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

SUSTAINABILITY REPORT 2020

NOVAMONT

Certified B Corporation

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"This Sustainability Report is the result of the efforts and collaboration of a lot of 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, who produced the guidelines for the document and followed its development throughout the work phases, in collaboration with the Corporate Communication and Strategic Planning functions.

Editing support: Studio Fieschi & Soci - www.studiofieschi.it.

Illustrations and graphs: Zilla Report - www.zillareport.com

The interactive web version is available on: www.novamont.com

LETTER TO THE STAKEHOLDERS

CATIA BASTIOLI

Chief Executive Officer

In 2020, the spread of the Covid-19 pandemic caused a contraction in the world economy that that had not been seen in the last 65 years, highlighting all of the weaknesses and contradictions of the development model followed in the last few decades. And for this reason, this scenario must not make us lose sight of the intensity and seriousness of the world's climate crisis.

The results of the most recent reports on the climate, particularly that by IPBES 2020[1], are extremely negative, in terms of the acceleration of the degradation of the planet's natural resources, particularly in relation to the soil and to biodiversity. However, 2020 was also the year in which Europe launched the ambitious projects of the *Green New Deal* and *Next Generation Europe*, which provide a clear indication of how to achieve a transition that can no longer be postponed, after the pandemic demonstrated to humanity the fragility of the constructed model.

Despite the global difficulties, in 2020, Novamont registered a general upward trend, with business volumes and results growing significantly. The year that has just passed confirms the soundness of the integrated supply chain model produced so far, which has put into practice a circular bioeconomic model which tends towards the reindustrialization of deindustrialized sites using flagship technologies, developing applications that make a significant contribution in terms of solutions to environmental problems, with particular attention to solving the problem of soil and water pollution and revitalizing the supply chain both upstream and downstream.

To strengthen its value chain and territorial development, on 12 January 2021, Novamont purchased BioBag, a leading Norwegian company that produces low-impact solutions for the packaging and separate organic waste collection sectors. This was an important step in a process that the two companies had begun jointly a long time ago, that will allow us to expand the circular bioeconomy model, to serve our partners better, both up and down the value chain, and to further develop circular solutions for the various sectors of the market and for the communities that pursue our objective of producing more with less.

To make the most of its long-term commitment to maximizing the environmental, economic and social consequences of its developments, in 2020, Novamont joined the United Nations' *Global Compact*, the world's broadest strategic initiative of corporate citizenship, to promote a sustainable global economy and, thanks to the change in its corporate statute, acquired the legal form of "Benefit Corporation", which is acknowledged in Italy by the law of 28 December, 2015, for those companies that undertake to carry out their economic business in such a way as to bring benefit for the environment and for people.

On confirming its commitment in terms of environmental sustainability and social responsibility, in July 2020, Novamont obtained the B Corp certification from the independent organization B-Lab, thereby joining of that group of businesses that, in addition to generating profit for their shareholders, create a positive impact on society and on the environment.

The year 2020 was one in which the partnership with a series of organic waste treatment plants was consolidated, and one that saw the birth of the necessary consortium Biorepack, for the recycling of bioplastics together with organic waste, which will enable Italy to work, in collaboration with the authorities responsible, on a virtuous system of separately collecting bioplastics together with organic waste, to maximize the quality and quantity of the organic material that is returned to the soil.

Novamont also continues to be very active in the development of farming chains, from dryland crops that can be grown on marginal or desertified land, that are used to regenerate the soil. What proved to be essential in this was the work of accelerated development carried out, in 2020, on cardoon and on other oleaginous crops, and on new, effective bioherbicide formulations, with experimentation extended throughout the country, in partnership with Coldiretti. For example, there were some projects for territorial regeneration that began in 2020, such as collaborations with the Prosecco Consortium of Valdobbiadene, with the island of Pantelleria, with Terra Felix and with the wine district of Montepulciano, examples of how, starting with the development of good farming practices, it is possible to produce greater impacts at the economic,

1 IPBES (2020) *Workshop Report on Biodiversity and Pandemics of the Intergovernmental Platform on Biodiversity and Ecosystem Services*

social and environmental levels.

In this context, we also include the development of physical, chemical and biotech technologies that use the various raw materials and by-products made available by the farming chains. By way of an example, in 2020, a project was begun, with the Melinda Consortium and Mele di Trentino, to reuse the waste from their raw materials supply chain for the production of biobutanediol. In this context, collaborations with brand owners were essential, not only in introducing increasingly sustainable solutions into the market, but, above all, in contributing to the spread of good practices. Examples include collaborations begun in 2020 with the Colussi Group and the Fileni Group, for the development of compostable food packaging, and with SAES, for the development of high performance packaging that has a low environmental impact.

Novamont actively participates in the most important networks and corporate initiatives that are considered reference points for the circular economy and for the bioeconomy nationally and internationally. An important example is the participation in activities organized by the National Technology Cluster of Green Chemistry SPRING, which, in 2020, contributed to setting up the Implementation Action Plan (2020-2025) for the Italian strategy for the bioeconomy-BIT II.

Furthermore, in 2020, together with the University of Bologna, Coldiretti and the Polytechnic of Turin, Novamont promoted the creation of the Re Soil Foundation, which was founded with the goal of becoming a meeting point for Italian and European organizations that are dedicated to the question of soil. The Foundation set itself the task of locally implementing the goals of the Mission Board for Soil Health and Food, the focus of one of the five Mission Boards set up in 2019 by the European Commission, in order to tackle the main challenges there are in Europe. The Mission supports the Commission in identifying solutions to the challenges of food safety and soil quality, and, specifically, as emerged from the report published in September[2], sets out to ensure that 75% of the soil in every country in the European Union achieves a state of good health by 2030.

Collaborations with NGOs and with the voluntary sector, such as Legambiente, WWF Italia, Marevivo and Terra Felix, are essential to connecting with civil society, to promote the approach of citizen science, with experiences in the field, sharing territorial projects that catalyse a multitude of initiatives.

Novamont promotes a model that connects the worlds of industry, farming and economics with that of training the new generations, and collaborates actively with a number of teaching organizations. In particular, in 2020, the company contributed to the development of the project *One Planet School*, an e-learning platform developed by WWF Italia, and continued the activities of the BIOCIRCE Master's, the only Master's in Italy that is entirely dedicated to the circular bioeconomy, now in its fourth year.

In conclusion, the year that has just ended, with all of its difficulties, but also the great results achieved, confirms the solidness of the foundation created by Novamont, on which it is possible to conceive important developments in the short and medium terms, to build a model of the circular bioeconomy that is increasingly solid and integrated into the territory.

2 European Commission, Members of the Mission Board: Cees Veerman (Chair), Teresa Pinto Correia (Vice-chair), Catia Bastioli, Borbala Biro, Johan Bouma, Emil Cienciala, Bridget Emmett, Emile Antoine Frison, Alfred Grand, Lachezar Hristov, Zita Kriaučiūnienė, Marta Pogrzeba, Jean-Francois Soussana, Carmen Vela, Reiner Wittkowski., "Caring for soil is caring for life", 2020.
Link: https://op.europa.eu/en/web/eu -law-and-publications/publication-detail/-/publication/32d5d312-b689-11ea-bb7a-01aa75ed71a1

NOTES ON THE METHODOLOGY

Purpose of the Sustainability Report

This document is the thirteenth Sustainability Report (hereafter, the "Report") of the companies that are part of the Group formed by Novamont S.p.A. and by its fully consolidated subsidiaries, Mater-Biopolymer S.r.l., Mater-Biotech S.p.A., Novamont North America Inc., Novamont France S.a.s., Novamont GmbH, Novamont Iberia S.L.U. and Sincro S.r.l. (hereafter, also "Group", "Novamont" and "Novamont Group").

The Sustainability Report is the means by which the Group informs internal and external stakeholders of the commitments, strategies, management approach and results of the company business, presented from three perspectives: economic, environmental and social.

The process of non-financial reporting for the Novamont Group

Novamont has a long experience in non-financial reporting, and, since 2008, has published its annual Sustainability Report, as part of its process of continuous improvement, which is in line with the most recent evolutions in non-financial reporting regulations.

In particular, Novamont decided voluntarily to follow the instructions of the Italian Leg. Dec. No. 254, of 30 December 2016 (hereafter, also the "Decree", and "Leg. Dec. 254/16") on communicating information of a non-financial nature, implemented by the European Directive 2014/95/EU. Consequently, the Sustainability Report is a Consolidated Voluntary Statement of a non-financial nature (hereafter, also "NFS") that is produced in line with Articles 3, 4 and 7 of the Decree. The NFS contains information relating to topics concerning the environment, society, personnel, respect for human rights and the fight against corruption, which help to ensure an understanding of the activities carried out by Novamont, of its progress, of its results and of its impact.

With a view to increasing the commitment to the topics of sustainability and to providing timely and transparent communication to its stakeholders, in 2020, Novamont chose to join the UN Global Compact (UNGC) and to make sustainability an identifying element of the Group, by becoming a Benefit Corporation. As a result of these two initiatives, it was necessary to make a number of updates to the contents of the 2020 Report, which are detailed in this note on methodology, in the paragraph "Definition of the contents and structure of the Report".

Base year

The data and information contained in this document refer to the financial year 2020 (from 1 January to 31 December). To ensure the comparability of the data over time, and to assess the progress of the activities, a comparison was made with the data of the Sustainability Report of the previous year (which was published in June 2020). Wherever it was not possible to make a comparison, this has been indicated in the chapter in question.

Reporting scope

The scope of the economic and corporate data of this Report is the same as those of Novamont Group's 2020 Consolidated Financial Statement.

For the environmental information, the scope is limited to Novamont S.p.A., Mater-Biopolymer S.r.l. and Mater-Biotech S.p.A., excluding the foreign companies, whose effect is not significant, as they are exclusively made up of small offices. On 29 November 2019, Novamont Iberia S.L.U., the Group's new branch, was established in Barcelona, to develop and increase Novamont's presence in the Iberian market. The branch became operational in January 2020; for this reason, the corporate data relating to this company was provided from this reporting year.

Any additional variations to this scope are expressly indicated in the document. These exclusions in no way prejudice complete understanding of the Group's business, of its progress, its results or any impacts generated.

Nature of the data

In order to provide a correct representation of the performance, and to ensure 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 appropriately indicated. In addition, any restatements of previously published comparative data are clearly indicated in the text.

Reference standards

The Sustainability Report was written in accordance with the *GRI Sustainability Reporting Standards* published in 2016 by the *Global Reporting Initiative* (GRI), in accordance with the "Core" option. With reference to the themes GRI 303 – Water and Effluents, and GRI 403 – Occupational Health and Safety, the updated versions of 2018 were adopted, and to the theme GRI 306 – Waste, the updated version of 2020 was adopted. When preparing this document, the principles of materiality, inclusivity, sustainability context, completeness, accuracy, balance, clarity, comparability, reliability and timeliness were adopted.

Definition of the contents and structure of the Report

The contents that are subject to reporting were established on the basis of the materiality analysis, which was updated in 2020 for this document, and which made it possible to identify the sustainability topics that were most relevant for the Group and for its stakeholders (material topics).

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 statement of the approach to managing the topic, which describes the policies guiding the organization, the specific actions, the assigned responsibilities and the complaint, consultation and discussion mechanisms.

In the final section of the document, the table "Material topics: scope and correlation among GRI Standards, SDGs and the main areas of ex Italian Leg. Dec. No. 254/2016" indicates, for each material topic, the scope (i.e. those who generated and those influenced by the impacts relating to the material topic), the relationship with the topics of the GRI Standards, with the SDGs and with the ambits of ex Italian Leg. Dec. No. 254/2016.

With respect to the previous years, this Report has undergone the following updates:

- In order to ensure that the contents of this document conform to the requirements of the UNGC, in the chapter "Index of GRI and UN Global Compact contents", a table has been added that shows the correlation between the Principles of the UNGC and the GRI Standards.
- The chapter on the Novamont Group's Commitments and their correlation with the SDGs has not been developed, as this content will be part of the 2020 Impact Report required of a Benefit Corporation, which is a separate document from the NFS;
- The analysis of the indirect impacts described in Chapter 5 of the previous Sustainability Report has not been developed, as this information is currently undergoing a methodological review;
- Reporting of the indicators relating to the topic of Biodiversity (Standard 304) has been excluded, as no initiatives relating to this were implemented in 2020;
- Finally, the indicator GRI 401-3 concerning parental leave has been excluded.

In the section "Index of GRI and UN Global Compact contents", there is a description of the information reported in accordance with the performance indicators defined by the GRI Standards. Any omissions are appropriately indicated, were necessary.

Assurance

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.

Glossary

For a complete understanding of the document, a "Glossary" has been included as an appendix; this Glossary contains definitions of a selection of terms most frequently used by Novamont. These terms are underlined in the Report.

Approval

The Report was approved by Novamont S.p.A.'s Board of Directors, on 19 April 2021.

Contacts

For any information about the Sustainability Report, write to: csr@novamont.com.

287 €
MLN IN TURNOVER[1]

3
RESEARCH AND DEVELOPMENT CENTRES

3
INNOVATION HUBS CURRENTLY BEING SET UP

3
PRODUCTION SITES

479
EMPLOYEES

1 This number includes the item "Receipts from contracts with clients" and "Other Receipts and Incomes" reported in the Group's 2020 Consolidated Financial Statement.

Chapter 0

THE NOVAMONT GROUP

[GRI 102-7]

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 Benefit Corporation, we operate in a responsible, sustainable and transparent way in our relations with people, communities, territories, the environment, cultural and social properties and activities, organizations, associations and other stakeholders, pursuing goals of mutual benefit.

