-year period (2020-2021) is only possible for the Group’s Italian sites.

In 2022, 55 new people were hired and 24 terminations in the Italian sites and 25 in the BioBag group. Therefore the ingoing/outgoing rate is respectively of 8.6% and 7.2%.

In Estonia, labour law allows the employment of a minor as long as certain requirements are met, such as:

- minors who are subject to compulsory schooling may work during school holidays (but for a limited period, not all holidays);
- there must be the consent of the minors’ legal representatives (parent, guardian);
- minors may not carry out certain tasks (e.g. work beyond their physical or psychological capabilities or involving dangerous procedures and/or health risks).

This practice is not only allowed but strongly advised by the Estonian government as it is considered to have a very positive social impact. At the Estonian Dagoplast site in 2022, four boys and four girls aged between 13 and 17 were hired on a seasonal basis in order to promote work initiatives with high social value.

[GRI 403-5, 403-9, 403-10]

Health and safety at work

The physical protection of employees and contractors and a healthy work environment are essential: not only do we have a legal responsibility in this respect, but also an ethical one.



Thanks to the end of the national emergency period from Covid-19, the Group could alleviate some of the preventive measures that had been initially put into place, allowing a gradual return to business as usual. However, the Coronavirus emergency unit (set up at Group level) and the crisis units (set up for each location) continued to operate to maintain a protocol for risk management and to monitor the progress of infections.

In 2022 in the Group’s sites there were 3 recordable work accidents, one of which happened at the Patrica offices and two in the Dagöplast site. The accidents recorded for involved male personnel working in production.

None of the reported cases had any serious consequences⁹. Overall, the accident trend was lower than the number of accidents recorded in 2021.

For the Group’s Italian sites, we also monitor the accident trend for the external workforce, which hasn’t recorded any work accidents during the year. Lastly, as in the previous year, no cases of occupational illness were recorded.

The Group’s accident trend¹⁰

	2022	2021	2020
No. of recordable work accidents	3	4	2
<i>of which fatal</i>	0	0	0
<i>of which with severe consequences</i>	0	0	0
Hours worked	1,035,946	1,075,296	792,746
Rate of recordable work accidents ¹¹	0.6	0.7	0.5
Rate of deaths resulting from work accidents ¹²	0.0	0.0	0.0
Rate of recordable work accidents with severe consequences ¹³	0.0	0.0	0.0

Conduct is often the main or contributory factor in cases of work accidents; thus, appropriate activities to make personnel aware, inform and train them on the topic of safety are always guaranteed.

In 2022, we provided our employees **with 3960 hours** of health and safety training.

9 - A work accident with severe consequences involves absence from the workplace for over 180 days
10 - The accident data for 2020 refer exclusively to the Group’s Italian companies
11 - (No. of recordable accidents in the year/Hours worked in the year) *200,000
12 - (No. of fatal accidents in the year/Hours worked in the year) *200,000
13 - (No. of accidents with severe injuries in the year/Hours worked in the year) *200,000

[GRI 404-1]

Training and development

Training is one of the key points of our work, because it brings each of us closer to the company’s vision, which we have chosen and which we share. We want our people, who are already highly qualified, to be able to adapt to the dynamics of growing competition and complexity of the markets. Our training is organised in such a way as to ensure a varied and targeted offering that adapts the skills of our employees to the growth of the company and the development of the national and international legislative landscape.



OFFICINE NOVAMONT WERE FOUNDED



In 2022 Novamont founded Officine Novamont, the new business *Accademy*, an important place to exchange knowledge, values and our specific skills, virtually and physically. The platform is accessible by all the group’s employees, and will provide rooms to work together, promoting the “culture

of doing” with a multidisciplinary and multifunctional approach. Through technical and non-technical, managerial, contextual content and in a Benefit Society logic, Officine Novamont aims to:

- Strengthening the group’s culture by defining and spreading “Novamont’s values and behaviours”;
- Promoting continuous training by organising meetings aimed at the development of specific skills (technical and non-technical), and of the workers’ behaviours;

- Developing shared value innovative projects with strategic partners, to consolidate and enrich Novamont’s know-how.

The name “Officine” (workshop) wants to highlight the group’s culture of doing, and its “iter-active” processes. The Officine (like the building sites, laboratories and workshops where art was produced) were the centre of the creative energy of Humanism. This word also represents the centrality of man in all his aspects, including ethical ones, the concept of diversified quality as an antithesis to undifferentiated quantity, and the focus on community, meaning the transition from the self to us.



Internal communication

In 2022, we further enhanced the company’s internal communication tools, aimed at employees in the Italian and foreign offices. In particular, the B-People intranet, created in 2020, has reconfirmed itself as **the privileged channel** to ensure the dissemination, within

the organisation, of information and materials of interest, with a view to digitisation, sharing, transparency and engagement. In 2022 we updated and expanded the content and functionality of B-People to create an increasingly inclusive and intuitive ‘place’,

which now also hosts the site dedicated to **Officine Novamont**, the latest platform created within the company’s digital ecosystem and dedicated to the Group’s new Academy initiatives.



[GRI 3-3]

Communication and promotion of sustainability



The quality and transparency of product communication to all stakeholders. The dissemination of knowledge and the creation of a dialogue with citizens to reflect together on the most urgent issues related to sustainability and the ecological transition.



Communication channels



Event promotion



Communication projects

[GRI 2-25, 3-3]

Disclosure on Management Approach

Management approach

In 2020, Novamont issued its **Sustainability Policy** which, on the topic of communication and promotion of sustainability, formalises the Group's commitment to:

- Encouraging the development of an ethical and environmental conscience by raising awareness about the correct management of products, resources and waste throughout the community;
- Guaranteeing the inclusiveness of the various stakeholder groups, including by means of effective and transparent communication.

In applying those principles, Novamont undertakes to ensure a continuous dialogue with its stakeholders, due to the presence of specific functions responsible for the communication of messages within and outside the Group, both at an institutional and product level. The messages are conveyed through a multitude of dialogue and communica-

tion channels, designed to make stakeholder communication more effective and to increase participation. In particular, the environmental and social characterisation of our products is conveyed using specific forms of communication. These include technical data sheets¹ (which are published on the Group's website), the Group's *Environmental Position* on specific environmental matters, publications, documents supporting customers and internal company functions, and documents that inform the general public.

Novamont recognises the importance of accurate, comprehensive communication, which enables stakeholders to make informed decisions conscious of the interests involved, the alternatives and the relevant consequences, as mentioned in the Code of Ethics. For this reason, Novamont has developed content for its communications which is intended to ensure that the messages are accurate and transparent. In specific cases, some content is also examined by the legal department.

In the last few years, social media has emerged as one of the most important communication channels. We cannot overlook this if we want to communicate quickly and easily with an ever wider and more varied group of users. Conscious of this trend, and in line with our **Social Media Strategy**, in 2022 the Group consolidated its presence and activities on the main *social* media sites.

Other important communication channels include our websites, as well as our direct participation in national and international events and the promotion of marketing campaigns, in 2022 contributing to the production of some podcasts. Novamont is also supported by a press office, which writes and publishes press releases, articles and interviews with the outside world.

More information about the actions, programmes and initiatives implemented by the Group in relation to this topic are detailed in the following paragraphs.

Responsibilities

The personnel involved in managing the aspects linked to this topic are assigned to the following Novamont S.p.A. functions:

- Chief Executive Officer
- Strategic Planning and Corporate Communications
- Business Communication and Special Projects
- Product Ecology and Environmental Communication
- Intellectual Property and Legal Affairs

Such functions interface with the Group's subsidiaries, actively collaborating with the respective plant management.

Complaint, consultation and discussion mechanisms

For aspects concerning the material topic, the Group provides the opportunity to request information through its websites www.novamont.com and www.materbi.com or by e-mail csr@novamont.com and info@novamont.com.

¹ - The technical data sheets are produced in accordance with the European standard EN 16848 *Bio-based products – Requirements for Business to Business communication of characteristics using a Data Sheet*



Our communication channels

Sustainability is valuable in itself and in the actions and results achieved along the way. Yet its real strength lies in sharing all of this: by communicating our commitment to our stakeholders, we can be open to accepting everyone’s contribution and offering our perspective, while obtaining their points of view in return. Only by doing this is it possible to foster an alternative business culture that belongs to everyone.



NOVAMONT WINS THE REPORTS OSCAR IN THE “BENEFIT CORPORATIONS” CATEGORY

On 25 November, at the headquarters of Borsa Italiana, the award ceremony of the 58th edition of the Oscar di Bilancio took place, the prestigious award promoted by FERPI, Borsa Italiana and Università Bocconi that rewards the most virtuous companies in their reporting activities and care for stakeholder relations. On the occasion of this edition, Novamont managed to receive the Reporting Oscar for the category “Benefit Corporation”.



redefining the scope of reporting as well as the certification and control mechanisms in order to fight greenwashing and improve the path towards decarbonisation of the European production system.

As a Benefit Company, Novamont has set out in its articles of association a commitment to conduct economic activity in a way that brings well-being to the environment and people, making it the responsibility of its directors to fulfil their obligations towards the established social aims and to assess and report annually on the impacts generated.

The award was given to Novamont for the following reasons: “Novamont, a benefit corporation since 2020 and certified by B Corp; shows a cutting-edge strategic management approach to sustainability issues. The company, pursuing its aims of common benefit related to its economic activity, represents an international example of an innovative model of circular bioeconomy for the regeneration of territories, complemented by good practices and clear positive impacts on the environment, so that it can achieve high standards of sustainability. The Sustainability Report,

which is the 14th, covers the entire scope of the group, coherent with the economic data and the Consolidated Financial Statements”.

In Italy, Novamont is one of the few companies that voluntarily presents a Non-Financial Disclosure (DNF) and is ready to implement the new European standards on transparency in environmental, social and governance matters, incorporated in the *Corporate Sustainability Reporting Directive - CSRD*. Set to come into force on 1 January 2024, the new Directive will extend the DNF reporting obligation to many more companies,



Sustainability Report

Published annually since 2008, this is our main communication tool in the area of Corporate Social Responsibility.