2020 HIGHLIGHTS

INNOVATION

~5% OF TURNOVER INVESTED IN RESEARCH & DEVELOPMENT

>20% OF EMPLOYEES INVOLVED IN RESEARCH & DEVELOPMENT ACTIVITIES

>1400 ACTIVE PATENTS AND PATENT APPLICATIONS IN 2020

>370 PARTNERSHIP WITH BUSINESS RESEARCH CENTRES UNIVERSITIES GOVERNMENT-MUNICIPAL ASSOCIATIONS ORGANIZATIONS IN RESEARCH, DEVELOPMENT AND INNOVATION PROJECTS

BUSINESS INTEGRITY AND STABILITY

€ 287 million
THE ECONOMIC VALUE GENERATED

Certified B Corporation

NOVAMONT BECAME A B CORP CERTIFIED BENEFIT CORPORATION

CONFORMITY AND QUALITY OF PRODUCTS

80%
OF CUSTOMERS INTERVIEWED SAID THEY WERE SATISFIED OR VERY SATISFIED WITH NOVAMONT

MAINTENANCE OF THE ISO 9001, ISO 14001 AND ISO 45001 CERTIFICATIONS, THANKS TO AUDITS CARRIED OUT BOTH REMOTELY AND IN PERSON, THEREBY ENSURING OPERATING CONTINUITY ALSO DURING THE PANDEMIC

VALUE CHAIN AND PRODUCT SUSTAINABILITY

57%
OF RAW MATERIALS OF RENEWABLE ORIGIN

100%
OF ELECTRICAL ENERGY FROM CERTIFIED RENEWABLE SOURCES

-13% REDUCTION IN SPECIFIC ENERGY CONSUMPTIONS, WITH RESPECT TO 2017

FOUNDATION OF **BIOREPACK**, THE NATIONAL CONSORTIUM FOR THE BIOLOGICAL RECYCLING OF PACKAGING IN BIODEGRADABLE AND COMPOSTABLE PLASTIC

TERRITORIAL REGENERATION AND SOIL PROTECTION

THE FINAL REPORT OF THE MISSION BOARD FOR SOIL HEALTH AND FOOD "CARING FOR SOIL IS CARING FOR LIFE" WAS PUBLISHED

THE RE SOIL FOUNDATION, WHICH PROMOTES TERRITORIAL REGENERATION AND SOIL PROTECTION, WAS FOUNDED

THE PROJECTS FOR TERRITORIAL REGENERATION DEVELOPED WITH LOCAL COMMUNITIES AND ADMINISTRATIONS THROUGHOUT ITALY AND ABROAD CONTINUED

RESPONSIBILITY TOWARDS THE COLLABORATORS

479 EMPLOYEES

97.1% FULL-TIME

95.8% WITH OPEN-ENDED CONTRACTS

THE RATE OF WORK-RELATED INJURIES AT THE GROUP'S ITALIAN SITES 0.5

~ 8500 HOURS OF TRAINING

COMMUNICATION AND SUSTAINABILITY AWARENESS

PARTICIPATION IN OVER 110 NATIONAL AND INTERNATIONAL EVENTS

MARATONA RAIPLAY

EUROSCIENCE OPEN FORUM

ECOMONDO

SUSTAINABLE MARKETS COUNCIL

CONTRIBUTION TO THE WRITING OF NUMEROUS SCIENTIFIC STUDIES AND ARTICLES AND INTERVIEWS WITH ITALIAN NEWSPAPERS

FONDAZIONE SYMBOLA

COLDIRETTI

WWF

EDUCATION AND TRAINING

SCUOLA@NOVAMONT WAS RENEWED, WITH THE INITIATIVE #LAFORMAZIONENONSIFERMA!

BIOCIRCE MASTER's START OF THE FOURTH COURSE

DISCOVERING MATER-BI LAUNCH OF NEW VIRTUAL TEACHING FORMATS

ESTABLISHMENT OF ONE PLANET SCHOOL THE NEW TEACHING TOOL CREATED BY WWF ITALIA

PARTNERSHIPS AND COLLABORATIONS

CLUSTER SPRING 125 MEMBERS

NOVAMONT JOINED THE UN GLOBAL COMPACT

COLDIRETTI

ACTIVATION OF INNOVATIVE VALUE CHAINS THAT RESPECT THE TERRITORY, IN COLLABORATION WITH FARMERS, FOR THE PROMOTION OF REGENERATIVE FARMING

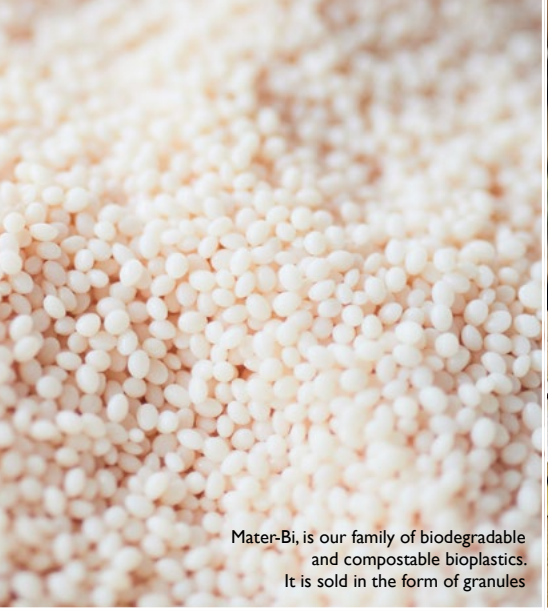
NEW COLLABORATIONS STARTED WITH MULTIUTILITY COMPANIES AND WITH MAJOR BRANDS

GRUPPO IREN

GRUPPO COLUSSI

GRUPPO FILENI

MELINDA



Mater-Bi, is our family of biodegradable and compostable bioplastics. It is sold in the form of granules

Among the possible applications, Mater-Bi is used for the production of biodegradable and compostable cutlery, plates and cups

The use of compostable materials such as Mater-Bi contribute to improving the management of organic waste

Our applications for agriculture considerably reduce the possibility of pollution in a sector in which there is a high rate of dispersion into the environment

Applications in Mater-Bi encourage the production of high quality compost

WHO WE ARE

Novamont is an Italian company, an international leader in the **bioplastics** sector and in the development of **bioproducts** and ***biochemicals*** which, thanks to their **compostability** and **biodegradability in various environments,** can contribute to reducing non-recoverable waste and to 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: "**Living chemistry for a better quality of life**".

1 Vision

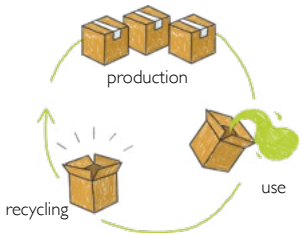
We want to encourage the **transition from a product-based economy to a system-based economy**. This cultural leap towards economic, environmental and social sustainability involves the whole of society, starting by making the most of the territory and by collaborating with the various interlocutors.

FROM A PRODUCT-BASED ECONOMY...

2 Mission

To develop materials and products from renewable sources, by **integrating chemistry, the environment and agriculture**, by setting up biorefineries that are integrated into the territory and providing application solutions that have a low environmental impact, that guarantee an efficient use of resources throughout their life cycles, with social, economic and environmental advantages for the system.

...TO A SYSTEM-BASED ECONOMY



3 The development model

We have always pursued the principles that are today contained within the concept of the bioeconomy, and our products, which are renewable and recyclable, achieve the model of the circular economy. This is why we can say that we promote a model of a **circular bioeconomy.** This development model, which looks at the bioeconomy as a factor in territorial regeneration, is based on three founding principles:

REINDUSTRIALIZATION OF DEINDUSTRIALISED SITES

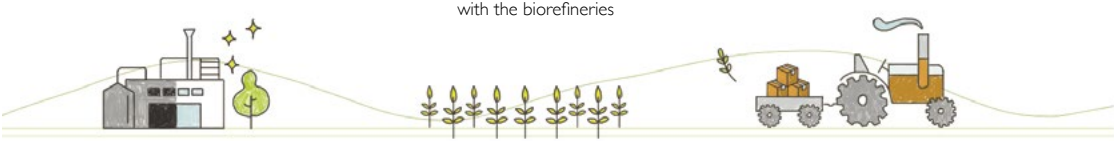
Reindustrialisation of no longer competitive sites thanks to proprietary technologies first in the world in order to create biorefineries integrated with the territory and interconnected with each other

INTEGRATED AGRICULTURAL VALUE CHAIN

Development of **low impact agricultural value chains** through the valorisation of marginal land not in competition with food production, integrated in local areas and connected with the biorefineries

PRODUCTS CONCEIVED AS SOLUTIONS

Products and value chains are conceived and designed to provide unique and sustainable solutions for specific environmental and social problems closely related to water and soil quality

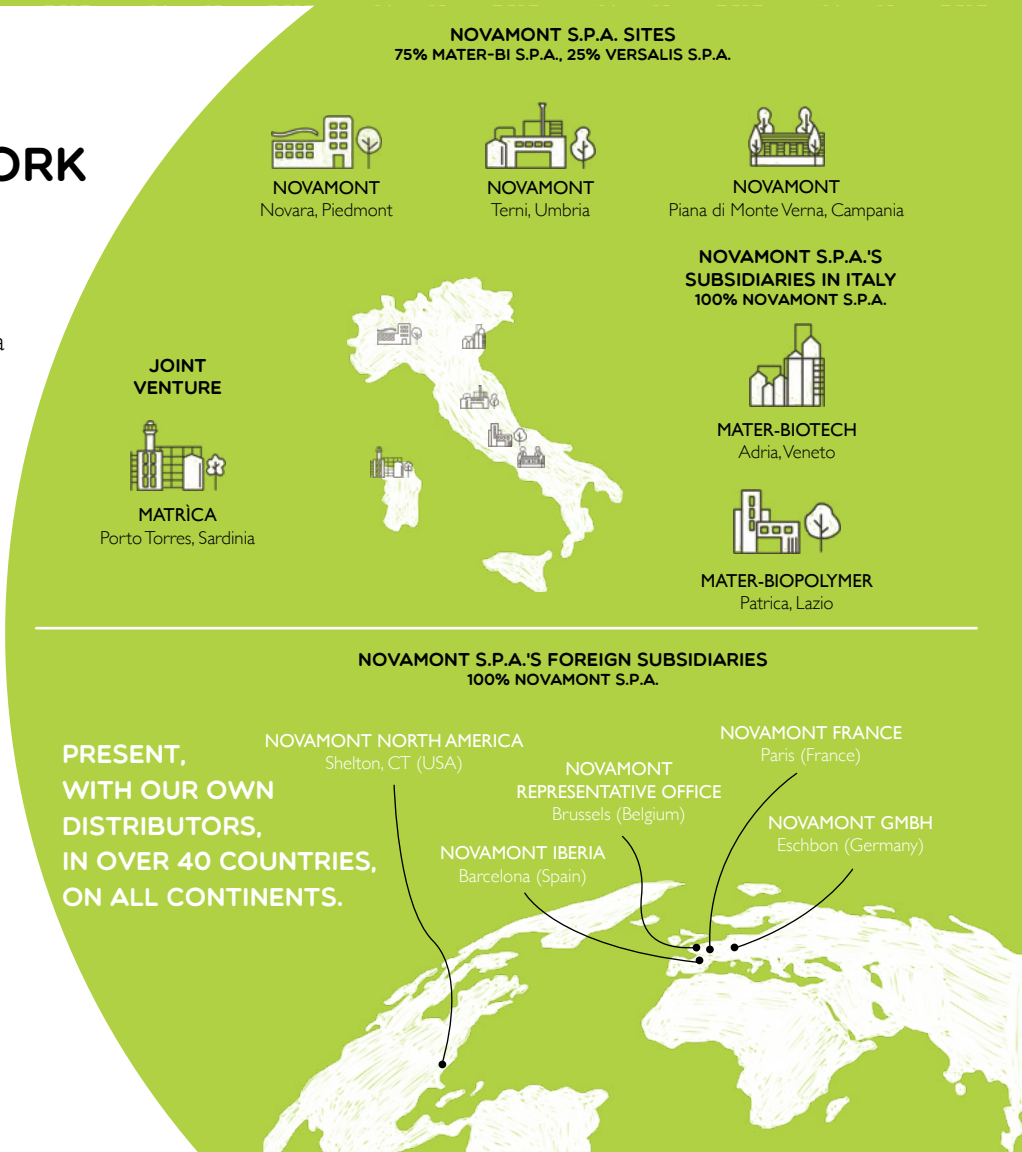


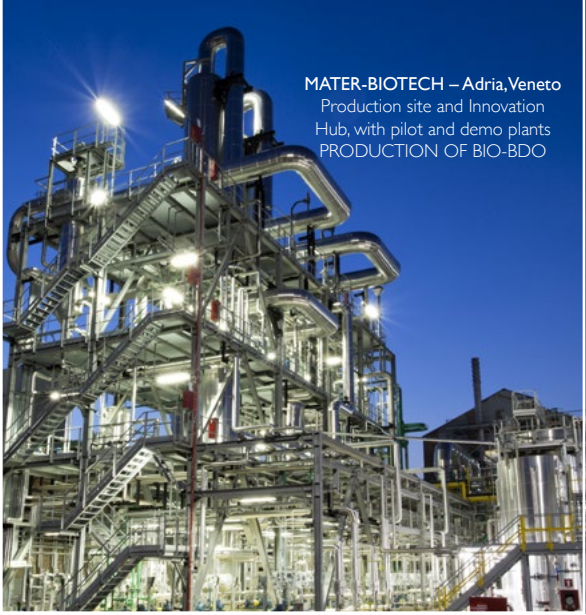
THE SITES AND THE COMMERCIAL NETWORK

Our roots lie deep **in the Italian territory**. In Italy, Novamont has its administration centre in Novara, three production sites, in Terni, Adria and Patrica and three research centres, in Novara, Terni and Piana di Monte Verna (PMV). We are present in foreign markets, through our branches in France, Germany, Spain and North America, and we rely on a vast network of distributors and on a representative office in Brussels. The company is also part of two joint ventures: Matrìca S.p.A., which began in 2011, between Novamont and Versalis, in the petrochemical facility in Porto Torres, for the production of chemical intermediates from renewable sources, and Sincro S.r.l., a JV between Novamont and Coldiretti, dedicated to the development and production of intermediates from renewable sources, based in Terni.