Impact Report

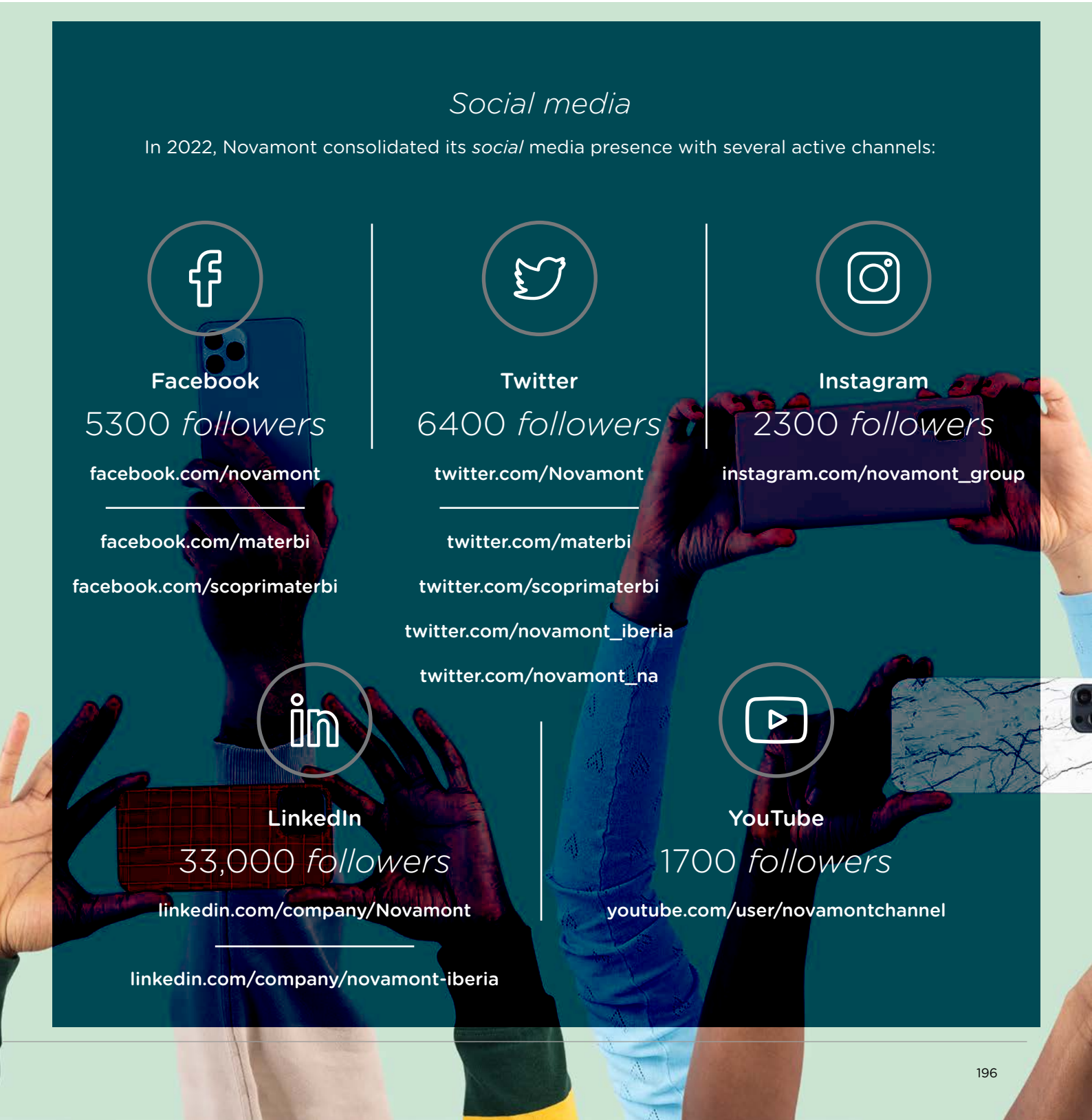
Published annually since 2021, it describes both actions that have been carried out and plans and commitments for the future to reach objectives for the common benefit. It also records the results in terms of impact on the society and on the environment, measured through the B Impact Assessment(BIA), the framework developed by B Lab, a non-profit organization.



Websites

We communicate our values, our model, our activities and initiatives through the following websites:

novamont.com	Novamont’s corporate website is one of the main channels for our corporate and product communications, in Italian and in English
uk.novamont.com france.novamont.com germany.novamont.com northamerica.novamont.com novamontiberia.es	These contain sections of the institutional website dedicated to communication and contact with the most relevant foreign stakeholders and markets
materbi.com	This website is all about Mater-Bi and its applications
agro.novamont.com	Website that tells about our approach and our products applied to the world of sustainable and regenerative agriculture.
allascopertadelmaterbi.it	The website of the integrated education project “Alla scoperta del Mater-Bi” (“Discovering Mater-Bi”), aimed at the general public (families, young people, children and schools)
materagro.com	A website dedicated to the company that was established by Novamont and Coldiretti to promote a model of participatory innovation between agriculture, research and industry.
biobagworld.com	The website of BioBag International, a leading group in low-impact solutions for the <i>packaging</i> and organic waste recycling sectors, purchased by Novamont in 2021.
resoilfoundation.org	The website of the foundation for soil protection promoted by Novamont, Turin Polytechnic, the University of Bologna and Coldiretti



Publications

We are increasingly seen as a leading proponent of the circular bioeconomy, and are therefore called upon to contribute to discussions and publications on the subject.

During the year, we contributed to various studies and reports. These include the participation in the **GreenItaly 2022 Report**, created by the Symbola Foundation and Unioncamere, and the contribution of our CEO Catia Bastioli to the chapter dedicated to the bioeconomy in the **Quaderni Momigliano**, a series of studies edited by GEI, the Italian Association of Business Economists, which was founded in 1977 to spread the culture of business economics in Italy and which today is an important community committed to the exchange of experiences and information and the study of economic scenarios. Bastioli in particular told about how circular bioeconomy can be a tool for local regeneration and a more sustainable future.



Events, trade fairs and communication projects

Participating directly in national and international events, trade fairs and communication projects continued to be a valuable opportunity to strengthen dialogue with all our stakeholders, to build new partnerships, and above all, to promote our model of a circular bioeconomy with a view to raising awareness about sustainability.



2 - More information about events can be found in the News & Media section of our website [novamont.com](https://www.novamont.com)

Some of the most important events in 2022 that saw Novamont as the industry benchmark include, by way of example:



**Linkontro
2022**

Cagliari, 20 May

The event, organised by NielsenIQ, is the reference event for companies and professionals from the distribution, brand, communication and new technology industries, and provided an opportunity for discussion and analysis of market trends and dynamics with the greatest impact on companies operating in the field of consumption. Catia Bastioli attended the conference “Il tempo dell’incertezza - Governare la complessità del presente, costruire il futuro. Con coraggio”.

**Bioeconomy Day at Festival
di Ravenna**

Ravenna, 25 -26 May

The initiative was part of the fourth edition of the “Bioeconomy Day” launched by the SPRING Cluster, in collaboration with Asobitec-Federchimica. Catia Bastioli spoke at the event ‘Un patto italiano per il suolo’ (An Italian Pact for Soil), while Giulia Gregori, Head of Strategic Planning and Institutional Communications at Novamont, spoke at the event ‘La Bioeconomia circolare per le nuove generazioni’ (The Circular Bioeconomy for the New Generations), which involved students of all levels to talk about the fight against climate change and ecological transition.

**Business for good leaders
summit**

Rome, 18 June

The initiative titled ‘*Enlightened Leadership: Navigating the human predicament in the 21st century*’, was organised by the *Club of Rome*, in the occasion of the 50th anniversary of the publication of the ‘*Limits to Growth*’ report, and brought together leaders and experts from government, business, philanthropy, faith, economics, science and other sectors to discuss how to accelerate new systemic thinking and regenerative transformation. Catia Bastioli, member of the Club of Rome, spoke about ecological transition.



World Bioeconomy Forum

Ruka, 7-8 September

Fifth edition of the Forum that brings together all the circular bioeconomy stakeholders. Among the experts and speakers, Catia Bastioli attended the *CEO Panel* discussion that took place on 7 September, discussing the importance of the bioeconomy with other specialists in the field and showing the Novamont development model as a successful case study.

EU Bioeconomy Conference

Brussels, 6-7 October

The two-day conference, titled ‘*The Bioeconomy - Enabling the European Green Deal in Challenging Times*’, was organised by the European Commission to bring together Europe’s leading figures in the field, and to present the main findings of the *EU Bioeconomy Strategy Progress Report*. Catia Bastioli was called to present Novamont as Italian case study of bioeconomy. This international event brings together companies of the bioplastic industry to discuss the most recent innovations and to present the most successful case studies. Alberto Castellanza, Novamont’s International Sales Manager presented the success study of compost waste collection in Copenhagen, developed in collaboration with the BioBag Group.

ECOMONDO

Rimini, 8-11 November

The international exhibition for materials, energy recovery and sustainable development. Novamont was one of the protagonists of this edition, presenting its circular bioeconomy model alongside its supply chain partners at the stand of Sviluppo Umbria and the Umbria Region, with whom it organised a wide-ranging programme of events. Novamont also contributed to the launch of the first States General for Soil Health with Re Soil Foundation, and attended the following conferences “Bioraffinerie per la rigenerazione dei territori: stato dell’arte e criticità” (Biorefineries for the regeneration of territories: state of the art and critical issues) organised by Cluster SPRING and “*Transition towards carbon neutrality*” promoted by BNCT working party and by OECD.



Finally, in 2022, we took part in several science outreach projects, contributing to the production of several podcasts.

Catia Bastioli was the protagonist of the **Rai Isoradio** episode "World Environment Day, Ecological Transition and the Green Economy" available on RaiPlay Sound and of **Zero**, the first podcast of the National Federation of the Knights of Labour, hosted by Emanuele Bompan and produced by Piano P.

Giulia Gregori lent her voice to the **Element+** podcast series, blog of GSE (Gestore dei Servizi Energetici), to talk about the added value of Mater-Bi, and took part in "*Unlock the Change*" the podcast that tells the stories of Italian B Corp companies and their journey towards sustainability, to talk about the story of Novamont and its development model.

In 2022, we also opened the doors to **ConverseRai**, an in-depth programme to understand the changing world and the digital revolution we are experiencing. The episode in which Catia Bastioli talked about our circular bioeconomy model, is available on RaiPlay.

[GRI 3-3]

Education and training of new generations

8



Promoting knowledge and a culture of systemic, multidisciplinary sustainability, involving new generations and organising training courses for young researchers and experts in association with schools and universities.



Future generations



Raising environmental awareness



Edutainment

[GRI 2-25, 3-3]

Disclosure on Management Approach

Management approach

Novamont is actively involved in promoting participatory dialogue with schools and universities, in order to raise awareness among the new generations of the topics of the circular bioeconomy and sustainability, together with good environmental practices, and to ease young people’s entry into the world of employment, by developing educational, interactive projects aimed at all age groups.

In 2020 Novamont issued its **Sustainability Policy**, which, on the topic of education and training of new generations, formalises the Group’s commitment to promoting cultural growth in the bioeconomy sector through multidisciplinary training courses, in collaboration with partners in the public and private sectors.

The educational materials produced take into account the level of awareness of those involved and include, for pupils of all ages, the projects “Discovering Master-Bi” and “Scuola@Novamont”. For universities, Novamont continued to sponsor and support

the delivery of the Master’s in *Bioeconomics in the Circular Economy* (BIOCIRCE). Furthermore, the partnership with Terni’s Istituto Tecnico Superiore has continued, as well as the promotion of entrepreneurship in school with the new edition of the *Starter School Academy*. In 2022 there was also the launch of the contest called “Bioeconomy4YOU - Ambasciatori della bioeconomia”, the contest devised to raise awareness amongst new generations about green transaction topics.