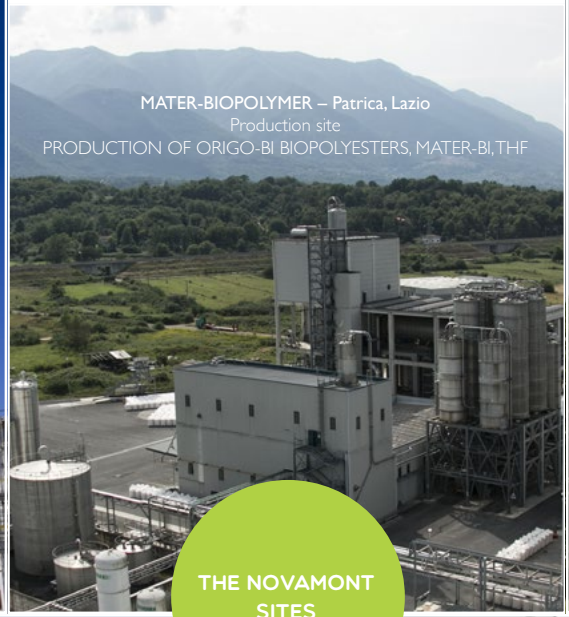
Share capital

Novamont S.p.A. € 13,333,500	**Novamont GmbH** € 25,565
Mater-Biopolymer S.r.l. € 180,000	**Novamont North America Inc.** $ 50,000
Mater-Biotech S.p.A. € 120,000	**Novamont Iberia S.l.u.** € 50,000
Novamont France S.a.s. € 40,000	**Sincro S.r.l.** € 10,000

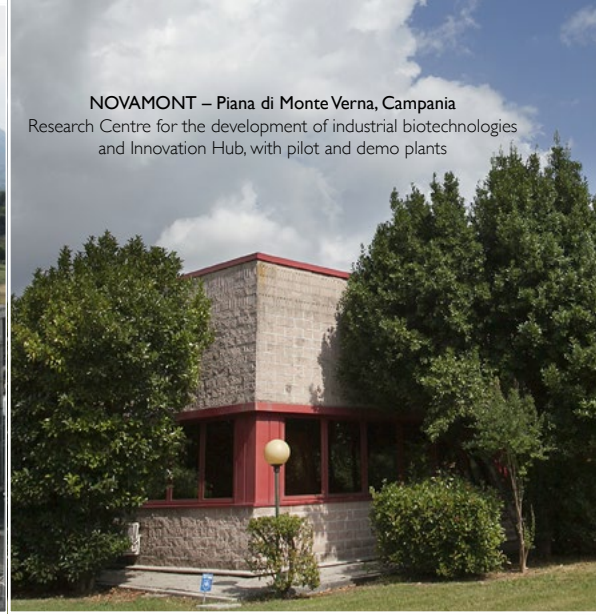




MATER-BIOTECH – Adria, Veneto
Production site and Innovation Hub, with pilot and demo plants
PRODUCTION OF BIO-BDO



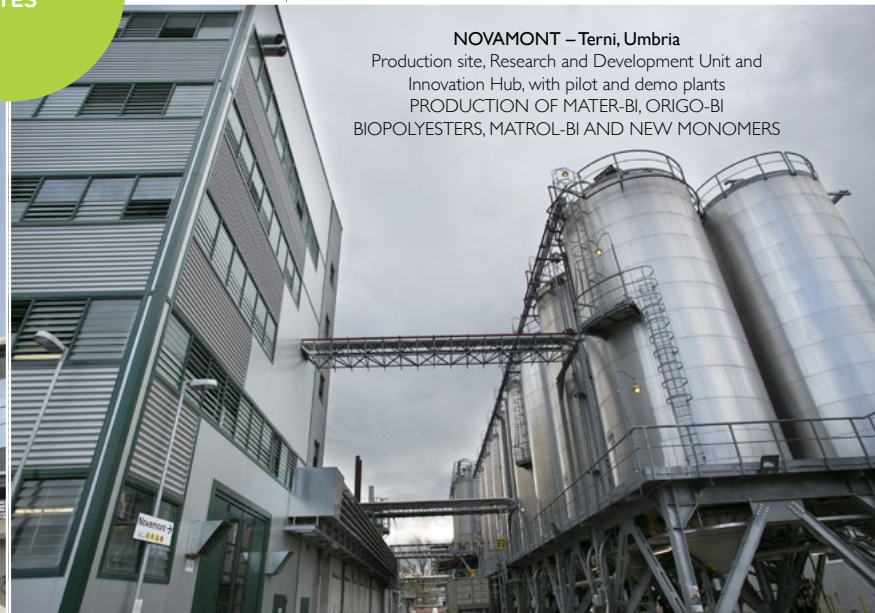
MATER-BIOPOLYMER – Patrica, Lazio
Production site
PRODUCTION OF ORIGO-BI BIOPOLYESTERS, MATER-BI, THF



NOVAMONT – Piana di Monte Verna, Campania
Research Centre for the development of industrial biotechnologies and Innovation Hub, with pilot and demo plants

THE NOVAMONT SITES

NOVAMONT – Novara, Piedmont
Administrative, and Research and Development Centre



NOVAMONT – Terni, Umbria
Production site, Research and Development Unit and Innovation Hub, with pilot and demo plants
PRODUCTION OF MATER-BI, ORIGO-BI BIOPOLYESTERS, MATROL-BI AND NEW MONOMERS

PRODUCTS AND APPLICATION SECTORS

Mater-Bi

Mater-Bi is our family of **biodegradable and compostable**[2] **bioplastics**, developed from **renewable raw materials** of vegetable origin and fully biodegradable fossil raw materials, when an equivalent of natural origin is still not available.

Thanks to its biodegradability and compostability, Mater-Bi makes it possible to **optimize the management of organic waste, to reduce the environmental impact** and to contribute to the development of virtuous systems, with significant advantages throughout the production-use-end of life cycle.

Using solutions in Mater-Bi bioplastic means not using resources that will eventually run out for products with a short useful life, reducing the production of undifferentiated waste and the impacts associated with it (sending to a landfill, soil, water and air pollution, greenhouse gas emissions) and encouraging the recovery of resources which, once they have undergone industrial composting, are turned into an excellent fertilizer to combat soil desertification, thereby completing the circle of nature, in which nothing is waste, but everything goes back to being a resource.

Mater-Bi, which is sold in the form of granules, is an **intermediate product** and therefore does not have its own use phase, but is processed using the most common conversion technologies for traditional plastics to create a multitude of final products.

BLOWN FILM
Biodegradable and compostable films, for specific applications

EXTRUSION
Woven nets for food products, rigid or semi-rigid containers and other items

EXTRUSION AND LAMINATION COATING
Common substrates, such as paper, card, plastic, aluminium, fabric

MATER-BI
THE CONVERSION TECHNOLOGIES

THERMO-FORMING
Tubs, pots for nursery gardening and other rigid containers

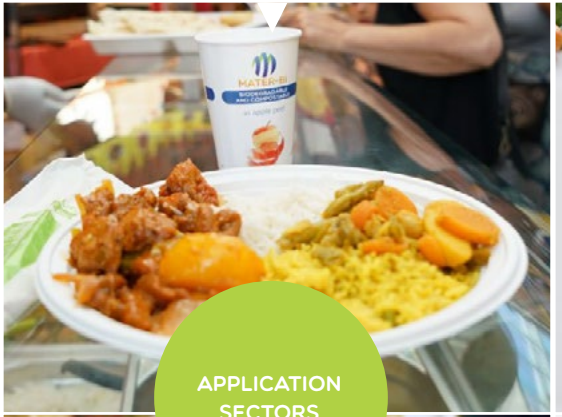
INJECTION MOULDING
Cutlery, pens, gadgets, toys, pots for nursery gardening, clips for agriculture

2 Additional information is provided on page 40-43 in Chapter 3 – Value chain and product sustainability

AGRICULTURE
Mulching films, clips, pheromones

FOOD SERVICE
Cutlery, plates, cups

PACKAGING
Food packaging



APPLICATION SECTORS

LARGE-SCALE DISTRIBUTION
Carrier bags Bags for fruit and vegetables

SEPARATE COLLECTION
Bags for organic waste

OTHER APPLICATIONS
Coffee capsules, labels, etc.

Celus-Bi

Celus-Bi is **our family of ingredients for the cosmetic and personal care sector**, and 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** that are not in competition with food production, and were developed to be **biodegradable**, in accordance with OECD guidelines, and thereby prevent the accumulation of microplastics in the ground and in water. The Celus-Bi family includes:

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

Celus-Bi Esters

Intended for the formulation of body care products and make-up (e.g. mascara, creams, foundation cream)

Celus-Bi Powders

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

Matrol-Bi

Matrol-Bi is our **family of rapidly biodegradable biolubricants**, which were formulated with special **oils of natural vegetable or synthetic origin**, and are characterized by their **high resistance to oxidation**. Thanks to these properties, Matrol-Bi fluids are a safe choice for all of those systems that operate in ecologically sensitive areas that might be subject to breakage or leakage with the release of the fluid into the environment, and resulting pollution. Matrol-Bi fluids are also characterized by **low volatility and flammability**, which translate into working environments that are healthier and safer in terms of fire hazard. The portfolio of products contains formulations that carry the EU Ecolabel[3]. The Matrol-Bi line is primarily made up of:

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, by improving their environmental profile and, at the same time, reducing the fire risk.

The line of Matrol-Bi products is a solution that can satisfy the strictest performance demands, while fully respecting the environment and the health of the user.

3 Additional information on the Ecolabel is provided on page 48 in Chapter 3– Value chain and product sustainability

Innovation in food packaging: Novamont's milestones in 2020

During 2020, together with our partners in the value chain, we launched important solutions for food packaging onto the market. These innovations constitute a significant milestone for our Group and are the result of the work we have done over the years in the bioplastic and biochemical value chain sector in Italy, and a tangible example of what the application of a circular bioeconomic model can achieve.

Cling film
February 2020

An essential milestone in the range of biodegradable and compostable films was achieved with the launch of a new compostable cling film, that is derived partially from renewable sources, and was developed in collaboration with Crocco (one of the leading companies in the flexible packaging sector) for the packaging of fresh foods. Breathability, transparency, antifog effect, mechanical resistance and unparalleled environmental performance are the characteristics of the new cling film in Mater-Bi, intended for use in Large-Scale Distribution and in packaging centres.

High Barrier Compostable pack
June 2020

Novamont and Colussi launched the new line of Misura products, wrapped in compostable packaging. This innovative packaging is the very first experience of entirely compostable packaging that has a high barrier effect to oxygen and to humidity, for long-life products: an alternative to multilayer and multi-material packaging which is currently impossible to recover.

Compostable tub
July 2020

Fileni, a leading company in the production of organic meat in Italy, launched extremely new packaging for its line of antibiotic-free products, all parts of which are compostable: tray (made of Mater-Bi), film, label and absorbent pad. In addition to saving material, this great revolution will also radically change what we do in the kitchen: the trays will be put with the organic waste. Fileni and Novamont also began collaborating on R&I, to spread good farming practices intended to regenerate the soil.

IV Range products bag
September 2020

Linea Verde (one of the most important Italian producers of fresh fruit and vegetable products, and a leader in fresh-cut products) brought to the shelves "A Green Bag", a range of bagged fresh salad under the brand DimmidiSì, in a bag that can be recycled with the organic fraction of the waste. The film of the packaging is made up of layers of different types of Mater-Bi, selected to enable the engineering of a packaging solution that provides rigid mechanical characteristics, machinability and printability.

Cling film
December 2020

Thanks to the partnership signed between Melinda and Novamont, the packaging of the Melinda BIO line became fully compostable; together with the tray, stickers and labels, Mater-Bi-branded film was added for the application to automatic and manual packaging of fresh foods. The new Melinda packaging can be recycled with the organic waste. As part of this initiative, Melinda and Novamont formed an R&I alliance to reuse the waste from apples in bioplastic production.

Flexible film
December 2020

By sharing their respective technological knowhow, Novamont, SunChemical, Ticinoplast and the Uteco Group (a value chain of top, all-Italian industrial companies) set up the world's first solution that combines the biodegradability and compostability of materials with extrusion, printing and laminating techniques. The flexible film that is obtained is excellent for packaging foods, as its technical characteristics are similar to the solutions currently adopted, and after use, can collect the organic fraction of waste.

MANAGING SUSTAINABILITY

The crisis caused by the Covid-19 pandemic and by climate change constitutes an unprecedented worldwide emergency that is generating social and economic impacts that still cannot be quantified, and that laid bare the fragility of our current development model, which is now considered obsolete when it comes to managing socio-environmental problems. However, the great uncertainty of the current macroeconomic context gives us the opportunity to think again about a new form of development, and it is at sustainability that the world is directing its attention.

DESPITE THE DIFFICULTIES AND UNCERTAINTIES DUE TO THE PANDEMIC, 2020 WAS A CRUCIAL YEAR FOR US, THANKS TO THE ACHIEVEMENT OF IMPORTANT MILESTONES IN TERMS OF SUSTAINABILITY.

To achieve genuinely sustainable development, it is necessary **to harmonize 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;

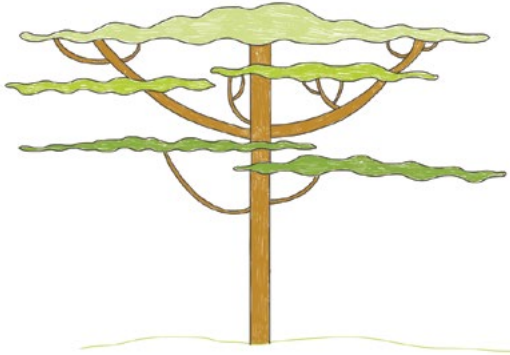
These aspects, together with the innovative view of business that has made Novamont a pioneer for over thirty years, are at the heart of a **corporate strategy that sees sustainability as its main guide**, that defines all of the business activities and that permeates the whole value chain. From the very beginning, we have turned our attention to achieving a development model that integrates chemistry, the environment and agriculture and that encourages the transition from a product-based economy to a system-based economy, themes that still characterize the Group's vision and mission.

Guided by these principles, we promote a **circular approach to the bioeconomy** that is based on the efficient use of renewable resources and on territorial regeneration. We develop and manufacture products of vegetable origin that are biodegradable and compostable and are conceived as solutions to specific problems closely connected to the quality of water and of soil, 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 been abandoned, we give life to 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, of composters, of farmers, of large-scale distribution, of local authorities and of other key, local stakeholders.