Finally, the Group has once again made available to university pupils its experience, welcoming them in their laboratories for dissertation projects, researches or internships. With a similar purpose also the school-work alternation scheme continued, this is a project that offers students the opportunity to enter some specific work environments, narrowing the gap between the world of school and work thanks to a couple of weeks long hands-on experiences.

Other actions, programmes and initiatives implemented by the Group are detailed in the following paragraphs.

Responsibilities

The personnel involved in managing the aspects linked to this topic are assigned to the following Novamont S.p.A. functions:

- Chief Executive Officer
- Business Communication and Special Projects
- Strategic Planning and Corporate Communications
- Human Resources

These functions interface with the Group’s subsidiaries, by actively collaborating with specific functions and the respective site management.

Complaint, consultation and discussion mechanisms

Further information on aspects relating to the material topic may be requested from the website www.novamont.com or by emailing info@novamont.com.

Our projects for the new generations

We will build a more sustainable world only when everyone knows and is aware of his or her responsibility. For this reason, we are committed to accompanying the growth of the new generations, with training activities on the topics of environmental sustainability.



Discovering Mater-Bi

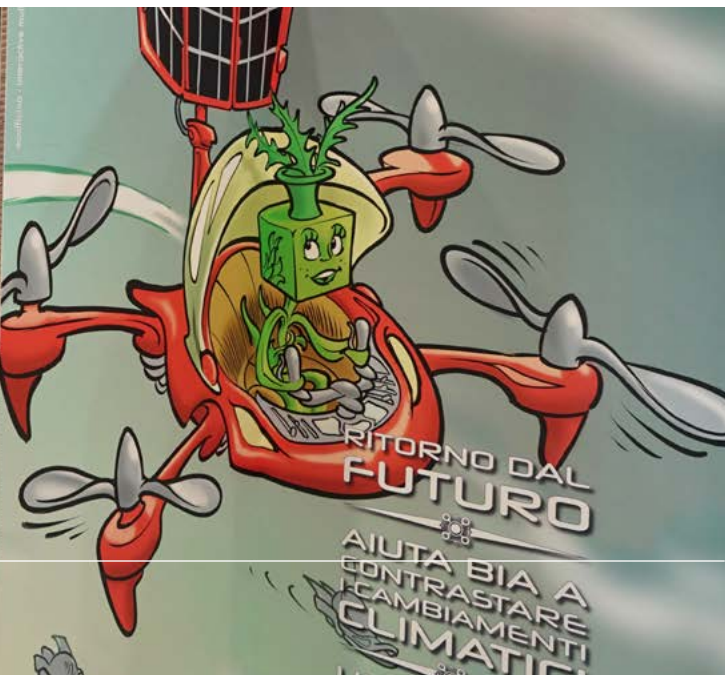
In order to engage children, young people and parents in the world of bioplastics, we have developed an integrated education (or “edutainment”) project called “**Alla scoperta del Mater-Bi**” (“Discovering Mater-Bi”). The project consists of a new web platform, a touring,

interactive, multimedia exhibition, science and creative workshops, teaching materials, publications, games and comic strips. Our guide is a character called **Bia de Compostabilis**, a mascot formed of different packaging solutions and products made from Mater-Bi

and who was created by the Walt Disney illustrator Paolo Mottura from Topolino Magazine.



The aim of “Discovering Mater-Bi” is to raise awareness and to offer an interactive experience of the world of bioplastics and their life cycle through workshops and games. It also endeavours to show children, young people and their families how, through our everyday actions, we can all make a valuable contribution to the environment we live in.

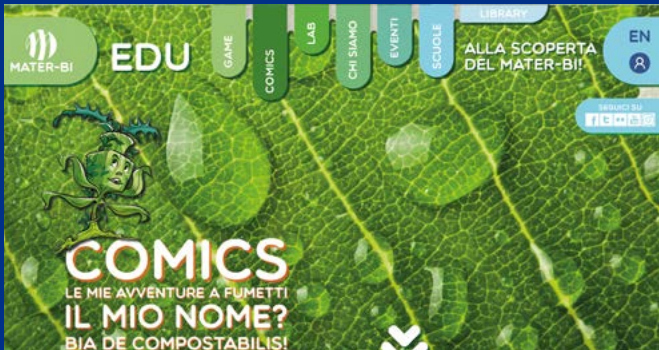


“**Back from the Future**” is the title of the fifth instalment of Bia de Compostabilis’ adventures, launched in 2020 as an interactive and multimedia book-game.

This episode is entirely dedicated to climate change and mitigation actions that shall be adopted by 2030. The co-protagonists are lectures and students of the

Environment management and Sustainable Development course, which in the interdisciplinary syllabus includes integrated teaching dedicated to climate change.

To find out more, visit our educational website www.allascopertadelmaterbi.it. This is regularly updated with new games and content designed to raise awareness among younger generations of topics linked to environmental sustainability.



In particular, in 2022 we have added a new **educational toolbox “A scuola di sostenibilità” (learning sustainability)**, dedicated to any school level, which includes several tools to build your own educational path in class, including: interactive games, comic strips, tutorial videos, and educational sheets for creative labs, a library full of educational resources, infographics on biodegradability, compostability and augmented reality about soil.

In 2022, Bia and the “Discovering Mater-Bi” games and workshops made a stop at:

FA’ LA COSA GIUSTA!

Milan, 29th April - 1st May

After two years FLCG, the biggest National exhibition of critical consumption and sustainable lifestyles is back for an in-presence edition, with contents and projects related to awareness for the planet and the community. At this edition, ‘military spending and peace’ was discussed about the situation in the Mediterranean, and visitors learned about good practices to become perfect *green* consumers and how to give beauty to their city and neighbourhood. We took the opportunity to launch our 5th comic book “Back from the Future” dedicated to the topic of climate changes.



FESTAMBIENTE

Rispescia (Grosseto), 3-7 August

Festambiente is Legambiente international festival dedicated to ecology and solidarity. On the occasion of this 34th edition, we attended with a 100 sq m area, with interactive games, multimedia experiences, creative labs for all ages, paying particular attention

to new generations. In the islands we set up different thematic trails, that touched the topics of environmental sustainability, including ‘Back from the Future’, the game ‘Mission 2050’, the augmented reality ‘Bia and the treasure Island’ and the exhibit ‘Around the world

in 12 stages’. Festambiente 2022 was also an opportunity for us to distribute again a short questionnaire to test how much the children had learned and to get their views on sustainability issues.



SCARABOCCHI

Novara, 16-18 September

This festival emerged from a collaboration between the cultural association Doppiozero and the Fondazione Circolo dei lettori, in collaboration with Novara city council and the support of Regione Piemonte. It involved three days of workshops, performances

and meetings, preceded by workshops at local schools, with the aim of experimenting with new ways of getting together through drawing and imagination.

Bia also went to Scarabocchi, taking part in the creative workshops “Discovering Mater-Bi”, inspired by the “Mission 2050” game about climate change, and launched the new comic book “Back from the future”.



4500
participants at meetings
and workshops

TERRA MADRE - SALONE DEL GUSTO

Turin, 22-26 September

“Terra Madre Salone del Gusto” is an international market exhibition, organised by Slow Food, which aims to educate consumers about taste and to promote quality food and wine production. In particular, the event hosted Italian and international producers and a rich programme of events and exhibition

spaces that highlighted how food can be a valuable opportunity for ‘regeneration’ - the main theme of this edition. Bia presented itself by bringing the exhibit ‘Around the MicroWorld in 12 Days’ to the Garden of Education, the edu-area set-up in Dora Park in Turin. The public could immerse themselves

in the visit by also taking part in the Treasure Hunt on the relationship between food production and soil care. The visit continued with interactive and multimedia exhibits from the exhibition ‘On Our Plate’.



SCIENCE FESTIVAL

Genova 20th October - 1st November

The science festival is a cultural dissemination event that has become a point of reference at an international level, and it manages to attract scientists, disseminators, authors, scientific bodies, enterprises, schools and young people. For its 20th edition, the festival brought to Genova's main cultural venues a rich programme of lectures, exhibitions, workshops, performances and other events, all linked by this year's keyword: Languages. Bia attended the Science Festival by bringing an unprecedented kit of scientific expressions from the 'Mission 2050' game on climate change.



DESIGNING THE FUTURE - COLOURING SUSTAINABILITY

Novara, 22 October

'Designing The Future - Colouring Sustainability' is the final event of the project called Im.patto Novara 'DE.Ar Food Alimenta la sostenibilità della tua città'. A collective artistic performance, promoted by Università del Piemonte Orientale and held at the Broletto Monumental Complex, during which the participants became the protagon-

ists of a great message of environmental sustainability by drawing, together with street artist Luvol, an ecological paper banner and animating it with a flashmob. During the day, participants had the opportunity to learn about and play BIA's interactive 'Mission 2050' game.

25
Primary school
classes involved

>600
students

NEL NOSTRO PIATTO (On our plate)

Novara 8 November - 18 December

Bia and 'Mission 2050' were guests at the exhibition 'Nel nostro piatto', the project of the Piedmont Region and the Museum of Natural Sciences promoted by the Vera Nocentini Foundation in collaboration with the Polo del 900. It is an interactive and multimedia course held at the Polo del 900 and designed to raise awareness

on the issues of food, the human body, nutrition, soil, water, environmental sustainability and climate change, and to actively influence behaviour and lifestyles.

To coincide with the exhibition, on the 1st of December at the Polo del 900', a meeting was held on 'Elements of Didactics to Teach

about Soil: the Factory of Life': an educational event on soil promoted by Re Soil Foundation, Novamont, Agroinnova - University of Turin, ANISN - Piedmont Section, targeting primary and secondary school teachers. The meeting was widely and attentively attended both in presence and remotely.



Scuola@Novamont

Scuola@Novamont is the education project we created to teach pupils and students at secondary schools and universities in Italy about the bioeconomy and circu-

lar economy. Scuola@Novamont is an opportunity to share our values and our way of doing business, focused on reconnecting the economy and society to boost

employment and innovation capital in our country, for which young people are the main resource.

BIOCIRCE Master

January 2022 saw the start of the fifth edition of the **Master's in Bioeconomics in the Circular Economy¹ (BIOCIRCE)**, the interdisciplinary and international Master's programme aimed at training professionals specialising in the circular bioeconomy about the responsible and sustainable use of renewable resources and biotechnological processes. The project was created in 2017 as a joint initiative between four universities (Bicocca University in Milan, University of Naples Federico II, University of Turin and University of Bologna) in collaboration with a

number of non-academic organisations that deal, at different levels, with the bioeconomy and the circular economy (Intesa Sanpaolo, Novamont, GFBiochemicals and PTP Science Park in Lodi, and 2 Italian technological Clusters: Cluster SPRING and Cluster CLAN agrifood).

The 2022 edition of the BIOCIRCE Master's Course had an expanded program and teaching contents, with the introduction of a specific module dedicated to soil, in collaboration with Re Soil Foundation.



1 - More information is available at www.masterbiocirce.com



Istituto Tecnico Superiore di Terni

With the aim of **promoting the development of professionals who are increasingly qualified to face the challenges of the bioeconomy**, we work closely with the Istituto Tecnico Superiore di Terni, a technical college. In particular,

Novamont is involved as a lecturer in courses aimed at training specialists in bio-based industrial processes and products and in Circular Economy and Ecological Transition, providing its know-how on the topics of Life Cycle

Assessment, renewable raw materials and biorefineries principles, chemical-physical characterisation of bio-based products, sustainable materials and products.

Startupper School Academy

On 12 January, the **Startupper School Academy**, the programme led by Lazio Innova to promote entrepreneurship in schools, started a new occurrence. The aim of the programme is to help develop a business mindset among older secondary school pupils in the Lazio region.

As part of the '**Startupper in the classroom**' initiative, Novamont, together with the Italian Circular Bioeconomy Cluster SPRING, Re Soil Foundation, the European projects Transition2BIO and BIOBec and the European Bioeconomy Network, contributed to the vertical theme 'At school for the future with the Bioeconomy', that now at its fourth edition.

Through dedicated webinars, the aim was to raise awareness among the younger generation and teachers on the topics of the circular bioeconomy, bioplastics and sustainability.

Bioeconomy4YOU

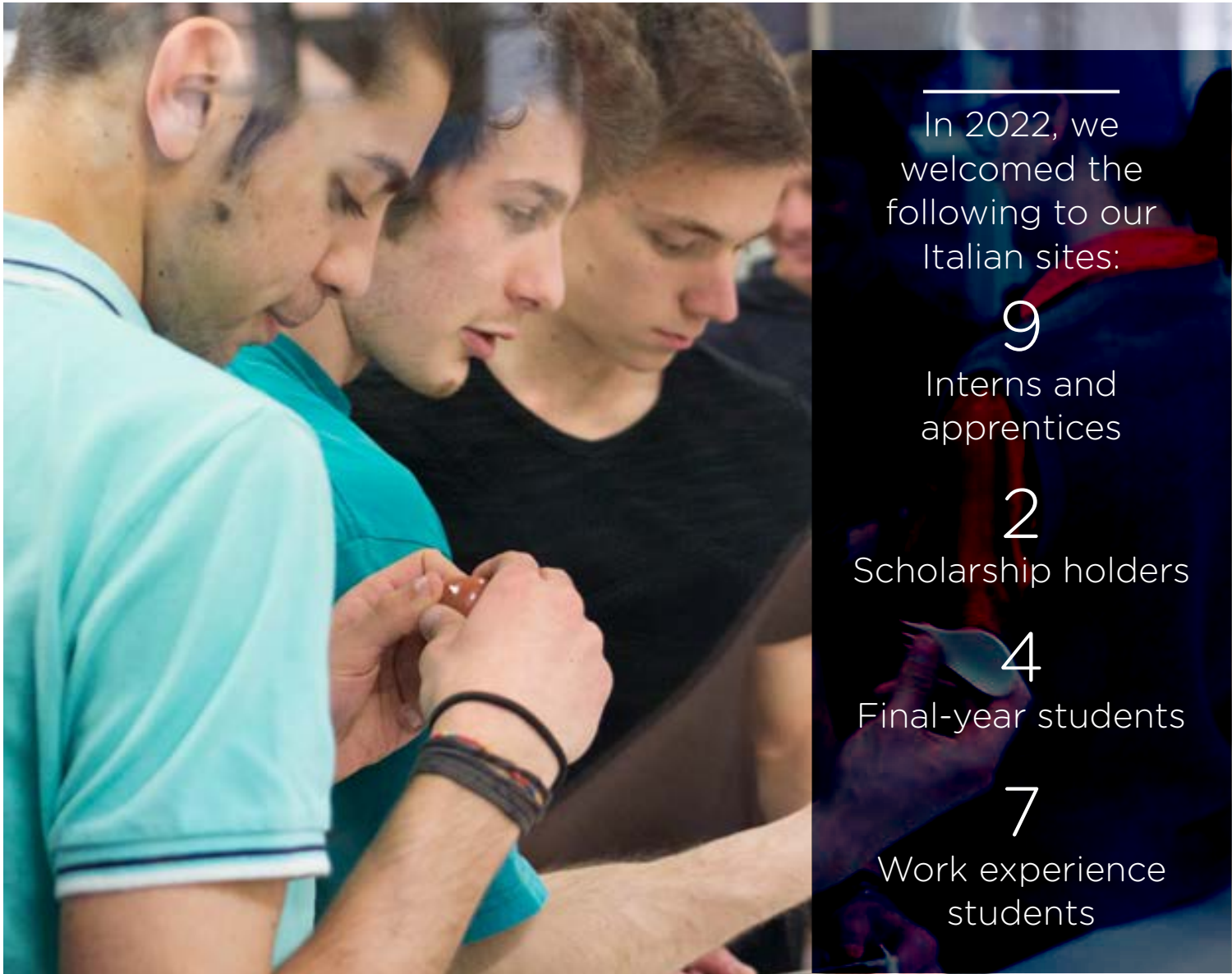
"**Bioeconomy4YOU - Ambassadors of the Bioeconomy**" is a competition launched for the first time in 2022 by Re Soil Founda-

tion, in cooperation with Cluster SPRING, Fondazione Raul Gardini, Novamont, Transition2Bio (APRE and FVA), in the context of the

European Year of Youth and the 10th anniversary of the European Bioeconomy Strategy.

The *contest*, aimed at primary, lower and upper secondary school students and teachers, has been designed to raise awareness among the new generations and encourage them to take an active role in the ecological transition, inviting them to imagine their future in a circular bioeconomy perspective.

The awards ceremony for the winning projects in the different categories took place on 26 May, during the National Bioeconomy Day in Ravenna.



Approaching the world of work

We work closely with universities and schools to offer opportunities for students to choose a career path and take their first steps in the workplace.

[GRI 3-3]

Partnerships and collaboration for territorial regeneration

9



Networking: partnerships and alliances to foster connections and share knowledge among businesses, non-profit organisations, research institutes, governments and communities. The development of multidisciplinary value chains and projects to create sustainable solutions, restoring economic, social and environmental value to each region.



Synergies



Common goals



Knowledge sharing



Development of virtuous local models

[GRI 2-25, 3-3]

Disclosure on Management Approach

Management approach

Novamont is committed to creating and promoting the development of partnerships and collaborations to foster connections among the Group and non-profit organisations, the research community, companies, government and the public. Those interactions are essential for a paradigm shift, not only allowing a shared culture to emerge around the circular bioeconomy, but promoting local projects capable of catalysing a wide range of initiatives.

As a result, the Group is developing its business to facilitate the growth of communities through their direct involvement. In particular, Novamont works with local companies and government to further the development and protection of the local area, supporting the implementation of projects for the circular bioeconomy.

Novamont’s contribution to territorial regeneration also includes the promotion of initiatives aimed at fostering interaction with local people who work in the social sector and who share our principles

of sustainability and the circular economy. This support takes place through sponsorships, donations, the free supply of material and the joint planning of initiatives, forging a path to social inclusion that has major implications for the region.

Territorial regeneration also means taking industrial and research sites that are no longer competitive or are disused, and giving them a new lease of life by building new plants with the application of world-beating technologies. These plants are intended as bioeconomic infrastructure, interconnected biorefineries that are integrated within the local area; the starting point for new value chains, partnerships and alliances.

In 2020, Novamont issued its **Sustainability Policy** which, on the topic of partnership and collaboration for territorial regeneration, formalises the Group’s commitment to:

- Collaborate for the development of sustainable economic models that are in line with the principles of the circular economy and of industrial symbiosis, creating alliances with

local stakeholders, connecting different sectors and thereby contributing to the creation of value in communities and for the whole of society;

- Sign voluntary programmes for environmental protection and promotion of the sustainable development of the chemical industry, in accordance with values and conduct oriented towards safety, health and the environment.
- Help to maximise efficiency in the management of organic waste in urban and metropolitan areas by encouraging biological recycling;

Furthermore, in confirming its commitment to the management of quality, environmental impacts and health and safety in the workplace, in 2020 Novamont updated its **Policy for Quality, Environment and Health and Safety (QEHS)**. This states that the Company and its subsidiaries must undertake, among other things, to adhere to the principles of sustainable resource management, pollution prevention, environmental management, product safety and sustainability, if necessary

by joining international voluntary programmes that champion those principles.

As part of its organisational system, the Group has developed a set of procedures to regulate the conduct of business activities. These include the **Participation in Associations procedure** which describes the approach of Novamont S.p.A. to manage participation in associations.

To have increasingly positive impacts on communities and regions, in 2020 the Group also adopted the framework of the *B Impact Assessment (BIA)*¹, as the main tool for managing sustainability topics, including those connected with the commitment to communities.

All actions, programmes and initiatives implemented by the Group in relation to the material topic are detailed in the following paragraphs.

Responsibilities

The personnel involved in managing the aspects linked to this topic are assigned to the following Novamont S.p.A. functions:

- Chief Executive Officer
- Strategic Planning and Corporate Communications
- Institutional Relations and Associations
- Business Communication and Special Projects
- Sales
- Marketing, Technical Assistance and Development of Bioplastics Applications

These functions interface with the Group’s subsidiaries, by actively collaborating with specific functions and the respective site management. Since 2020, they have operated with the coordination and support of the Sustainability Committee and internal working groups involved in the management of B Corp certification and pursuit of the common benefit.

Complaint, consultation and discussion mechanisms

Further information on aspects relating to the material topic may be requested from the website www.novamont.com or by emailing info@novamont.com. Complaints may be made by contacting the Supervisory Board. In addition, the Quality, Environment and Safety function monitors any complaints from the local community.

1 - More information on the *framework* can be found on page 31

Reindustrialisation of disused sites

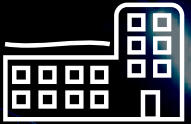
The geographical context is a fundamental aspect of the economic and social value of each company. This is particularly true for Novamont, because the concept of sustainability means a two-way exchange with the local area: on the one hand, the local area is a direct source of raw materials, resources and human skills; on the other, it is a partner that can benefit from the value creation, job opportunities and protection offered by the company.



As a result of continuous investments and the application of technologies derived from our research activities, we have been able to convert sites that are no longer competitive or that are disused, transforming them into innovative research centres and *flagship* plants. These plants are intended not as white elephants, but as bioeconomic infrastructure, interconnected biorefineries that are integrated within the local area; a real starting point for new value chains,

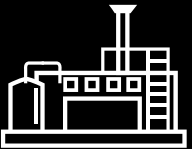
partnerships and alliances. In addition, the revitalisation of disused industrial sites allows us not only to reduce the environmental impacts associated with the protection of virgin land from land take, but to have a positive impact on employment and the local economy. This is the principle behind the locally integrated biorefinery project, which is environmentally, economically and socially sustainable.