We are a B Corp-certified Benefit Corporation

With the knowledge of what we can still do to promote a genuinely sustainable and inclusive economic model, in 2020, we adopted the **legal form of Benefit Corporation**, formalizing in our statute the desire to pursue **goals of common benefit** for society, the territories and any environment we enter.



"As a benefit corporation, Novamont pursues goals that are of common benefit, acting in a responsible, sustainable and transparent way towards people, communities, territories, the environment, cultural and social property and activities, organizations and associations and other stakeholders."

Extract from Novamont's new Statute

The term Benefit Corporation refers to a new legal form of business that was introduced in 2010 in the USA, and that was subsequently adopted in Italy (the first country in the world, outside the USA) with the Italian Law of 28 December 2015. Companies that become benefit corporations undertake to:

incorporate within their statutes, goals of common benefit, in addition to profit goals.

measure all of their impacts and publish them annually, in a transparent and complete manner, in an **impact report**[4], which describes the actions taken and the plans and commitments for the future.

Certified B Corporation

At the same time as becoming a Benefit Corporation, we decided to join the world of **B Corps**, a global movement started with the goal of promoting and spreading a business model that goes beyond generating profit for shareholders and aims to innovate and to maximize the positive impact on society and on the environment, for all stakeholders.

A STEP WRITTEN INTO THE COMPANY'S DNA: BY BECOMING A BENEFIT CORPORATION, NOVAMONT IS ADHERING TO A NEW LEGAL MODEL OF WHICH THE COMPANY MADE ITSELF AN ADVOCATE OVER THIRTY YEARS AGO.

4 Novamont's 2020 Impact Report can be consulted on the website www.novamont.com.

The B Impact Assessment

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 organization. When the minimum score of 80 out of 200 is exceeded, the B-Corp certification is issued, stating that the company acts in a responsible, sustainable and transparent way, pursuing a higher goal than mere profit. In its first year of assessment, Novamont achieved the excellent score of 104, and thereby obtained the status of B Corp and joined a global movement that, today, has 3900 companies, in over 70 countries, that share a single objective: to rewrite how to do business in the world. With the inclusion of data from 2020, we obtained a new score of 120[5]. The increase in our corporate performance was the result of the plan of continuous improvement, particularly the benefit actions pursued to achieve the specific goals of common benefit.

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 of obtaining an important tool in managing the Group's sustainability matters.

"B Corps constitute a complete paradigm shift, which looks at business as a force for regeneration and that urges us to rethink the role of companies in society, in order to go well beyond the profit of today and to guarantee transparency and widespread value for territories."

Catia Bastioli

Policy and the Sustainability Committee

The great attention placed on these topics also led to the formalization of a Sustainability Policy. The Policy, which was approved, in June 2020, by the Board of Directors, formalizes the very principles of Novamont's corporate culture, and the commitments made to achieve responsible management of the impacts generated by the activities of the business on the environment, the communities and their people.

In order to manage the topics relating to sustainability in an increasingly structured and effective way, when we formalized the Policy, we set up the **Sustainability Committee**. The Committee, which is made up of the CEO, the factory directors and by ten corporate functions, interacts with the Upper Management of the Board of Directors with the role of making proposals and of advising, works synergistically with all of the Group's functions and contributes to spreading and integrating the sustainability topics in all areas of the business, and in its interactions with all of the stakeholders.

5 As stated in the law, this result is not certified by a third party, but is the result of a self-assessment, a process in which we were assisted by the company Nativa SB S.r.l., as mentioned in the chapter Reviewed with Care, in the 2020 Impact Report.

Innovation and research are the engines of development and the stimulus to bring about a change of course towards regenerating resources and the social fabric. Only by increasing our resilience in this respect will we be able to achieve broader social, economic and political goals, with fairer and more sustainable growth"

Catia Bastioli

RESEARCH PROJECTS

INTELLECTUAL PROPERTY

START-UPS

PARTNERSHIPS WITH UNIVERSITIES AND RESEARCH CENTRES

Chapter 1

INNOVATION

[GRI 103-1]

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

DISCLOSURE ON MANAGEMENT APPROACH

[103-2, 103-3]

Management approach

The strategic positioning on innovative products that have high added value and the context of growing competition in which Novamont operates require a significant commitment in terms of the research and development of new products and applications. This commitment is based on a highly scientific and technological approach, which has characterized Novamont since its 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 conform to the norms that regulate the bioplastics sector, but above all, to safeguard and regenerate the water and soil ecosystems. This translates into interventions on performance, in terms of the quality and socio-environmental sustainability of the final applications. The products obtained in this way are important, not only because they are bio-based, biodegradable or compostable, but because they constitute the driving force of an integrated system that has a wide range of opportunities for the community.

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

- Promoting research and innovation, for turning waste and byproducts from the value chain into new products;
- Adopting a management approach that is based on the principle of Life Cycle Thinking (LCT). Pursuing actions to mitigate and improve the environmental and social profile of its activities and of its 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 products and raw materials that most respect the environment (green purchasing);;
- Promoting the creation of 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 the above 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 the activities he must do, he needs to maintain a two-way dialogue with all of the corporate functions.

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

Over the years, all of 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 dryland crops.

In a context of growing competition in the bioplastics sector, protecting our patent portfolio is essential to the safeguarding of 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 organization system, the Group established a set of procedures intended to regulate how corporate R&D activities are carried out. In 2020, the Patent Box Management Process, which defines how the R&D activities that converge to create intellectual property are traced (a strategic asset for the Group), was also updated. The procedure for Managing activities 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 personnel involved in managing the aspects linked to this topic are assigned to the following Novamont S.p.A. functions:

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

These functions interface with the Group's subsidiaries, by collaborating actively with specific functions and the respective facility managements.

Complaint, consultation and discussion mechanisms

Further information on aspects concerning 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 SB.

PUTTING INNOVATION FIRST

Novamont has always had a triple vocation; it is 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, which have enabled us to become established as a leader in sustainable innovation, by developing innovative products and systems that have a lower environmental impact.

ABOUT 5% OF TURNOVER INVESTED IN RESEARCH & DEVELOPMENT

The investments include the cost of personnel, the cost of instrument 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

OVER 20% OF EMPLOYEES

dedicated to Research & Development activities and involved in the following areas of research:

BIOPLASTICS

SCOUTING TECHNOLOGIES OF MATERIALS SPECIAL PROJECTS

ORGANIC CHEMISTRY

AGRONOMY

BIOTECHNOLOGIES

TRANSVERSAL SERVICES

The research centre in Novara

The research centre for the development of industrial biotechnologies in Piana di Monte Verna

The research and development centre for new technologies, agronomy and sustainability at the factory in Terni

3 RESEARCH & DEVELOPMENT CENTRES

WITH AN AREA OF 7500 SQM OCCUPIED BY OUR LABORATORIES,
where we house equipment and facilities that range from the laboratory-scale to innovative pilot plants

Intellectual property of **MORE THAN 1400 ACTIVE PATENTS AND PATENT APPLICATIONS** in the sectors of natural and synthetic polymers and of conversion processes for renewable raw materials and **5 PROPRIETARY TECHNOLOGIES**

Our technical skills

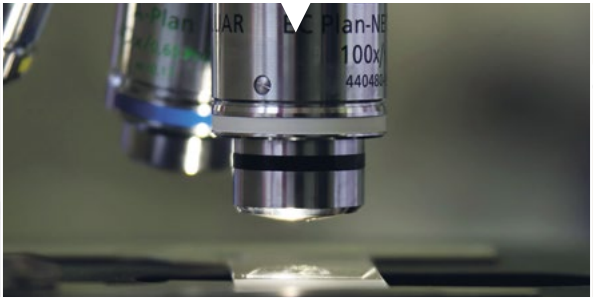
Agronomy

Technologies for converting plastic materials

Engineering

Mechanical properties

Chemical-physical characterizations



Biodegradation

Analytical chemistry

Industrial biotechnologies

Polymer synthesis

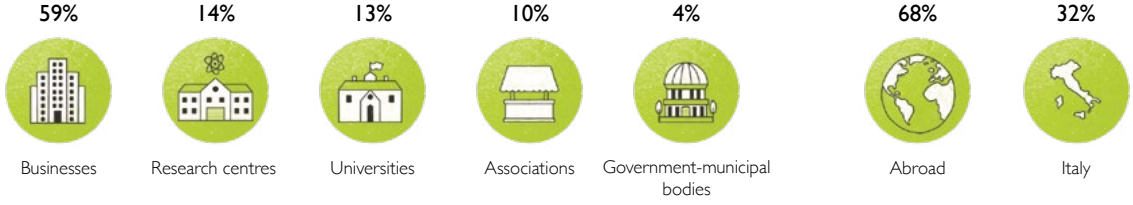
RESEARCH, DEVELOPMENT AND INNOVATION PROJECTS AND PARTNERSHIPS

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

To accelerate investments and promote innovation at all levels, we contributed to establishing, and we participate actively in, the Bio-Based Industries Joint Undertaking (BBI JU), a public-private partnership (PPP) launched by the European Commission, and we activate specific, open innovation projects with start-ups.

In 2020, we were involved in numerous Research & Development projects that focused on the topics of:

Creating more than 370 partnerships with leading Italian and international entities in the field of the circular bioeconomy



Catia Bastioli talks with BBI JU and BIC on the future of the bio-based industry

On 8 September, there was the web conference "Industrial R&D: Europe First?", organized by the *Science Business Network*, with the support of Attract, of the European Institutes of Innovation and Technology for Health and Urban Mobility, of the Bio-Based Industry Joint Undertaking and of Innovative Medicine Initiatives. The *Science Business Network* is a forum that brings together the most important organizations in the world of industry, of research, of innovation and of policy definition, in both Europe and Italy. The members meet regularly, to discuss the latest developments in policy and in Research and Innovation, including present and future framework programmes. Catia Bastioli spoke during the parallel session dedicated to the topic "*Sustainable Green Recovery: Bio-Based Industries in the driving seat*", reminding everyone that the circular bioeconomy can be a fundamental tool in resolving the problems of pollution and of over-exploitation of resources, "to do more with less".

Some of the Research & Development projects carried out in 2020:

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

www.embraced.eu

for improving the sustainability of cultivable land, by developing innovative bio-based fertilizers obtained by using organic waste in agriculture

www.bferst.eu

for studying and validating low-impact, non-food, cropping systems, suitable for being grown in marginal areas (that are at risk of erosion/ desertification, under-used, polluted and/or poorly used) and being converted into bioproducts of interest to the agro and industrial sectors

www.novamont.com/cometa

for developing processes to obtain second-generation sugars to use in the manufacture of bio-based products, starting from lignocellulose biomass

www.vehicle-project.com

for demonstrating 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

for converting plastic packaging waste into new resources, by developing the processes of the circular economy

www.circpack.eu

for developing monomers and low-impact processes for the production of TPU (thermoplastic polyurethane) used in the automotive sector

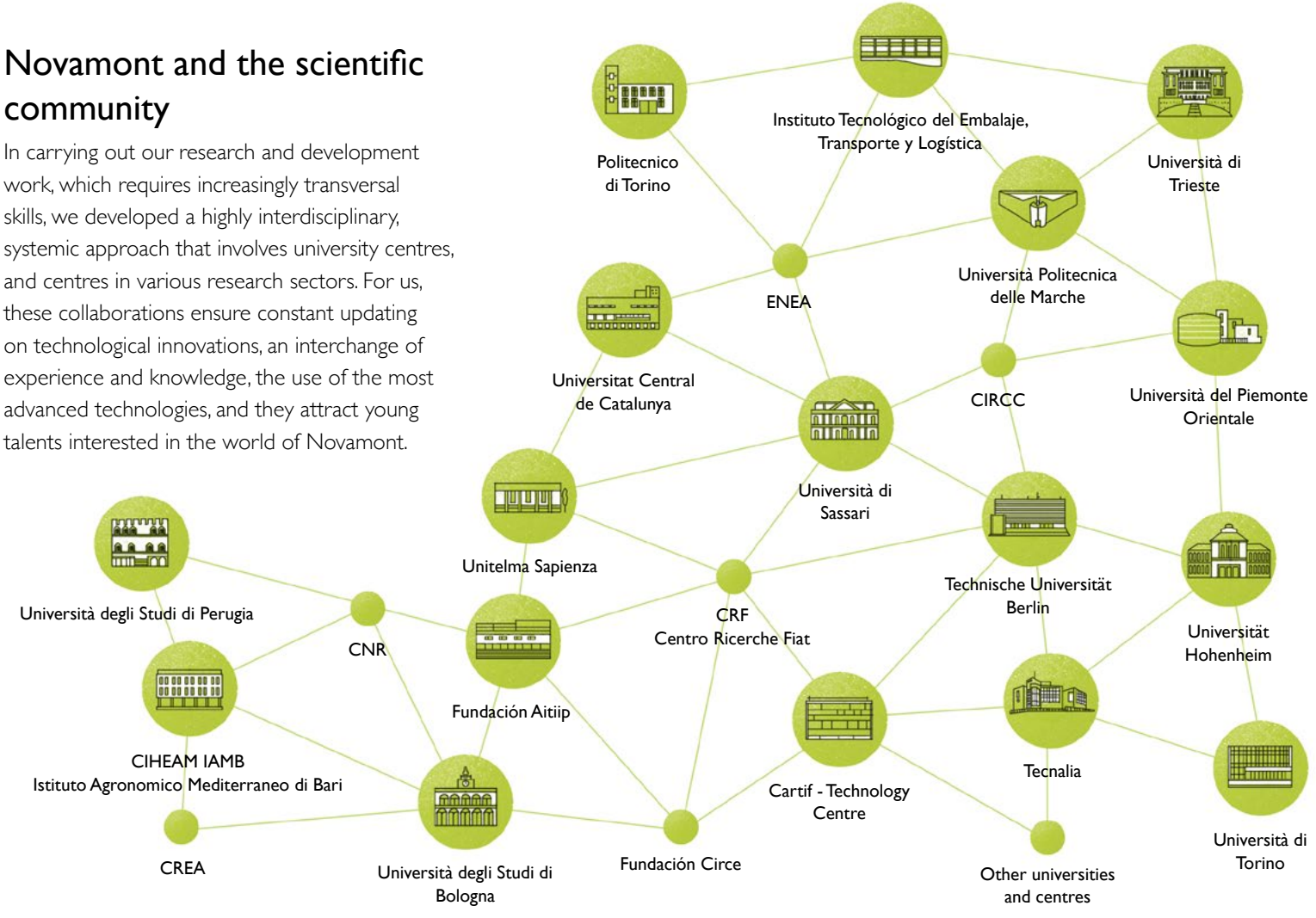
www.biomotive.info

BioInItaly Investment Forum & Intesa SanPaolo Start-up Initiative
the Novamont Award for Best Innovation to Biova

On 19 May, the 8th *BioInItaly Investment Forum & Intesa Sanpaolo Start-Up Initiative* was held, entitled "Biotech: from idea to market - 9 made-in-Italy projects hunting for investors", and organized by Assobiotec, the Intesa Sanpaolo Innovation Centre and SPRING. The goal of the project, of which Novamont is the main partner, is to allow biotechnology start-ups to present their projects to innovation investors, companies and operators. As part of this initiative, Novamont gave its "Start-up Award for the best innovation" to Biova, a start-up that operates in the field of food innovation, with the goal of reducing food waste, by applying the principles of the circular economy.