As a result of the technologies derived from our research activities, we have been able to convert sites that are no longer competitive or that are disused, transforming them into innovative research centres and industrial plants.



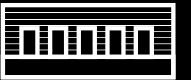
Novara

Novamont's Headquarters and Research Centre is located in the chemical facility in Novara. It was formerly the offices and guest quarters of the Donegani Institute, which underwent a full restoration. The old buildings were redesigned so that research and administration could coexist in a single building.



Terni

The production site in Terni was created in 1990 within the Polymer Site, in a building adjacent to the Moplen granulation facility, which had been closed due to a de-industrialisation process.



Piana di Monte Verna

The Research Centre for the Development of Industrial Biotechnology is the result of the re-conversion of a pharmaceutical research centre, established in 1992 (such as Tecnogen S.p.A) for the production of experimental drugs and then decommissioned.



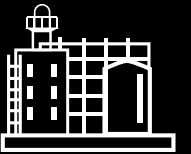
Patrica

The factory was converted from a plant previously used to manufacture PET; the various sections of the plant were renovated, modified and, in some cases, completely rebuilt, applying the innovative technologies developed by Novamont on a continuous scale.



Bottrighe

The factory in Adria is the result of the industrial conversion of the previous site, Bioltalia (formerly Ajinomoto), which was used to manufacture lysine. In the process of converting the site, Novamont retained 60 per cent of the facilities and all existing buildings were preserved and refurbished while maintaining the characteristic elements of industrial buildings of the time.



Matrica²

Matrica is Versalis (Eni) and Novamont's joint-venture. The joint research and skills of the two companies made it possible to carry out an industrial reconversion of the Porto Torres site, creating an integrated platform of chemicals from renewable sources.

² - Matrica is not included in the scope of the environmental, social and economic data of the Group because it has not been fully consolidated

Our network

Associations and institutions

Innovation is not a journey to be taken alone, and our adventure would not have been possible without the contribution of so many partners and associates who, over the years, have believed in and supported the circular approach to the bioeconomy, and who are an integral part of our business model.

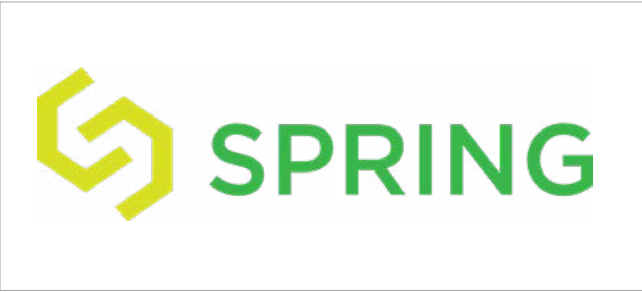
To help build a shared culture around topics linked to the circular bioeconomy, we are actively involved in the most significant networks and corporate initiatives, considered reference points for the circular economy and bioeconomy at both national and international levels³.

At the **international level**, Novamont is the founder and member of the *Bio-based Industries Joint*

Undertaking - *BBI JU*, now the *Circular Bio-based Europe Joint Undertaking* (CBE JU), and is a partner of the *Ellen MacArthur Foundation*.

At a **national level** we actively work with Symbola Foundation, we are member of the ICESP foundation (*Italian Circular Economy Stakeholders Platform*) and of the *Circular Economy Network*.

In 2014, we also promoted the foundation of the **National Green Chemistry Technology Cluster SPRING**, which became the Italian Cluster of the Circular Bioeconomy in 2021, to enhance territories through the connection between regions, universities, research centres, associations and industry, and the development of multidisciplinary innovation projects.



Cluster SPRING

The **Italian Cluster for the Circular Bioeconomy SPRING** was created in 2014 with the aim of bringing together innovation stakeholders from the entire value chain of chemistry from renewable sources, thereby reinforcing an Italian bioeconomic model that reduces CO₂ emissions and makes efficient use of resources. As a founder member, Novamont has chaired the Cluster since 2014, the year in which Catia Bastioli was appointed President. This appointment was subsequently confirmed in 2017, and renewed again in September 2020.

In 2022, Cluster SPRING had a total of **136 members**, broadly representative of all the various member categories (public-sector research, industry, organisations dedicated to technology transfer

and dissemination, regional bodies, non-profit organisations) located throughout the country.

SPRING is part of the National Coordination Group for the Bioeconomy, together with four Ministries (MIUR - Education, University and Research, MATTM - Environment, MISE - Economic Development, MIPAAFT - Agricultural, Food and Forestry Policies) and other major national players. It has established a working group with 14 regional authorities, enabling constructive and ongoing dialogue with local bodies that see the bioeconomy as a lever for regional growth and regeneration. In 2022, SPRING updated its **three-year action plan** for the Cluster and took part in three task forces set up by the National Bioeconomy Coordination Group: Ateco and *End of Waste* codes, taxonomy and National Wood Technology Cluster.

The Cluster continued activities related to the working groups (Wood and Biomass Supply Chain, Sludge for Circular Bioeconomy and *Bio-based Chemicals*) and during the year has produced position papers, signed memoranda of understanding with the Agrifood Cluster CLAN and Intesa Sanpaolo, strengthened relations with national and international stakeholders, and participated in 5 new European projects, carried out educational and training activities on the Bioeconomy and contributed to the drafting of the Report on the decarbonisation of the plastics industry produced by the ECCO think tank, as well as to the eighth report 'The Bioeconomy in Europe', drawn up annually with the Intesa Sanpaolo and Assobiotech Studies and Research Department, to provide an overview of the bioeconomy figures at Italian and European level.

3 - Additional information can be found in the 2022 Impact Report

Coldiretti

Coldiretti is the leading farmers organisation at national and European level. The collaboration with Novamont includes the study of oleaginous crops and the testing of biodegradable products for agricultural use in Italy, focusing on soil regeneration and the creation of new opportunities for farmers.

The year 2022 was characterised by the continuation of field trial activities and cooperation within the Mater-Agro company.

In the **agricultural** sector, we have been working with Coldiretti for years to create a new cooperation model that, using the bioplastics value chain and based on vegetable oils, introduces innovation and regeneration into industry and agriculture, establishing innovative supply chains that respect the land, in association with farmers.

Finally, **NGOs and the third sector** provide a vital link with civil society. This enables us to foster a participatory scientific approach based on field experiments, working collectively on local projects

able to catalyse a wide range of initiatives. To that end, we work closely with Legambiente, Terra Felix.

At the **international level**, Novamont also participates in the working groups of the *Witzenhausen Institute*. Since 1990, this has brought together stakeholders from industry, government and the scientific community in Kassel (Germany) to discuss new approaches to waste management and to increase recycling rates.



[GRI 2-28]

Memberships to associations and organizations

Collaboration among all of the players in the sector is fundamental to create a context in which environmental and social value have the same, central position as economic aspects. This is why we belong to national and international associations that are working towards this goal, by cooperating in respect of mutual interests.

ITALIAN ASSOCIATIONS		
AIDB - ASSOCIAZIONE ITALIANA DOCUMENTALISTI BREVETTUALI	AIRI - ASSOCIAZIONE ITALIANA PER LA RICERCA INDUSTRIALE	ASSOBIOPLASTICHE
ASSOBIOTEC	ASSOCIAZIONE A COME AMBIENTE	ASSOFERTILIZZANTI
ATIA - ISWA ITALIA	BIOREPACK	CONSORZIO ITALIANO COMPOSTATORI
CHIMICA VERDE BIONET	CIRCULAR ECONOMY NETWORK	CLUB DONEGANI
CLUB OF ROME	CLUSTER SPRING	CNVV - CONFINDUSTRIA NOVARA VERCELLI VALSESIA
CONFINDUSTRIA TERNI	CONSIGLIO NAZIONALE DELLA GREEN ECONOMY	CONSORZIO IBIS
FEDERCHIMICA	FILIERA ITALIA	FIRE - FEDERAZIONE ITALIANA PER L'USO RAZIONALE DELL'ENERGIA
FONDAZIONE MARISA BELLISARIO	FONDAZIONE SVILUPPO SOSTENIBILE	FORAZ - CONSORZIO INTERAZIENDALE PER LA FORMAZIONE PROFESSIONALE
ISTITUTO ITALIANO IMBALLAGGIO	ITALIA DECIDE	KYOTO CLUB
OSSERVATORIO SULLA CRIMINALITÀ NELL'AGRICOLTURA E SUL SISTEMA AGROALIMENTARE	PROPLAST	RETE ITALIANA LCA
RIBESNEST	SOI - SOCIETÀ DI ORTOFRUTTICOLTURA ITALIANA	SYMBOLA
UNINDUSTRIA - ROMA		

INTERNATIONAL ASSOCIATIONS		
ABA - AUSTRALIASIAN BIOPLASTIC ASSOCIATION	ACDV - ASSOCIATION CHIMIÈ DU VEGETAL	ADEBIOTECH
AFCB - ASSOCIATION FRANCAISE DES COMPOSTABLES BIOSOURCES	AMB - ASOCIACION MEXICANA DE BIOPLASTICOS	AMORCE - ASSOCIATION NATIONALE DES COLLECTIVITES, DES ASSOCIATIONS ET DES ENTREPRISES POUR LA GESTION DES DECHETS, DE L'ENERGIE ET DES RESEAUX DE CHALEUR
APE EU - AGRICULTURE PLASTICS ENVIRONMENT	ASOBIOCOM - ASOCIACIÓN ESPAÑOLA DE PLÁSTICOS BIODEGRADABLES COMPOSTABLES	AVFALL SVERIGE
BBIA - BIO-BASED AND BIODEGRADABLE INDUSTRIES ASSOCIATION	BELGIAN BIOPACKAGING	BIO-BASED INDUSTRIES CONSORTIUM
BIOSOURCÉS	BNPP - BUREAU DE NORMALISATION DES PLASTIQUES ET DE LA PLASTURGIE	BPI - BIODEGRADABLE PRODUCTS INSTITUTE
BÜNDNIS MIKROPLASTIKFREI	CALIFORNIA GROCERS ASSOCIATION	CCIC - CAMERA DI COMMERCIO ITALIANA IN CINA
C.A.R.M.E.N. E.V	CEFIC - EUROPEAN CHEMICAL INDUSTRY COUNCIL	CIPA - COMITÉ INTERNATIONAL DES PLASTIQUE EN AGRICULTURE
CLIMATE-KIC	COMPOST COUNCIL OF CANADA	CPA - COMITÉ FRANÇAIS DES PLASTIQUES EN AGRICULTURE
CRE - COMPOSTING & ANAEROBIC DIGESTION ASSOCIATION OF IRELAND	DAKOFA	ECN - EUROPEAN COMPOST NETWORK
EPNOE - EUROPEAN POLYSACCHARIDE NETWORK OF EXCELLENCE	EUROPEAN BIOPLASTICS	EUROPEN - EUROPEAN ORGANISATION FOR PACKAGING AND THE ENVIRONMENT
EXPÉDITION MED	FPI - FOOD SERVICE PACKAGING ASSOCIATION	FPA - FOODSERVICE PACKAGING ASSOCIATION
GKL E.V - GESELLSCHAFT FÜR KUNSTSTOFFE IM LANDBAU	GLOBAL COMPACT	GMI - GREEN MANAGEMENT INSTITUTE
GREEN BLUE INSTITUTE	HERO E.V	HOLLAND BIOPLASTICS
ILLINOIS FOOD SCRAP COALITION	INEC - INSTITUT NATIONAL DE L'ECONOMIE CIRCULAIRE	JBPA - JAPAN BIOPLASTICS ASSOCIATION
MUOVIVYHDISTYS RY - THE FINNISH PLASTICS ASSOCIATION	NORDIC BIOPLASTICS ASSOCIATION	ORÉE
PBPC - PLANT BASED PRODUCTS COUNCIL	PLASTICS EUROPE	PIA - PLASTICS INDUSTRY ASSOCIATION
REA - RENWABLE ENERGY ASSOCIATION	SERPPIO - SERVICES ÉTIDES POLYMÈRES BIODÉGRADABLES	SPC - SUSTAINABLE PACKAGING COALITION
TPORGANICS	USCC - US COMPOSTING COUNCIL	VERBUND KOMPOSTIERBARE PRODUKTE E.V.