Novamont and the scientific community

In carrying out our research and development work, which requires increasingly transversal skills, we developed a highly interdisciplinary, systemic approach that involves university centres, and centres in various research sectors. For us, these collaborations ensure constant updating on technological innovations, an interchange of experience and knowledge, the use of the most advanced technologies, and they attract young talents interested in the world of Novamont.



GOVERNANCE MODEL

CODE OF ETHICS

ANTI-CORRUPTION

NON-FINANCIAL RISKS

ECONOMIC VALUE GENERATED AND DISTRIBUTED

Chapter 2

BUSINESS INTEGRITY AND STABILITY

[GRI 103-1]

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.

DISCLOSURE ON MANAGEMENT APPROACH

[GRI 102-17, 103-2, 103-3, 207-1]

Management approach

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

- Promoting the principle of equal opportunities and fighting discrimination;
- Fighting all forms of active and passive corruption.

The Group also updated its **Policy for Quality, the Environment and Safety (QEHS)**. The new QEHS Policy confirms, among other things, the importance of:

- Respecting the laws and regulations that apply to its 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 conformity to the QEHS requisites, the best available techniques and the company's expectations;
- 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);
- Demonstrating a clear commitment, on the part of management, to improving QEHS performance continually.

In order to guarantee the conditions of correctness and transparency when carrying out corporate activities, in 2008, Novamont S.p.A., together with the other companies in the Group, acknowledged the indications of Italian Legislative Decree No. 231, of 8 June 2001, "Regulation of the administrative responsibility of corporate entities, of companies and of associations also without legal liability" (Leg. Dec. No. 231/01), by adopting an **Organization, Management and Control Model (OMM)** that prevents and opposes any risk of committing the crimes mentioned in the Decree. In particular, for each family of offence identified, following an assessment of the risks, the OMM provides a description of the respective types of offence, the specific company activities that are sensitive, the principles of conduct to be respected, the protocols for monitoring the sensitive activities and the systematic information flows set up. The crimes considered relevant for the company include crimes of corruption, crimes against the Public Administration, crimes resulting from violations of regulations concerning health and safety at work, and environmental crimes. In particular, for the risks associated with the topic of corruption, 16 sensitive activities were identified. So, as part of its organization system, the Group established a set of procedures to regulate how company activities are carried out and to minimize the risk of committing the crimes identified in the analysis of the risk assessment.

During 2020, the OMM was constantly updated, and a new risk assessment of the administration and taxation was made, which led to the introduction of a number of protocols that constitute the best practices for tax control. In particular, the introduction was planned of the Tax Control Framework and a Fiscal Task Force, which are currently being implemented. The Model was subsequently updated following the recent acknowledgement of the so-called "PIF" Directive (EU Directive 2017/1371), on the fight against fraud, which extended the catalogue of tax crimes and the applicability of some crimes. Finally, the Model was updated to the take account of the latest requirements following the Covid-19 emergency: in particular, the risk assessment of the "safety at work" area was adapted to the virological / bacteriological contamination risk, and appropriate protocols were introduced, as were the associated flows to the SB.

Novamont undertakes to combat corruption proactively, bearing in mind the negative effects of corrupt practices on economic and social development in the areas in which it operates, and in consideration of the strategic importance of its business, and it identifies the measures to prevent acts of corruption as being an integral part of the Group's corporate responsibility, to protect its organization and all of its stakeholders. Thus, the Group denounces and prohibits corruption, without exception, and undertakes to respect all applicable anti-corruption norms. In the last few years, the fight against corruption has become progressively more important, also in light of the increased sanctions associated with physical persons and corporate entities, and in consideration of the impacts, in terms of reputation. In this context, Novamont took inspiration from the 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 protection procedures for the areas sensitive to the commission of acts of corruption;
- activities to inform and train its collaborators;
- activities of regular monitoring of the corruption risks and of the effectiveness and suitability of the policy.

To demonstrate its commitment in this area, in 2020, Novamont adopted an **Anti-corruption Policy** that seeks to provide the Group's collaborators with rules to follow in order to strengthen the anticorruption controls. In particular, the Policy established the obligation to adhere to anti-corruption norms, providing a definition of what can be interpreted as corruption and establishing the obligation to report the illegal practices that employees may be actively or passively involved in. This Policy is inspired by the principles of the Code of Ethics and, closely integrated with the Organization, Management and Control Models required by Italian Leg. Dec. No. 213/01 and with the Compliance Programmes (which are going to be implemented by the foreign subsidiaries), constitutes the most detailed tool to fight corruption phenomena.

In applying the legal provisions on the compliance to Italian Leg. Dec. No. 231/01, Novamont set up an online platform with free access to employees who want to report conduct that is

illegal or that may constitute a violation of the Code of Ethics or of the OMM adopted by the companies. In short, the associated implementing documentation, the **Whistleblowing Procedure**, covers: i) how to report any violations of the OMM or of the Code of Ethics (or the commission of crimes), ii) instructions on conduct for those making the report, iii) safeguards and sanctions for those "reporting" and those "reported".

To enable a company to tackle the great challenges of the future successfully, it is essential that it should have a solid and shared strategy, with a coherent mission and clear model to pursue. In order to turn all of this into value, it is necessary for the organization structure to be flexible, rapid, interconnected, and focused on goals, but without losing the overall vision. With this in mind, Novamont created a **Strategy Document**, which defines the strategies, initiatives and projects that Novamont seeks to undertake, to achieve its established goals. The **Procedure for approving and managing the Strategy Document** defines how the Group's Strategy Document should be drawn up, approved, circulated and respected.

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

Responsibilities

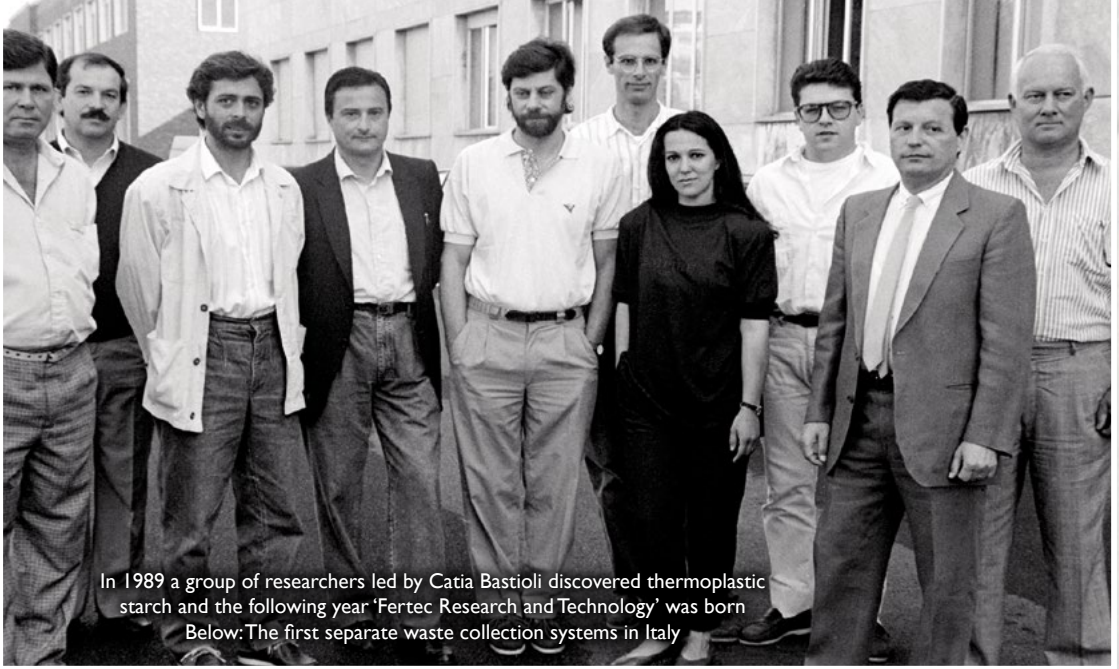
The personnel involved in managing the aspects linked to this topic are assigned to the following Novamont S.p.A. functions:

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

These functions interface with the Group's subsidiaries, by collaborating actively with specific functions and the respective facility managements. When the OMM was approved by the Board of Directors, at the same time, a **Supervisory Body (SB)**, of 3 members, was appointed to monitor the observance, operation and updating of the OMM (including the Code of Ethics) and to coordinate the information and training on the Decree, the Model and the Code.

Complaint, consultation and discussion mechanisms

For consulting and highlighting doubts concerning unethical or illegal conduct or corporate integrity (including possible violations of Model 231 and/or of the Code of Ethics), any employee can contact the SB or the Group's Legal Affairs Function at Novamont S.p.A., using the SB's email address. Contacts can be made anonymously when whistleblowing.



In 1989 a group of researchers led by Catia Bastioli discovered thermoplastic starch and the following year 'Fertec Research and Technology' was born
Below: The first separate waste collection systems in Italy

SCIENZA E AMBIENTE

NUOVE TECNOLOGIE / È NATA LA PLASTICA BIODEGRADABILE

Petrolio? No, mais

Sacchetti che, gettati, si dissolvono. È il miracolo dell'amido di granoturco, dicono i ricercatori della Montedison. Ma è proprio vero?

di SANDRO BOERI

Prendete un sacchetto di plastica, un normalissimo «shopper» del supermercato. Mettetelo sotto terra, in giardino o anche nel vaso dei gerani. Aspettate un anno, due, tre... poi scavate. La plastica sarà ancora lì, indistruttibile, inattaccabile come i miliardi (circa otto all'anno solo in Italia) di sacchetti che si accumulano lungo i fiumi, nei boschi, in riva al mare, nelle discariche.

Prendete invece una pannocchia di granoturco. E ripetete l'esperimento. Dopo pochi mesi non la troverete più: mangiata, digerita, da milioni di microorganismi presenti nel terreno.

Conclusione: la pannocchia è naturale, biodegradabile, ecologica. Il sacchetto è artificiale, inalterabile, inquinante (almeno dal punto di vista estetico).

La settimana scorsa i 750 mila bambini italiani che leggono il settimanale *Topolino* sono stati invitati a fare qualcosa di simile: l'«esame giardino» a un orologio di plastica. Hanno trovato il primo pezzo dell'orologino (un copriquadrante con l'effigie di Topolino) nel numero in edicola il 5 luglio. Gli altri due pezzi necessari per completare l'assemblaggio (l'orologio vero e proprio e il cinturino di sughero) saranno allegati ai prossimi numeri. I bambini useranno l'orologio finché funzionerà. Poi, se seguiranno le istruzioni di *Topolino*, estrarranno la pila (molto inquinante e per nulla degra-

Producing plastic from corn starch becomes a reality

PER LE AMMINISTRAZIONI
CHE VOGLIONO
LASCIARE IL SEGNO SENZA
LASCIARE TRACCE.

Novamont
Chimica Vivente per la Qualità della Vita.

Our first biorefinery in Terni

OUR STORY

It was in the Montedison School of Material Science that the project to integrate chemistry, the environment and agriculture began to develop. Numerous steps forward have been made towards building an integrated value chain for bioplastics and biochemicals, and today, we are not only acknowledged, internationally, as leaders in the sector, but also as genuine example of what implementing the circular bioeconomy can achieve.

1990 — Foundation of Novamont
FERTEC Research Centre

1991 — Fertec was incorporated into Novamont S.p.A.
First demo plant in Terni

1996 — Acquisition of Novamont
by associated investors and Banca Commerciale Italiana

1997 — 1st increase of Mater-Bi production capacity
of Terni Plant

2001 — Novamont achieves break-even point in turnover

2006 — Start of biopolyester production in Terni
(discontinuous process)

2009 — 2nd increase in Mater-Bi production capacity
at the Terni plant

30 YEARS AGO THE FIRST PRODUCTION OF MATER-BI WAS LAUNCHED IN TERNI!

2011

Conversion of a PET line at the Patrica plant
1st continuous biopolyester line

Matrìca was founded
JV with Eni-Versalis in Porto Torres

2012

3rd increase in Mater-Bi production capacity
at the Terni plant

Acquisition of a disused lysine production plant in Adria
to be transformed into a flagship plant for the production of Bio-BDO, and agreement with Genomatica:

Mater-Biotech was founded

Acquisition of the biotechnology and R&D centre
in Piana di Monte Verna

2014

Mater-Biopolymer was founded
with the acquisition of 78% of M&G in Patrica

2015

Agreement with Coldiretti
for development of the agricultural value-chain

Production of the first chemical intermediates from renewable resources
in Matrìca

2016

Inauguration of Mater-Biotech

2017

Acquisition of 100% of Mater-Biopolymer

2018

4th increase in Mater-Bi Production capacity
at the Terni Plant

Origo-Bi production capacity doubled
at the Patrica plant

2019

Agreement with Coldiretti
for the development of italian-made sunflower oil intended for the production of biolubricants, bioplastics and bioherbicides

Start of Mater-Bi production
at the Patrica plant

Start of construction of the demo plant for the production of furandicarboxylic acid in Terni

2020

Certified B Corporation

B Corp certification
obtained

Acquisition of the legal form of
Benefit Corporation

2007
Catia Bastioli is named "European Inventor of the Year"

2012
The first research centre for industrial biotechnologies is born in Piana di Monte Verna

2015
Catia Bastioli receives the Giulio Natta award for chemistry

2016
The inauguration event of Mater-Biotech, the world's first plant for the production of bio-BDO from sugars

2016
the WWF awards Novamont the Panda d'Oro award

2018
Ribbon cutting at Mater-Biopolymer, the Group's second biorefinery

GOVERNANCE MODEL

SHAREHOLDERS' MEETING

Appoints the members of the BoA;

Approves 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 the conformity to regulations and codes of conduct, and approves the Non-Financial Statement

1 CHAIRPERSON **1 CHIEF EXECUTIVE OFFICER** **7 BOARD MEMBERS**

Meets at least three times a year

BOARD OF AUDITORS

Monitors observance of the law and of the statute, and ensures that the principles of correct management are respected

1 CHAIRPERSON

2 AUDITORS

INTERNAL COMMITTEES

Inter-functional workgroups, which have decisional and/or advisory powers, and which may be permanent or temporary (Task Forces).