THE UNITED NATIONS GLOBAL COMPACT

The **United Nations Global Compact** is a voluntary strategic initiative for companies, towns, non-profits and organizations that intend to align their goals with the principles put forward by the international community to encourage sustainable development. Since May 2020, Novamont S.p.A. has supported, promoted and applied, within its sphere of

influence, the **ten principles of the *Global Compact*** in the area of **human rights, labour, environmental protection and anti-corruption**.
With our signature, we join the more than 14,000 organizations that have already adhered to an international network made up of virtuous players, concrete tools and opportunities to share, for

the promotion of good corporate practices. With a view to constant improvement, we renew our commitment to supporting a corporate model that strives to achieve sustainable development, which, for us is a mark of identity.

By joining this initiative, we undertake to:

Promote and spread among our stakeholders the principles of the *Global Compact*;

Implement these principles within the corporate culture and strategy;

Produce an annual *Communication on Progress (COP)* for the reporting of the activities carried out to protect and promote the ten principles.



THE TEN PRINCIPLES



Human Rights



Environment



Anti-corruption



Labour

Principle I	Businesses should support and respect the protection of internationally proclaimed human rights;
Principle II	Make sure that they are not complicit in human rights abuses;
Principle III	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle IV	The elimination of all forms of forced and compulsory labour;
Principle V	The effective abolition of child labour;
Principle VI	The elimination of discrimination in respect of employment and occupation;
Principle VII	Businesses should support a precautionary approach to environmental challenges;
Principle VIII	Undertake initiatives to promote greater environmental responsibility;
Principle IX	Encourage the development and diffusion of environmentally friendly technologies;
Principle X	Businesses should work against corruption in all its forms, including extortion and bribery;

Local regeneration projects

We believe that interaction with the community and the surrounding area is essential for a paradigm shift, as part of a vision that looks not only at products but also at promoting sustainability and best practices locally.

Promoting those principles, we work with local companies and government to facilitate the development and protection of the local area and the environment, supporting the creation of circular bioeconomic projects on the ground. These are projects that involve local authorities, such as projects to support the separate collection of organic waste in Mi-

lan and Turin, the project called “Un sacco Et(n)ico” to optimise take away service in Milan, Bergamo and Brescia, and the collaboration with Sacro Convento di Assisi. They also include projects for the regeneration and protection of the landscape, such as the initiative launched in Pantelleria National Park⁴.



4 - Other projects can be found in the 2022 Impact Report

“UN SACCO ET(N)ICO” PROJECT

Novamont has supported the creation of 'Un sacco et(n)ico' project, co-financed by Fondazione Cariplo 2020 *Plastic Challenge* tender and completed in 2022, which involved a number of ethnic catering activities in the cities of Milan, Bergamo and Brescia. The project, which was based on the use of a linguistic-cultural mediation approach, was aimed at **improving the quality of separate collection of waste produced by this type of activity**, including the promotion of

compostable products in contexts where washable or reusable alternatives could not be used.

Participating in the project were the association EStà - as lead partner -, the Department of Languages, Literatures, Cultures and Mediations of the University of Milan, the associations Ruah and Embassy of Local Democracy in Zavidovic (active in Bergamo and Brescia respectively) and the companies Amsa and

Aprica, which are responsible for waste collection in the three cities involved.

The project involved of more than 300 restaurants that had been contacted, and the direct training of 58 restaurants, 49 of which were then audited on the achieved results. To make it possible for this successful experience to be repeated in other territories, in the end, the partners drew up an operational guidance document.



PROTECTING BIODIVERSITY ON THE ISLAND OF PANTELLERIA

Starting in 2020, Novamont, the Island's National Park Authority and the Department of Agricultural, Food and Forestry Sciences of the University of Palermo have implemented a project aimed at **promoting the conservation of the agrarian landscape and biodiversity, designing low environmental impact systems and experimenting with innovative agronomic practices with the objective of reducing the consumption of water, energy and waste production**. The project also involves activities for the promotion of sustainable farming practices by means of tests on the efficacy of the Ager-Bi formulation in viticulture, the use of biodegradable mulching for horticulture and transplants of vines and caper bushes, and trials involving of the use of mulching film for covering the greenhouses used to dry zibibbo, an Italian grape variety. In 2022, the case study of the Island of Pantelleria was presented by our CEO Catia Bastioli at Vinitaly, the international wine and spirits exhibition, a reference event for the sector.



THE SUSTAINABILITY PROJECT OF THE MONUMENTAL COMPLEX OF THE SACRO CONVENTO IN ASSISI

The project - which involves directly the Sacro Convento di Assisi General Custody, the Ministry for the Environment, ARPA Umbria and Sisifo Srl Società benefit - is aimed at **reducing the environmental, social and economic impact of the complex**. During this process, all inflows and outflows of materials, water, energy, finance and information were analysed and incorporated into a sustainability plan. A



sustainability policy was drafted for the replicability of the project and

awareness-raising actions were carried out for all visitors. Among other actions, approximately 200 in-house recycling collection points and one composting point for organic waste were installed, which allowed for an increase in the percentage of sorting in waste collection. Finally, disposable media made of biodegradable and compostable material were used during the events.



Community initiatives

In 2022, we allocated funds to several associations in the local area, involved in promoting art, culture, awareness-raising and education locally.

As part of the collaboration with the **Fondazione Circolo dei Lettori**, we supported the creation of Scarabocchi, which also includes the participation of the cultural association Doppiozero, the Piedmont Region and the Municipality of Novara⁵. The collaboration with the Foundation has also extended to other projects, including Dia-

loghi con la Scienza (“Dialogues with Science”), a series of four events held in Novara to reflect, among other things, on the most pressing scientific issues and their most compelling narratives. The event was preceded by ‘**Dialoghi con la scienza OFF**’, appointments with young people, disseminators, scholars and activists to explore

the global challenge of combating climate change. Finally, with the Foundation we set up various joint initiatives in the Novara area over the two-year period 2021-2022, to raise awareness of sustainability issues and promote a model of cultural, economic and social regeneration.



5 - Additional information can be found in the 2022 Impact Report

With a view to promote moments of dissemination and spreading of knowledge, we also supported the 2022 edition of **TEDx-Novara**, the event dedicated to "ideas worth spreading", and the series of meetings "**Alberi Parlanti - aperistorie novaresi dal cuore**

green" (Talking Trees - Novara's aperistorie with a green heart), an initiative organised by Atelier51 and sponsored by the Novara and VCO Order of Architects, which aims to disseminate and spread the need to pay attention to trees. In the educational sphere, we sup-

ported the **Rinascita** association in the realisation of a project dedicated to Novara's middle school students, focused on providing a quality educational model, with particular attention to children with disabilities and/or cognitive disadvantages.



In the artistic and cultural sphere, for years we have supported **Novara Jazz**, an international festival dedicated to jazz, electronic music and visual arts projects, organised by the Rest-Art cultural association. In 2022 we also supported the initiative '**The Factory - A Novara non c'è un ca**o!?**', a meeting point for different arts, crafts and artistic personalities who together redesigned the spaces of the Opificio Cucina e Bottega. In addition, we supported '**Bellestorie**', a children's literature festival created and organised by the Lucrezia Tangorra Onlus Foundation, which brought some authors directly to Novara's secondary schools to meet students and talk about their works.

We also chose to support the Community of **Sant'Egidio Piemonte** and in particular the '**2022 Christmas Lunches**' initiative, in light of the Community's opening in Novara of a new soup kitchen dedicated to the needy. Novamont has also supported other associations and foundations involved in the field of sustainability and in the third sector. Among which **Novara Green**, a charity that takes care of the city's decorum.

Outside the Novara area, we have supported the organisation of a number of **conferences and outreach events on bioeconomics, science and sustainability**. In particular, IFIB 2022, the international forum on the bioeconomy and industrial biotechnology, and the National Congress of Catalysis, focusing on the role of catalysis in the new paradigm of circularity.

Finally, with a view to promoting **good soil protection practices**, we also supported *Capraia Smart Islands*, an event dedicated to all the forms of agriculture that contribute to the protection of biodiversity in the minor islands, and the Castel Pergine Foundation, for an important territorial regeneration project.

Lastly, in the third sector, Novamont supported the Seraphic Province of St Francis of Umbria, one of the over one hundred entities of the Order of Friars Minor spread throughout the world which is responsible for collecting the memory of Franciscan origins and evangelisation activities, and the association "Uno chef per Elena e Pietro", a free cooking, pastry and bread-making school.