They meet periodically

SUPERVISORY BODY

Verifies that the OMM is respected and is adequate, and sees that it is updated; Reports to the BoD any updates and adjustments of the OMM.

3 MEMBERS

As the holding company, Novamont S.p.A. adopted a traditional Governance model, which aimed to ensure that the company and the Group worked correctly. The model is characterized by the presence of the following bodies: the Shareholders' Meeting, the Board of Directors (BoD), the Board of Auditors, the Supervisory Body (SB) and by 14 Internal Committees. The legal audit of the accounts is entrusted to an Auditing Company, appointed by the Shareholders' Meeting.

The current Administration Body, which was appointed by the Shareholders' Meeting, consists of a Board of Directors, which currently has nine members, who are in office for three financial years, and who may be re-elected. The BoD has full powers in the ordinary and extraordinary administration of the company and, in accordance with the Statute, can delegate all or part of its powers to an executive committee, which is formed from its members or from individual administrators, appointing one or more Chief Executive Officers.

Composition of Novamont S.p.A.'s Board of Directors, as of 31 December 2020

9 members of the Board of Directors

1 executive — **8** non executive

1 indipendent — **8** not indipendent

2 30-50 years — **7** >50 years

1 woman — **8** men

7 Italy — **2** other countries

NON-FINANCIAL RISKS

In 2019, in order to ensure full conformity to Italian Leg. Dec. No. 254/2016, we prepared an initial mapping of the **non-financial risks** of the areas identified by the Decree that derive from the Group's activities and from its products throughout the value chain. In the section "Approach to managing the topic" (Management approach), in the introduction of each chapter, we describe the approach to managing the material topics and, consequently, the potential associated risks.

MATERIAL TOPIC	POTENTIAL RISKS	POTENTIAL IMPACTS	MANAGEMENT APPROACH
INNOVATION	Lack of ability to innovate, for the development of the business Development of products that are not in line with market needs Incorrect management of the intellectual property and of the technological skills	• Damage to the reputation of the Group and of the brand • Reduction in the Group's competitiveness and future ability to innovate	Page 17
BUSINESS INTEGRITY AND STABILITY	Identification of strategies unable to withstand the evolution of legislation in the sector Non-conformity to norms (corruption, recycling, competition, labour law) Malfunctioning of the production plants Lack of availability and/or quality of raw materials for supplies Failure to achieve the expected economic-financial performance	• Limitations to carrying out the activities • Damage to the reputation of the Group and of the brand • Reduction in the Group's competitiveness and future ability to innovate	Page 25-26
CHAIN AND PRODUCT	Non-conformity to local, regional and national norms on the environment Inefficient management of resources (e.g. energy, water) Poor checking of environmental and social topics in the supply chain	• Increase in the environmental impacts of the activities • Limitations on carrying out activities • Damage to the reputation of the Group and of the brand • Compromised relations with local communities • Increase in operating costs • Sanctions	Page 38-39
CONFORMITY AND QUALITY OF PRODUCTS	Failure, on the part of bioproducts and in the chemical sector, to respond to the evolutions in legislation in the field of bioplastics Non-conformity, on the part of the products, to the standards of biodegradability and compostability Non-conformity to the legislation for materials that come into contact with foodstuffs Non-conformity, on the part of raw materials and of finished products, to the legislation in the chemical sector (e.g. REACH and CLP) Poor customer support in all stages of material management	• Sanctions • Commercial opportunities missed • Increase in the environmental impacts of the products during their life cycle • Damage to the reputation of the Group and of the brand • Impacts on the health of the final consumer • Compromising of relations with customers	Page 60-61

MATERIAL TOPIC	POTENTIAL RISKS	POTENTIAL IMPACTS	MANAGEMENT APPROACH
TERRITORIAL REGENERATION AND SOIL PROTECTION	Non-conformity to the standards of biodegradability in soil and compostability of the products	• Negative impacts on the soil • Damage to the reputation of the Group and of the brand • Reduction in indirectly generated employment in the territory • Reduction in the positive economic impacts in the territory	Page 75
	Absence of synergies, collaborations and specific skills along the chain		
RESPONSIBILITY TOWARDS THE COLLABORATORS	Inability to attract talent	• Lack of suitably trained personnel • Dissatisfaction of collaborators, with consequences on productivity • Accidents at work • Damage to the reputation of the Group and of the brand	Page 87-88
	Loss of specialized personnel		
	Failure to adapt the skills of the personnel as the company grows		
	Inadequate union relations		
	Failure to receive, or incorrect interpretation of legislation on employees' rights		
	Non-conformity to laws and/or regulations on the health and safety of employees during the various stages of manufacturing the product and concerning workplace conditions		
COMMUNICATION AND SUSTAINABILITY AWARENESS	Inadequacy of communication or conveying of incorrect messages in social or marketing campaigns	• Damage to the reputation of the Group and of the brand • Loss of competitive advantage	Page 98
	Failure to consider or satisfy stakeholders' expectations		
	Unfavourable perception of the sustainability of biodegradable and compostable products		
EDUCATION AND TRAINING	Identification of methods not sufficiently suitable or effective in raising awareness of environmental and social problems among new generations	• Failure to make people aware of their responsibilities • Commercial and research opportunities missed • Failure to prepare professional figures that are up to the challenges of sustainability and of the circular bioeconomy • Reduction in the Group's competitiveness and future ability to innovate	Page 104
	Insufficient connection between theoretical training and the practical application of knowledge (connection between universities and companies, dialogue with the industrial sector)		
PARTNERSHIPS AND COLLABORATIONS	Participation in activities of illegal partnerships or associations that can limit free and fair competition	• Damage to the reputation of the Group and of the brand • Loss of competitive advantage • Commercial and research opportunities missed	Page 114
	Failure to notice or participate in national and international research calls for bids		
	Inability to grasp business opportunities stemming from partnerships and collaborations		

OUR INTEGRITY

Code of Ethics

The values, principles and codes of conduct that have always guided our Group were established 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 the Group recognizes and shares with its stakeholders, 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 of the players involved in the Group. The document was adopted for the first time in 2004, and is constantly updated on the basis of organizational and/or legislative developments.

Every Italian company in the Group has adopted its own Code of Ethics, and the foreign subsidiaries have adhered to the principles of Novamont S.p.A.'s Code. In addition, in 2011, Novamont North America adopted an employee manual containing the goals, values and standards of conduct that the employees must follow, in line with the values and commitments expressed in the Code of Ethics.

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, also with the publication of the OMM and of the Code of Ethics on the company's website and on the company notice board.

During 2020, training sessions were organized, with the illustration of and/or reference to the key concepts of Italian Decree No. 231, the OMM and the Code of Ethics. These sessions had a special goal, of providing training on/informing about the principles concerning whistleblowing and the programme of compliance introduced by the company in accordance with the national regulations. The training project saw the participation of 358 employees.

The principles defined in the Code of Ethics

Sanctions and legal action

In 2020, against the companies in the Group:

No events linked to **cases of corruption** were confirmed or contested.

No events linked 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-conformity to regulations and/or voluntary codes concerning the **information and labelling requirements of products and services.**

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

No cases emerged of non-conformity to 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 laws and/or regulations concerning the **environment**.

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

This Sustainability Report only mentions sanctions considered to be significant, that is, for sums that exceed €50,000[1].

1 This sum corresponds to 0.02% of the Group's 2020 turnover.

THE ECONOMIC VALUE GENERATED AND DISTRIBUTED

The economic value generated and distributed (i.e. added value) allows us to think back on the wealth generated by our Group, and it expresses, in monetary terms, the economic impact that Novamont's business has generated and redistributed to the main stakeholder categories. Thus, it provides a complete picture of the relationships between Novamont and the socioeconomic system it interacts with.

The economic value generated and distributed to the stakeholders is calculated on the basis of a reclassification of the items in the profit and loss statement used in Novamont S.p.A.'s Consolidated Financial Statement on 31 December 2020. In 2020, the economic value generated by our Group was equal to €287 million, and the sum distributed (equal to €260 million) was done so as follows:

Economic value generated and distributed by the Novamont Group (to 31 December)[2]

[in thousands of €]	2020
Economic Value Generated	**286,763**
Economic Value Distributed	**260,842**
Operating costs	196,371
Payment of collaborators	34,430
Payment of backers	3755
Payment of the PA	24,943
Payment of the community	1343
Economic Value Withheld	**25,921**

Operating costs
these mainly include costs incurred for purchasing raw materials, subsidiary materials, consumption materials, goods and services

Payment of collaborators
this includes all costs incurred in managing the personnel (e.g. salaries and wages, social security contributions, staff leaving indemnities, etc.)

Payment of the public administration (PA)
this mainly includes taxes on income

Payment of the community
this includes sums relating to donations, membership fees and sponsorships

Payment of backers
this includes interest and other financial charges

2 Since 2020, the Consolidated Financial Statement has been produced in accordance with International Financial Reporting Standards. As a result of this, it is not possible to compare the economic value generated and distributed in 2020 with that of previous years.

Living well, within the natural limit is the great challenge of our century and it requires a change of mentality which must be made as soon as possible, at an individual and a collective level, if we are to attempt to turn the tide of resource degradation. We need to critically rethink the culture of production and conservation, and overcome the dominant culture of squandering and disposal."

Catia Bastioli

RAW MATERIALS

RENEWABLE ENERGY SOURCES

COMPOSTABILITY

RESPONSIBLE VALUE CHAIN

Chapter 3

VALUE CHAIN AND PRODUCT SUSTAINABILITY

[GRI 103-1]

The development of a responsible and sustainable production chain using raw materials of vegetable origin from sustainable agriculture, a 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, of greenhouse gas emissions, while respecting the biodiversity of the territories the Group operates in. Formalizing these commitments by conforming to certifications and standards currently not demanded by regulations.

DISCLOSURE ON MANAGEMENT APPROACH

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

Management approach

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

• Ensuring that processes, products and workplaces do not entail risks to the health and safety of employees or of the community, and reducing every form of pollution as much as possible;

• Adopting a management approach that is based on the principle of Life Cycle Thinking (LCT). Pursuing actions to mitigate and improve the environmental and social profile of its activities and of its products, by: (i) choosing or developing processes and systems that allow reducing energy and material consumptions, (ii) using renewable energy sources, (iii) carefully designing products from an eco-design perspective throughout their life cycles, and (iv) purchasing products and raw materials that most respect the environment (green purchasing);

• Reducing to a minimum greenhouse gas emissions, the use of water resources and their quality deterioration along the whole value chain;

• Contributing to mitigating the contamination of the soil and of the oceans;

• Contributing to maximizing efficiency in the management of organic waste in urban and metropolitan areas, by encouraging biological recycling;

• Guaranteeing respect for human rights along the whole value chain, including the supply chain.

The Group also updated its **Policy for Quality, the Environment and Safety (QEHS)**. The new QEHS Policy confirms, among various commitments, the importance of adhering to the principles of sustainable resource management, pollution prevention, environmental management, safety and sustainability of products, also by signing up to international voluntary programmes that promote these principles. In pursuing the commitments stated, Novamont decided to adopt an **Integrated Management System (IMS) for Quality, the Environment, Health and Safety**[1]. With reference to the material topic, the IMS includes checking, monitoring and, if necessary, reducing environmental impacts. So, as part of its organizational system, the Group established a set of procedures to regulate how corporate activities are carried out and to minimize the risk of committing the crimes identified in the analysis of the risk assessment, including environmental crimes. These procedures linked to the material topic include:

• ***Management of accidents while transporting goods***: this provides instructions on how to manage accident events that may occur while transporting and/or delivering finished products;

• **Validation of Raw Materials**: this defines the process of validating raw materials, with the aim of reducing any existing risks to health and to the environment, and risks correlated to Mater-Bi's conformity to certifications;

• **Managing Purchases**: this describes the methods, individuals and areas of responsibility concerning purchases;

• **Acquiring, Monitoring and Checking Environmental Data**: this describes how to acquire, process and use the environmental data from the Group's sites.

• **Procedure for Qualifying, Assessing and Monitoring Suppliers**: this defines the general criteria, responsibilities and operating methods adopted by the Group to manage and check the process of qualifying, assessing and monitoring suppliers.

In order to achieve increasingly high levels of performance, in 2020, the Group also adopted the ***B Impact Assessment*** **(BIA)** framework[2], as the main support in managing the topics of sustainability, including environmental topics.

With reference to managing the **supply chain** (which is primarily made up of suppliers of raw materials, goods and services (consulting services, logistics services, supply of commercial goods maintenance material and performance of work) and of plants, and industrial machinery and goods), Novamont aims to develop lasting relations based on trust with suppliers that share the Group's values and that demonstrate the same commitment to working in a responsible and ethical way in all aspects of the business. In particular, commercial relationships are promoted that are exclusively with suppliers who give guarantees on the fundamental human rights of their employees. As a part of this commitment, Novamont ask its suppliers to respect the Code of Ethics, in full. Also, after acquiring precise monitoring data on supplier performance, an **Assessment Report** is drawn up, which, in the event of significant deviations registered, enables Novamont to decide on appropriate actions to take against the suppliers, in order to improve their performance. For some important suppliers, an additional targeted assessment is necessary, to examine specific aspects concerning sustainability. Driven by a desire to enhance the overseeing of the supply chain and to establish with it increasingly virtuous trade relations, Novamont set up a structured process of **assessing and monitoring the sustainability performances of its suppliers**, using the EcoVadis platform. In particular, the EcoVadis assessment method is based on international standards, and it analyses 21 sustainability criteria grouped into four macro-areas: ethics, environment, working practices and human rights, and sustainable purchases. The project was launched in 2020 and the first assessment results (available from 2021) will be integrated into the processes of supplying and of reviewing the Group's suppliers.