GRI Content Index

Other indicators

Correlation between the Principles
of the *UN Global Compact*
and the *GRI Standards Disclosures*

Certification letter

Glossary

GRI Content Index

STATEMENT OF USE	Novamont has reported the information mentioned in this GRI content index for the period 1 January - 31 December 2022 with reference to the GRI Standards.
USED GRI 1	GRI 1: Fundamental Principles - 2021 version

STANDARD GRI	DISCLOSURE	LOCATION
GENERAL DISCLOSURE		
GRI 2 General Disclosure 2021 (The organisation and its reporting practices)	2-1 Details of the organization	XII
	2-2 Subjects included in the organisation's sustainability reporting	XIII
	2-3 Reporting period, frequency and contacts	XIII, XIV
	2-4 Reviewing information	XIII, 173
	2-5 External certification	XIV, 254
GRI 2 General Disclosure 2021 (Activities and workers)	2-6 Activities, Value Chain and Other Business Relations	11-23, 103-106
	2-7 Employees	173-180
	2-8 Collaborators other than employees	173

STANDARD GRI	DISCLOSURE	LOCATION
GRI 2 General Disclosure 2021 (Governance)	2-9 Governance structure and composition	81-83
	2-14 Role of the Highest Governance Body in Sustainability Reporting	XIX
GRI 2 General Disclosure 2021 (Strategy, Policies and Practices)	2-22 Statement on the Sustainable Development Strategy	VI-XI
	2-25 Processes to Remedy Negative Impacts	85-88
	2-26 Mechanisms to Request Advise and to Report Critical Issues	79-80
	2-27 Compliance with Laws and Regulations	92
	2-28 Membership to Organizations	231-232
GRI 2 General Disclosure 2021 (Stakeholder Engagement)	2-29 Ways of Involving Stakeholders	XXIV-XXVII
	2-30 Collective Bargaining Agreements	171

STANDARD GRI	DISCLOSURE	LOCATION
MATERIAL TOPICS		
GRI 3 2021 Material topics	3-1 Process to Determine Material Subjects	XVI-XIX
	3-2 List of material topics	XIX
RESEARCH AND INNOVATION		
GRI 3 2021 Material topics	3-3 Material topic management	57-60

STANDARD GRI	DISCLOSURE	LOCATION
BUSINESS INTEGRITY AND STABILITY		
GRI 3 2021 Material topics	3-3 Material topic management	77-80
GRI 201 2016 Economic Performance	201 -1 Economic value directly generated and distributed	93-94
GRI 205 2016 Anti-corruption	205-3 Established incidents of corruption and actions taken	92
GRI 206 2016 Anti-competitive Behaviour	206-1 Actions for anticompetitive behaviour, antitrust and monopolistic practices	92
GRI 405 2016 Diversity and Equal Opportunity	405-1 Diversity in governing bodies and among employees	83
GRI 406 2016 Non-discrimination	406-1 Incidents of discrimination and corrective measures taken	92
GRI 416 2016 Customer Health and Safety	416-2 Incidents of non-conformity concerning impacts on the health and safety of products and services	92
GRI 417 2016 Marketing and Labelling	417-2 Incidents of non-conformity with regard to information and labelling of products and services	92
	417-3 Cases of non-compliance concerning marketing communications	92
VALUE CHAIN AND PRODUCT SUSTAINABILITY		
GRI 3 2021 Material topics	3-3 Material topic management	97-102
GRI 204 2016 Procurement Practices	204-1 Proportion of expenditure to local suppliers	103-104
GRI 301 2016 Materials	301-1 Materials used by weight or volume	107-108
GRI 302 2016 Energy	302-1 Energy consumed within the organisation	115-116
	302-3 Energy intensity	113

STANDARD GRI	DISCLOSURE	LOCATION
GRI 303 2018 Water and Effluents	303-1 Interaction with water as a shared resource	122
	303-2 Management of Impacts Related to Water Discharge	97-101
	303-3 Water withdrawal	122
	303-4 Water discharge	122
GRI 305 2016 Emissions	305-1 GHG direct emissions (<i>Scope 1</i>)	119
	305-2 Indirect GHG emissions from energy consumption (<i>Scope 2</i>)	120
	305-7 Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant emissions	120
GRI 306 2020 Waste	306-1 Waste generation and significant waste-related impacts	101
	306-2 Managing Significant Impacts Related to Waste	123
	306-3 Generated waste	123
GRI 412 2016 Human Rights Assessment	412-1 Activities that have been subject to human rights audits or impact assessments	103-106
COMPLIANCE AND QUALITY OF THE PRODUCTS AND CUSTOMER CARE		
GRI 3 2021 Material topics	3-3 Material topic management	127-130
GRI 403: 2018 Occupational Health and Safety	403-1 Occupational health and safety management system	131-132
GRI 416 2016 Customer Health and Safety	416-1 Assessment of health and safety impacts by product and service categories	127-130
GRI 417 2016 Marketing and Labelling	417-1 Information and labelling requirements for products and services	139-148

STANDARD GRI	DISCLOSURE	LOCATION
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GRI 3 2021 Material topics	3-3 Material topic management	155-156
RESPONSIBILITY TOWARDS WORKERS		
GRI 3 2021 Material topics	3-3 Material topic management	169-172
GRI 401 2016 Employment 2016	401-1 New recruits and turnover	179
GRI 403 2018 Occupational Health and Safety	403-1 Occupational health and safety management system	169-172
	403-2 Hazard identification, risk assessment and accident investigation	169-172
	403-3 Occupational health services	169-172
	403-4 Worker participation and consultation - communication about occupational health and safety	169-172
	403-5 Workers training on occupational health and safety	171-182
	403-6 workers' health promotion	169-172
	403-7 Prevention and mitigation of occupational health and safety impacts within business relationships	169-172
	403-8 Workers covered by an occupational health and safety management system	169-172
	403-9 Accidents at work	182
	403-10 Occupational diseases	182
GRI 404 2016 Training and Education 2016	404-1 Average yearly hours of training per employee ¹	184
GRI 405 2016 Diversity and Equal Opportunity	405-1 Diversity in governing bodies and among employees	176-177

1 - The indicator has not been reported for average training hours by gender and professional category, as this information is not available for all Group locations

STANDARD GRI	DISCLOSURE	LOCATION
COMMUNICATION AND PROMOTION OF SUSTAINABILITY		
GRI 3 2021 Material topics	3-3 Material topic management	189-190
EDUCATION AND TRAINING OF NEW GENERATIONS		
GRI 3 2021 Material topics	3-3 Material topic management	205
PARTNERSHIPS AND COLLABORATIONS FOR REGENERATION OF TERRITORIES		
GRI 3 2021 Material topics	3-3 Material topic management	221-222

Other indicators

INDICATOR	METHOD	LOCATION
MATERIAL TOPICS		
RESEARCH AND INNOVATION		
No. of patents and patent applications	-	3, 63
Percentage of turnover in R&D	Research costs incurred turnover (on personnel, overheads, tools and equipment, patents, purchase of goods and services of a technological nature) / Turnover	3, 62
No. of partnerships with Italian and international companies in the field of the circular bioeconomy:	-	68
VALUE CHAIN AND PRODUCT SUSTAINABILITY		
Index of circular flows	Percentage of turnover related to circular processes and materials	124
COMPLIANCE AND QUALITY OF THE PRODUCTS AND CUSTOMER CARE		
Percentage of products with compostability certification	Percentage of Mater-Bi grades sold and certified according to EN 13432 regulation	147
Complaints Index	(Nr. Complaints + Nr. Reports) / tons of product sold x 1000	152
Percentage of Customer satisfaction	No. of questionnaires with outcome "satisfied" or "very satisfied" / No. of total questionnaires received	151
Percentage of product sold to loyal customers	Tonnes of Mater-Bi sold to brand licensees / total tonnes of Mater-Bi sold	152

INDICATOR	METHOD	LOCATION
SOIL PROTECTION AND REVITALISATION ²		
No. of participants involved in Re Soil Foundation dissemination activities	-	163
COMMUNICATION AND PROMOTION OF SUSTAINABILITY		
No. of national and international events in which Novamont was involved	-	198
No. of followers on Novamont's social network channels	-	196
EDUCATION AND TRAINING OF NEW GENERATIONS		
Engagement data of education and training initiatives (e.g. no. of visitors, no. of classes involved, etc.)	-	208-216
No. interns, trainees, scholarship holders, last year students and work experience students	-	218
PARTNERSHIPS AND COLLABORATION FOR TERRITORIAL REGENERATION ²		
No of Cluster Spring members	-	228

2 - Additional KPIs related to the material topic can be found in the Impact Report 2022

Correlation between the Principles of the *UN Global Compact* and the *GRI Standards Disclosures*

AREA	PRINCIPLES	GRI STANDARDS DISCLOSURES
HUMAN RIGHTS	Principle I - Promoting and respecting the protection of internationally proclaimed human rights within one's respective spheres of influence;	412-1
	Principle II - Making sure that one is not complicit in human rights abuses;	412-1
LABOUR	Principle III - Supporting the freedom of association and the effective recognition of the right to collective bargaining;	2-30
	Principle IV- The elimination of all forms of forced and compulsory labour;	- 3
	Principle V- The effective abolition of child labour;	- 3
	Principle VI - The elimination of discrimination in respect of employment and occupation;	2-7; 401-1; 401-3; 404-1; 405-1; 406-1
ENVIRONMENT	Principle VII - Supporting a precautionary approach to environmental challenges;	301-1; 302-1; 303-1; 305-1; 305-2; 305-7
	Principle VIII- Undertaking initiatives to promote greater environmental responsibility;	2-27; 301-1; 302-1; 302-3; 303-1; 303-2; 303-3; 303-4; 305-1; 305-2; 305-7; 306-3
	Principle IX- Encouraging the development and diffusion of environmentally friendly technologies;	301-1; 302-1; 302-3; 305-1, 305-2, 305-7; 306-2
ANTI-CORRUPTION	Principle X - Working against corruption in all its forms, including extortion and bribery;	2-26; 205-3

3 - The following disclosures have been addressed without the use of GRI-specific indicators on page 98 in Chapter 3 - Supply Chain and Product Sustainability and on page 169 in Chapter 6 - Accountability to Employees

[GRI 2-5]

Certification letter



Independent auditor's report on the consolidated non-financial statement pursuant to article 3, paragraph 10, of Legislative Decree No. 254/2016 and article 5 of CONSOB Regulation adopted with resolution No. 20267 of January 2018

To the Board of Directors of Novamont SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5, paragraph 1 g), of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of Novamont SpA and its subsidiaries (hereinafter the "Group") for the year ended 31 December 2022 prepared in accordance with article 4 of the Decree and approved by the Board of Directors on 18 October 2023 (the "NFS").

Our review does not extend to the information set out in the section titled "The EU Taxonomy" of the Group's NFS, required by article 8 of Regulation (EU) 2020/852.

Responsibilities of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with the "Global Reporting Initiative Sustainability Reporting Standards" defined by the GRI – Global Reporting Initiative (the "GRI Standards"), with reference to the selection of GRI Standards, identified by them as the reporting standard.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary for an understanding of the Group's activities, development, performance and related impacts.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for identifying and managing the risks generated and/or faced by the latter.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code

PricewaterhouseCoopers SpA

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of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, competence and due care, confidentiality and professional behaviour. Our firm applies International Standard on Quality professional Management 1 (ISQM 1) and, accordingly, maintains a comprehensive system of quality control including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor’s Responsibilities

Our responsibility is to express a limited assurance conclusion, based on the procedures we have performed, regarding the compliance of the NFS with the Decree and the GRI Standards. We conducted our engagement in accordance with *International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (hereinafter “ISAE 3000 Revised”), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the NFS is free from material misstatement. Therefore, the procedures performed were less in extent than for a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, consequently, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and included inquiries, mainly of personnel of the Company responsible for the preparation of the information presented in the NFS, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

- 1. analysis of the relevant matters reported in the NFS in relation to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
- 2. analysis and assessment of the criteria used to identify the consolidation perimeter, in order to assess their compliance with the Decree;
- 3. comparison of the financial information reported in the NFS with the information reported in the Group’s Consolidated Financial Statements;
- 4. understanding of the following matters:
 - business and organisational model of the Group with reference to the management of the matters specified in article 3 of the Decree;
 - policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
 - key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.