The Group's **energy consumption** is primarily associated with the production processes, and to a lesser extent with the lighting and air-conditioning of the buildings, and running of the pilot plants. The Group is constantly on the search for solutions to improve energy efficiency, with the help and coordination of the ***Energy Manager***. As part of the Engineering function, this figure works to provide support in the planning and management of activities in terms of energy, in the Group's strategic choices concerned with renewable energy sources and with energy efficiency.

The **greenhouse gas (GHG) emissions into the atmosphere** are primarily correlated with the energy consumption on the Group's premises and are divided into two categories. **The Scope 1 emissions** (direct emissions) are primarily linked to the burning of methane and, to a lesser extent, to the burning of liquid and gas refluents at the Terni combustor. The **Scope 2 emissions** (indirect emissions) include emissions connected with the

1 For more information on the IMS, turn to page 62 in Chapter 4 – Conformity and quality of the products
2 For more information on the framework, turn to page 15

use of purchased electrical energy and steam and were quantified using the Location-based and **Market-based** calculation methods[3].

On the matter of **water resources**, Novamont constantly obtains and analyses data on consumption from the industrial plants and from the water networks, to enable it to identify any anomalies in the consumptions and to ensure conformity to the various existing regulations. For the Terni and Patrica factories, and for the research centre in Piana di Monte Verna, the water used in the production plants, laboratories and pilot plants is drawn from the water tables near the production areas. The water used for the bathrooms is drawn directly from an aqueduct. In all of the sites, tests are carried out regularly to assess the quality of the wastewater based on the specific table of values (listed in Italian Leg. Dec. No. 152/06, Attachment 5, Table 3, Discharges into surface waters), which establishes the legal limits that must not be exceeded in order to be able to discharge the refluent into the receiving body. The characterization of the wastewater is done using chemical tests carried out by external laboratories and by internal checks.

The Group produces **waste** primarily in its production activities and in the management of its warehouses and offices. The non-hazardous waste accounts for the largest share of the total waste and is primarily made up of packaging of the raw materials used in the production processes and by sludges from the biodigester in the Adria factory. The waste that is classified as hazardous is due to water containing solvents from the factory in Patrica. Disposal of the waste undergoes checking and tracing procedures, in accordance with the reference regulations.

In Novamont, the importance of safeguarding the natural value and **biodiversity** of the territories affected by the activities of the Group's factories is acknowledged. So, to protect these places, specific precautions are adopted that conform to local, national and international legislation. The Group's sites do not have any high vulnerability characteristics and do not interact with protected or natural areas, with the exception of the site in Adria, whose industrial area lies in the Po Regional Park, which is part of the Natura 2000 Network. For this site, Novamont made an integrated assessment, in 2019, of the risk to biodiversity, using the BIR (Biodiversity Impact Risk) method. The assessment made it possible to identify areas for improvement for the most sensitive components directly controlled by the company (e.g. emissions into the air, into water, internal sensitivity to the topic, etc.)

Finally, the Group adopted methods and practices to assess and **quantify the environmental loads and impacts, both direct and indirect**, associated with the activities of the organization and with the product's life cycle (from selecting the raw materials to final recycling), in a logic of Life Cycle Thinking. These include **LCA (Life Cycle Assessment)**, an internationally-regulated tool (ISO 14040 and ISO 14044) that has been used by Novamont since 1998, which makes it possible to assess the flow sequence of the environmental impacts and to limit them, by improving the efficiency of the whole production process. Novamont uses the LCA method also for its organization (Organizational Life Cycle Assessment).

Other actions, programmes and initiatives implemented by the Group are described in detail 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
- Ecology of Products and Environmental Communication
- Corporate Communication and Strategic Planning
- Quality, Environment and Safety
- Engineering (Energy Manager)
- Logistics and Procurement
- Research & Development
- Group Operations General Management

These functions interface with the Group's subsidiaries, by collaborating actively with specific functions and the respective facility managements. In 2020, they started operating, with the coordination and support of the Sustainability Committee and of internal workgroups connected with the management of the B-Corp certification and of the pursuit of 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 or info@novamont.com. Reports may be made by contacting the SB.

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, the Scope 2 emissions are obtained by considering the emissions generated by the electricity production plants that supply Novamont, and the origin of the electricity is indicated in the contract documents. The supply of energy from renewable sources is certified by the Guarantees of Origin (GO).

SUSTAINABLE PRODUCTS

Biodegradability, Compostability and Renewability

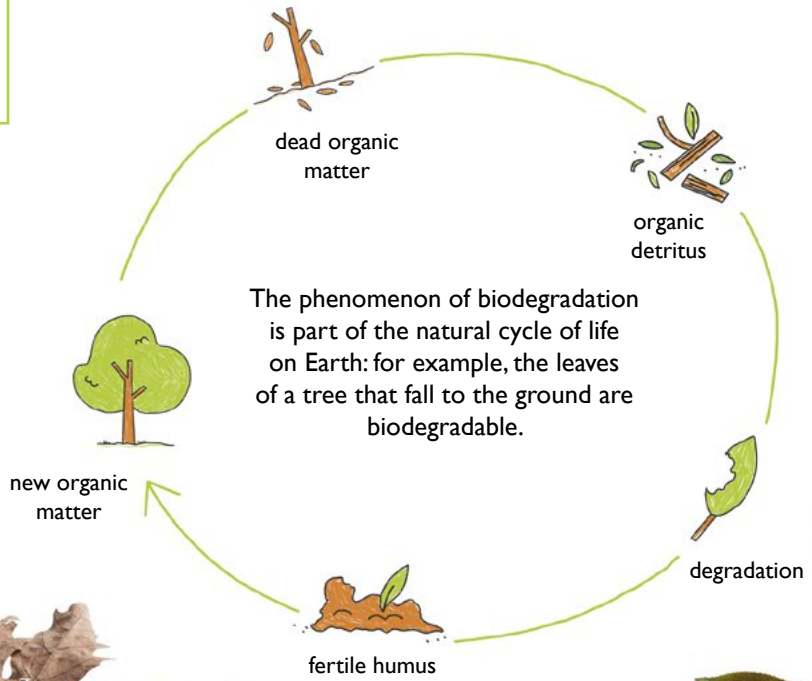
Mater-Bi is our family of bioplastics that are characterized by renewability, biodegradability and compostability. Knowing the difference between these terms, which are often confused as synonyms, is essential in order to fully understand the characteristics of our products and to ensure they are used correctly.

What is biodegradability?

It is the ability of an organic substance, of vegetable or animal origin, to decompose into simpler substances by means of the enzymatic activity of bacteria and other microorganisms.

When the biological process is complete, we have the total conversion of the starting organic substances into simple, inorganic molecules: water, carbon dioxide, methane and new biomass.

IRRESPECTIVE OF THE PERCENTAGE OF RENEWABLE MATERIAL, MATER-BI IS ALWAYS COMPLETELY BIODEGRADABLE AND SUITABLE FOR COMPOSTING, IN ACCORDANCE WITH THE NORM EN 13432.

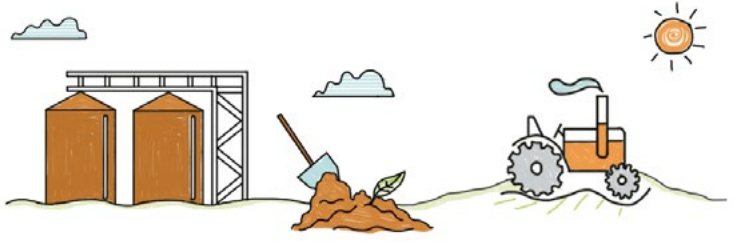


The phenomenon of biodegradation is part of the natural cycle of life on Earth: for example, the leaves of a tree that fall to the ground are biodegradable.

What is compostability?

It is the property of biodegradable, organic matter (for example, plant cuttings, kitchen scraps, gardening waste, such as leaves and grass cuttings, some types of bioplastics, etc.) of being able to turn into compost in composting plants.

Composting is an **aerobic biological process** (that is, it takes place in the presence of oxygen), that is **controlled by man**, and that exploits the biodegradability of the initial organic materials, turning them into a final product that is rich in humic substances: compost. When composting is done individually, as a small-scale gardening activity, it is called "domestic composting".



Widely used in agronomy and nursery gardening, compost is a product that is similar to topsoil, it is biologically stable, inert and odourless. It is an excellent organic fertilizer, as it is rich in humic substances and microorganisms that are useful to the soil. Its content of organic matter improves the structure of the ground and the bioavailability of nutrients (phosphor and nitrogen compounds).

What is renewability?

The term refers to the origin of the raw materials and to their respective sources, which can be regenerated in a relatively short period of time; these resources can be introduced effectively into industrial cycles.

On the basis of the raw materials used for the production, the renewable material content of Mater-Bi is, on average, around 40% for the materials used for blown films. In Italy, for "bags for foods, such as fruit and vegetables", Novamont can provide solutions with a renewable content that is greater than 60%, (so, whose renewability is greater than 50%, as is currently required by the Italian law on carrier bags). In the materials for press-forming tableware, the content of renewable matter exceeds 60% in most cases, with the possibility also of reaching 100% for some specific applications.

Maize crops, oleaginous crops and tree plantations for the production of cellulose are renewable sources, and the substances obtained from them (starches, oils, cellulose) are similarly renewable. The Amazon forest is not renewable, because, with all of its complexity and biodiversity, it took an extremely long time to form. If it were destroyed, it would not be possible to return it to its original state.

The stages of composting

ORGANIC WASTE CAN BE PROCESSED IN TWO WAYS:

1

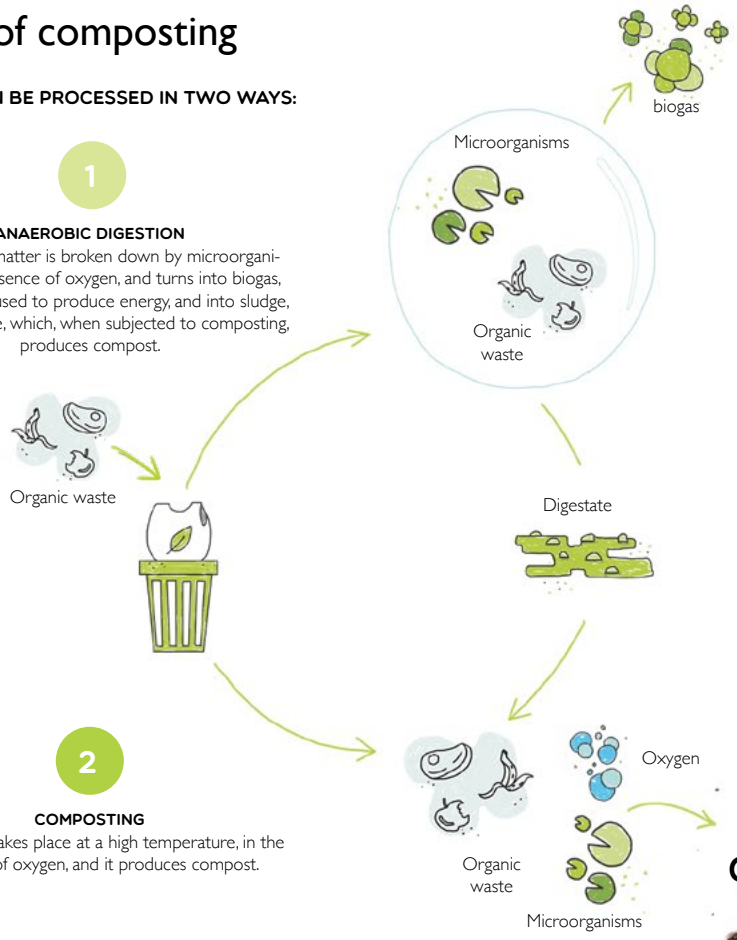
ANAEROBIC DIGESTION

The organic matter is broken down by microorganisms, in the absence of oxygen, and turns into biogas, which can be used to produce energy, and into sludge, called digestate, which, when subjected to composting, produces compost.

2

COMPOSTING

This process takes place at a high temperature, in the presence of oxygen, and it produces compost.



By imitating natural processes, organic waste can also be decomposed by means of biodegradation. Indeed, all that is necessary is to identify the ideal environment in which the phenomenon can successfully take place, in short, "industrializable" times that are compatible with the rate of production of the organic waste itself. Composting and anaerobic digestion plants create the ideal environments for biodegradation to take place, at consistent rates, and can be industrially run.

The biodegradability of Mater-Bi in different environments

Biodegradation in the soil

Applications in Mater-Bi for agriculture are certified **biodegradable in soil:** consequently, they do not have to be removed, because they biodegrade completely into the soil without any harmful effects. Mulching films in Mater-Bi satisfy the European standard EN 17033.

Biodegradation by composting

Applications in Mater-Bi can be recovered by means of **biological recycling (composting and anaerobic digestion)** together with the organic waste, in accordance with the standard EN 13432. Some applications in Mater-Bi can occasionally be disposed of through domestic composting.

The role of biodegradability is the focus of attention and is subject to studies and examinations for those professional applications destined to be introduced into the open environment (for example, "socks", the netting used to farm mussels). There is also a lot of discussion about the accidental release of solid waste, which would otherwise be collected, separated out and sent for treatment. The release of waste into the environment implies an ecological risk, which needs to be assessed by taking into consideration the danger constituted by the waste, that is, its potential to create ecological damage, and by determining the probability that the damage will really occur. The longer a hazard factor remains in the environment, the greater the risk of damage. So, by reducing the time the waste remains in the environment, the biodegradability reduces the ecological risk caused, and, therefore, is an intrinsic mitigating factor.