With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under item 5 a) below.

- 5. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

In detail, we held meetings and interviews with the management of Novamont SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at Holding Company level
 - a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidences,
 - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information;
- for the Terni site of Novamont SpA and for Mater-Biotech SpA, which we selected on the basis of their activities and their contribution to the key performance indicators at a consolidated level we gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the indicators.

Conclusion

Based on the procedures we have performed, nothing has come to our attention that causes us to believe that the NFS of Novamont SpA for the year ended 31 December 2022 is not prepared, in all significant respects, in accordance with articles 3 and 4 of the Decree and with the GRI Standards.

Our conclusion above does not extend to the information set out in the paragraph titled “The EU Taxonomy” of the Group’s NFS required by article 8 of Regulation (EU) 2020/852.

Genoa, 18 October 2023

PricewaterhouseCoopers SpA

Andrea Manchelli
(Partner)

Paolo Bersani
(Authorised signatory)

This report has been translated from the Italian original solely for the convenience of international readers.

Glossary

BIO-BASED/BIOPRODUCT

Biologically based It refers to products that partly or wholly contain constituents derived from biomass, i.e. non-fossil biological substances.

BIOCHEMICAL

Any chemical compound that is part of the composition of a living organism or derived from substances present in living organisms.

BIODEGRADABILITY

Ability of an organic substance to be transformed into simpler substances by the activity of micro-organisms (biodegradation). If the biodegradation process is complete, the original organic substance will be fully converted into simple, inorganic molecules: water, carbon dioxide, methane and new biomass.

BIODIGESTER

A plant for the energy recovery of the organic fraction of domestic and industrial waste through the process of biomethanation of or-

ganic matter by anaerobic micro-organisms leading to the formation of biogas.

BIOECONOMY

A type of economy that uses biological resources from the land and sea as inputs for energy, industrial (materials), food and feed production.

BIOGENIC EMISSIONS

Emissions that originate from natural processes and are therefore not among the climate balance altering factors caused directly by man: they must therefore be differentiated from direct CO₂ emissions of fossil origin.

BIOPLASTICS

Biodegradable and/or *bio-based* plastic.

BLOWN FILM

In polymer technology, it is a process used to obtain less thick films (15÷500 µm). These films are used,

for example, to produce packaging, bags, or films for greenhouses and mulching.

BYPRODUCT

Sub-product. A by-product of the industrial production of other products, economically less important than these. A substance or object resulting from a production process that does not have as a primary purpose the production of that item, may not be considered waste, but a by-product only if all the following conditions are met (Article 184/bis of Legislative Decree no. 152/2006): a) it is certain that the substance or object will be used again; b) the substance or object can be used directly without any further treatment other than normal industrial practice; c) the substance or object is produced as an integral part of a production process; d) the further use is lawful, i.e. the substance or object fulfils, for the specific use, all the relevant requirements concerning products and the protection of health and

the environment and will not lead to overall negative impacts on the environment or human health.

BIOREFINERY

An industrial activity that applies appropriate conversion technologies to biomass to transform it partly into fuel and partly into products such as food, materials, chemicals for the polymer industry, for cosmetics or for pharmaceutical industry, etc.

CATERING

Large-scale preparation and delivery of complete meals for communities (e.g. company canteens, schools, hospitals, prisons, etc.).

CIRCULAR ECONOMY

A model in which all activities, starting from extraction and production, are organised to use renewable resources or recycled materials, creating a system in which products maintain their function for as long as possible while minimising waste.

CO₂e - CO₂ EQUIVALENT

Standard reference used to measure the impact of greenhouse gases on global warming (*Global Warming Potential* - *GWP*). The contribution of each gas is normalised to the contribution of one CO₂ molecule, used as the unit of measurement.

COMPOST

The result of the bio-oxidation and humification of a mixture of organic matter (e.g. pruning residues, kitchen waste, garden waste such as leaves and mown grass) by macro- and micro-organisms in the presence of oxygen. Compost is used as a soil nutrient in agriculture.

COMPOSTABILITY

The ability of biodegradable, organic matter (i.e. plant cuttings, kitchen scraps, gardening waste, some types of bioplastics, etc.) to be turned into compost in composting plants.

COMPOSTING

Controlled biological decomposition, in the presence of oxygen, of organic waste from which a humus-rich material called compost is formed. Composting involves a thermophilic phase and takes place on an industrial scale in special plants.

CSR - CORPORATE SOCIAL RESPONSIBILITY

CSR corresponds to the organisation's responsibility for the impacts of its decisions and activities on society and the environment through ethical and transparent behaviour.

DOMESTIC COMPOSTING

Small-scale composting process operated by individuals for gardening purposes with the aim of producing compost for personal use from garden waste and occasionally kitchen waste.

EXTRUSION

Plastic deformation procedure, aimed at producing parts with a constant cross-section such as rigid or semi-rigid containers.

FORMULATION

See ‘Grade’

GMO - GENETICALLY MODIFIED ORGANISM

Organism, other than a human being, whose genetic material has been modified in a way that does not occur naturally by mating and/or natural genetic recombination (source: Directive 2001/18/EC).

GO - GUARANTEE OF ORIGIN

Electronic certification attesting to the renewable origin of the sources used to produce electricity. For each MWh of renewable electricity fed into the grid by qualified plants, the GSE (Electricity provider) issues a GO certification, in accordance with Directive 2009/28/EC.

GRADE

Referring to Mater-Bi, it indicates a specific type of material identified by a specific chemical composition and a unique product code.

The trademark Mater-Bi® therefore denotes a set of material families consisting of different grades.

LARGE SCALE RETAIL TRADE

It represents the evolution of trade from retail to wholesale. It is made up of large structures or large groups (in some cases multinationals) with many facilities spread throughout the country, internationally or even worldwide.

LCA - LIFE CYCLE ASSESSMENT

Objective process of assessing the energy and environmental loads in relation to a process or activity, carried out by identifying the energy and materials used and the waste released into the environment. The assessment includes the entire life cycle of the process/activity/product, including extraction and processing of raw materials, manufacturing, transport, distribution, use, reuse, recycling and final disposal.

LCT - LIFE CYCLE THINKING

An approach with which the environmental, economic and social sustainability of products, services, technologies and systems is analysed, considering all phases

of the life cycle (extraction of raw materials, production, use, distribution and end of life).

MARGINAL LANDS

Land on the farm not used for agricultural purposes, unproductive for economic, social or other reasons, located in areas with natural handicaps, in mountain areas or other areas but which could be used for agricultural purposes by means normally available to the farm. They are usually referred to by different terms: unused, degraded, underused, uncultivated, desolate and abandoned. Fallow land is excluded (land included in the crop rotation system but temporarily uncultivated, whether worked or not, and not providing any harvest for the duration of the crop year).

MATERIALITY ANALYSIS

Process aimed at identifying and prioritising material aspects (synonym: relevance analysis).

MATERIAL TOPIC

Significant (or relevant) aspect that reflects the organisation’s significant economic, environmental and social impacts and that can substantially influence stakeholders’ assessments and decisions.

MONOMER

A chemical molecule with a low molecular mass with functional groups capable of reacting with itself or with other chemicals to form macromolecules, called polymer chains of a certain length, with a certain molecular weight distribution, which together we call polymers. For example, ‘styrene’ is the monomer of ‘polystyrene’. Azelaic acid is one of the monomers used in the polymerisation process to produce a type of Mater-Bi.

MULCHING

An agronomic technique for weed control that consists of covering the soil, with the exception of the area of growth and development of the plant of interest, with an opaque material capable of retaining solar radiation, thus preventing weed growth. The most common mulches are plastic films, bioplastic films, paper films, layers of straw, layers of bark.

OLEAGINOUS

Plant capable of producing and accumulating within itself (e.g. in fruits or seeds) fatty substances, which can be used for food and industrial purposes.

ORGANIC CARBON

Carbon found in those chemical compounds in which it is joined by covalent bonds to atoms of other elements (mainly hydrogen, oxygen, nitrogen). This definition excludes the carbon of carbon dioxide, carbonic acid and its salts, such as calcium carbonate.

ORGANIC FRACTION (OF WASTE)

Municipal waste fraction consisting of food and grass clippings or animal waste from domestic or industrial sources.

ORGANIC RECYCLING

Processing the organic waste fraction using microorganisms and under controlled conditions. The treatment can take place under aerobic or anaerobic conditions. In the case of aerobic treatment, the organic fraction of waste is treated in an industrial composting plant with free oxygen, producing biomass (compost), CO₂ and H₂O. In anaerobic treatment, the organic fraction is degraded in an anaerobic digestion plant in the absence of free oxygen. The process leads to the production of biogas (containing CO₂ and CH₄ and can be used as biofuel to produce heat and electricity) and a sludge

called ‘digestate’. Landfilling cannot be considered as a form of organic recycling.

PACKAGING

A product made from materials of any kind, designed to contain and protect certain goods, from raw materials to finished products, to enable their handling and delivery from the producer to the consumer or user, and to ensure their appearance.

POLYESTER

Polymer with ester groups in the main chain. Polyesters can degrade through the mechanism of hydrolysis.

POLYMERISATION

Process of synthesising a polymer through a chemical reaction from its constituent monomers.

PRECAUTIONARY APPROACH

Cautionary approach in handling scientifically uncertain issues, adopted in particular in risk assessment and management.

PRECAUTIONARY PRINCIPLE

See ‘precautionary approach’.

RENEWABLE

This refers to those raw materials (such as starches, oils, cellulose) and energy sources (such as wind, sun, etc.) that are not subject to depletion.

SDGs – SUSTAINABLE DEVELOPMENT GOALS

Represent the essential elements of the 2030 Agenda for Sustainable Development signed in 2015 by the governments of the 193 UN member countries.

SORTED RECYCLING WASTE

Separating waste according to their type, i.e. Glass, plastic, paper, compost, metal, dry waste.

STAKEHOLDERS

Entities with whom an organisation has (direct or indirect) relations and who can therefore directly or indirectly influence its activities. These include, for example, customers, suppliers, lenders (banks and shareholders), employees, but also external interest groups, such as residents of areas surrounding the company or local interest groups.

STANDARDS

Usually a formal document that establishes uniform engineering or technical criteria, methods, processes and practices.

SUSTAINABLE DEVELOPMENT

Development that meets the needs of the present without compromising the ability of future generations to meet their needs (source: Standard EN 16575).

WASTE MANAGEMENT

Waste management: in urban and industrial contexts, it means the set of technologies and methods for sorting, collecting, delivering and treating waste produced by human, industrial and domestic activities.