Studies that we have carried out[4] in collaboration with research centres and universities have indicated that the Mater-Bi grades examined exhibit an intrinsic biodegradability when exposed to the micro-organisms present in environmental matrices, such as soil, marine sediment etc., and behave in a way that is similar to cellulose materials.

4 Degli Innocenti, F.; Breton T. *Intrinsic Biodegradability of Plastics and Ecological Risk in the Case of Leakage*. ACS Sustainable Chemistry & Engineering. 2020, 8, 9239-9249.

Environmental and social benefits of our products

The renewability, biodegradability and compostability characteristics of our products bring with them a series of benefits that contribute to resolving specific environmental, social and economic problems.

Waste management

The management and disposal of urban waste is one of the greatest environmental priorities of our times, and it involves all social and territorial models. Storage in landfills, or disposal by incineration, are not sustainable solutions, because of the emissions produced and of the residues, which have high concentrations of pollutants.

Thanks to their compostability and biodegradability characteristics, **products in Mater-Bi are preferably sent for biological recycling**, as they are conceived as a solution to the disposal of applications that come into contact with organic matter; however, this method does not preclude **other forms of recovery** (e.g. energy). Compostability provides an effective solution in all contexts in which organic waste is mixed with plastic waste, a situation that makes biological recycling of the organic waste and mechanical recycling of the plastic impossible. In these circumstances, the use of compostable materials like Mater-Bi make it possible and easy to carry out **biological recycling of this mixed waste**, where all of the components are biodegradable and compostable. Furthermore, Mater-Bi bags for shopping and for the fruit and vegetable department can be used a second time; after they have fulfilled their primary purpose, they can be used for the separate collection of organic waste instead of dedicated compostable bags. This virtuous practice is on the increase in Italy, as is demonstrated by the product analyses made by the Italian

The best solution is to avoid producing the waste; when this is not possible, the products should be designed, from an eco-design perspective, to enable them to be reused or recycled at end of life.

Foundation of Biorepack, the national consortium for the biological recycling of packaging in biodegradable and compostable plastic

A strong boost to the spread of virtuous systems of the circular bioeconomy was provided by the foundation, at the end of 2020, of Biorepack, the world's first National Consortium for the biological recycling of packaging in biodegradable and compostable plastic, and the seventh consortium of CONAI, the Italian national packaging consortium. Biorepack, which is made up of six of the most important bioplastics manufacturers and converting companies, including Novamont, will make it possible, with specific industrial treatments, to recover increasing amounts of packaging in biodegradable and compostable plastic, and convert them into compost, thereby contributing to increasing the recycling results achieved by Italy. Biorepack is the first, European-wide system of responsibility extended to the manufacturer for managing the end of life of certified compostable packaging that conforms to the standard EN 13432.

Consortium of Composters (CIC) in 2020, from which we can infer that about 60% of the organic fraction **sent in compostable packaging** to biological recovery plants is contained in carrier bags, and 12%, in fruit and vegetable bags. Thus, the Mater-Bi bag has proven to be an essential tool that facilitates the separate collection of organic waste. In Europe, on average, 16% of the organic waste produced is recovered biologically.

Making a correct, separate collection of the organic waste is also very important when seeking to **reduce greenhouse gas emissions**. Indeed, organic waste that is not recovered ends up in the unseparated fraction of waste, which is sent to the landfill, or for incineration, generating methane and unrecoverable waste (ash), respectively.

Reduction in the dependency on fossil sources

Mater-Bi is the result of a continuous effort to **apply new technologies and new industrial supply chains based on the use of renewable raw materials and energy**, with a circular perspective, and to decouple economic growth from the consumption of finite resources.

Oil is a limited resource, whose cost will predictably increase with the increase in global demand: the progressive replacement of products of fossil origin with bio-based products is a long-term need for our society.

Fighting soil desertification

As reported by the Mission Soil Health and Food, between 65% and 75% of European soil is not in good health, and 25% of European land is at a high, or very high, risk of desertification. Today, the costs linked to soil degradation in the EU amount to €50 billion per year. Our ability to take care of the soil will provide an indication of our ability to take care of ourselves and of our development, and a measure of an acquired, necessary farsightedness to deal with the crisis in resources.

The use of **high quality compost in agriculture** plays an essential role in **preserving the organic matter present in the soil, in curbing biological deterioration and in reducing greenhouse gas emissions**.

To counter the increased phenomenon of desertification, we need to start by promoting sustainable and regenerative agriculture that puts the carbon cycle again in a central position and, with innovative practices, enables us to restore one of the main elements of the fertility of the land, namely, the organic matter.

The long persistence of plastics in natural environments leads to the generation of microplastics, whose negative effects on the ecosystem and on the food chain have only recently been investigated, with very worrying results.

Battling marine pollution

Marine pollution caused by plastic is made worse by the persistence, over a long time period, of traditional plastics in the natural environments, such as the soil and the sea.

This long persistence means that, by the action of physical and chemical agents, the plastics are reduced to small particles, known as microplastics. In general, **biodegradable materials in a natural environment do not release microplastics**, as any particles released during the erosion phenomena are intrinsically and quickly biodegradable, and so, do not persist in the environment.

This characteristic must not be seen as a green light to throwing waste uncontrollably into the environment, but as a mitigating factor of negative effects in the event of accidental disposal.

Our environmental certifications

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

E-label!

Mater-Bi was the first product to obtain the multilabel, e-Label!, the environmental trademark promoted by the Kyoto Club. e-Label! is a Type-I environmental **certification 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.

ISCC PLUS

ISCC PLUS is a scheme that makes it possible to **monitor and demonstrate the sustainability of products** by checking the **traceability requirements in the production chain**. For example, among the parameters considered, it is checked that any growing of biomass does not take place on land characterized 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 have the possibility of demonstrating the sustainability of the Mater-Bi produced, starting with the ISCC PLUS-certified maize starch.

Mezzi Tecnici AIAB

Mezzi Tecnici AIAB is the label developed by the AIAB (Italian Organic Agriculture Association) for the production of technical means allowed in organic farming. In addition to **respecting existing regulations on the technical means allowed in organic farming**, Mezzi Tecnici AIAB-certified products are **compatible with the environment** and satisfy strict **safety** requirements. In particular, the standard aims to guarantee the maximum content of renewable raw matter, the use of NON-GMO, renewable, natural sources (that is, the product must not contain traces of recombinant DNA, and the raw materials must be accompanied by appropriate NON-GMO certificates), the complete biodegradability of the product in soil, and the absence of negative effects on the environment. In Novamont, we were the first to develop a grade of Mater-Bi to be used in the production of mulching films that degrade in soil, in accordance with the policy document.

Ecolabel

EU Ecolabel is the European Union's label of ecological quality, which distinguishes products and services that, while guaranteeing high performance standards, are characterized by a **low environmental impact throughout their life cycles**. In particular, we obtained the EU Ecolabel for a hydraulic fluid in our line of Matrol-Bi biolubricants. For the label to be granted for lubricants, specific criteria are defined concerning the presence of prohibited or limited substances, requisites relating to water toxicity, biodegradability and the potential for bioaccumulation, requisites relating to renewable ingredients, requisites relating to packaging and performance requisites.

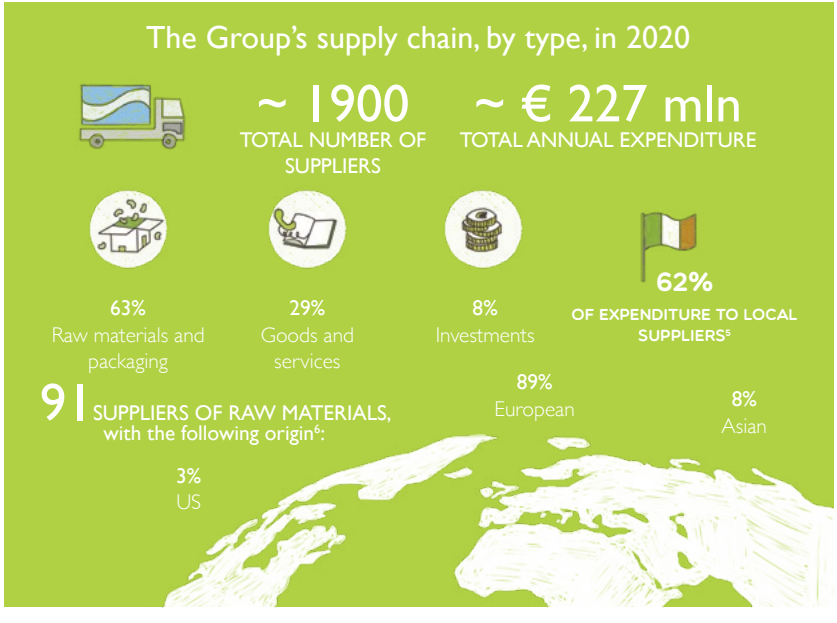
THE SUSTAINABLE VALUE CHAIN

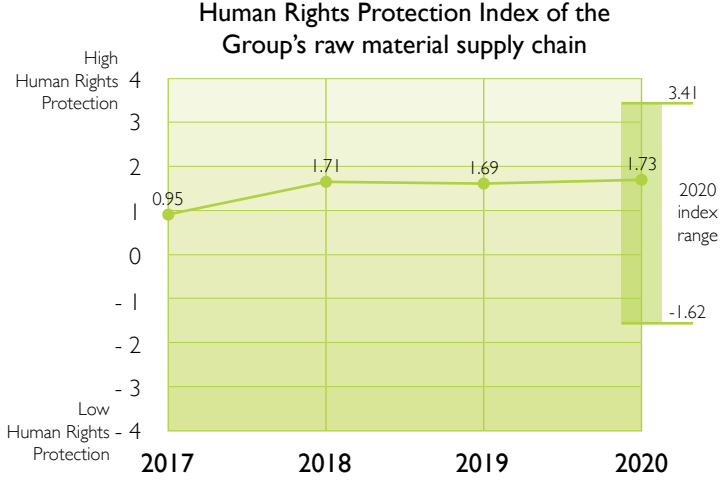
Responsible management of the supply chain is an essential component of our strategy. Thus, we undertake to guarantee the maximum quality of the products and services purchased, while respecting environmental and social criteria.

Characteristics of the supply chain

In 2020, no significant changes were made to the Group's supply chain. However, we focused our attention more on the origin of the raw materials, favouring supplies from Italian and European manufacturers. The group registered a 3% increase, with respect to 2019, in total annual expenditure, which was in line (at constant prices) with the growing Mater-Bi production volumes.

In order to assess and monitor the risk of human rights violations by our suppliers of raw materials, we adopted the **Human Rights Protection Index**[7], which expresses the **level of protection from political repression and from violations of the rights to physical integrity**. The index, which covers each country, is expressed on a scale of -4 to 4. The index of our most significant suppliers of raw materials was calculated by identifying the geographical location of each supplier and the quantity of supplies. In no case was our Group made aware of situations of child or forced labour in the companies that supply goods and services purchased by the Group, and all of our suppliers guarantee freedom of bargaining and of association.





5 suppliers with management headquarters in Italy.
6 The origin is linked to the country in which the supplying company's administration centre is located.
7 Source: Schnakenberg, K. E. & Fariss, C. J. (2014). *Dynamic Patterns of Human Rights Practices. Political Science Research and Methods; Fariss, C. J. (2019). Yes, Human Rights Practices Are Improving Over Time. American Political Science Review.*

SUSTAINABLE PRODUCTION

Purchasing goods and raw materials

Almost all of the purchases of materials are of raw materials, an essential resource for our activities. The total weight of the materials used by the Group in 2020 was 181,770 t, of which 103,070 t was renewable and 78,700 t, non-renewable. The increase in material used with respect to 2019 (159,891 t, of which 86,493 t, renewable, and 73,398 t, non-renewable) was accounted for by growing production volumes.

Materials used by the Group in 2020, by type

181,770 t

98.8%
RAW MATERIALS
Starch, sugars, monomers, other

1.1%
PACKAGING MATERIALS
Wood, cardboard, plastic, other

0.1%
PROCESS MATERIALS
Lubricants, other

57% OF THE RAW MATERIALS USED BY THE GROUP COME FROM RENEWABLE SOURCES

With a view to sustainable supplies, also in 2020, we consolidated the purchasing of carbon neutral-certified raw materials, in accordance with the PAS 2060, which attests to the compensation of a quantity of greenhouse gas emissions equal to that emitted by the whole production cycle. The purchase of this raw material compensated for the introduction into the atmosphere of about 13,000 t CO_2e (CO_2 equivalent), through international, energy efficiency projects and projects for the use of third-party-verified renewable sources.

Energy consumption

With the goal of contributing positively to safeguarding and protecting the environment, we are in constant search of more suitable solutions that guarantee a responsible use of resources and a better management of the Group's consumptions.

The various solutions adopted in the factory in Adria (which is dedicated to the production of bio-BDO) include a **cogeneration plant** for the production of the electrical and thermal energy used in the manufacturing process, whose overall efficiency is 90%. The surplus electrical energy is sold to the national grid. The site also has a **biodigester**, a hi-tech plant that treats the excess biomass from the fermentation process, the production by-products and the sludges of the purification plant, and generates **biogas**, which is used in a bifuel boiler to produce steam, which is used inside the factory.

Referring to the bio-BDO purification unit, there is a **mechanical recompression system** for exploiting all of the waste heat that would otherwise be lost. Finally, at the factory in Terni, a **combustor** is in operation for the thermal oxidation of the liquid and gas refluents that come from the polymerization process, which would otherwise be sent to external disposal plants. Thermal energy is recovered from the combustion process, and used in production and for heating the premises.

In July 2020, the Adria site completed the upgrading of the biodigestion plant, which enables it **to convert the biogas produced into biomethane**, which is introduced directly into the network, thereby contributing to the spread of renewable energy sources. From a distance, the company supported the first audit to obtain the advanced biofuel certification in accordance with DM14/11/19 for the biomethane produced.


MORE AND MORE CIRCULAR ECONOMY IN THE MATER-BIOTECH PLANT
Cogeneration plant
Biogas upgrading plant to promote the spread of renewable sources (biomethane)
Inverter, IE3 high efficiency motors and LED lighting
Biodigester: for breaking up production subproducts and converting them into energy sources
Mechanical recompression system and exploitation of all waste heat

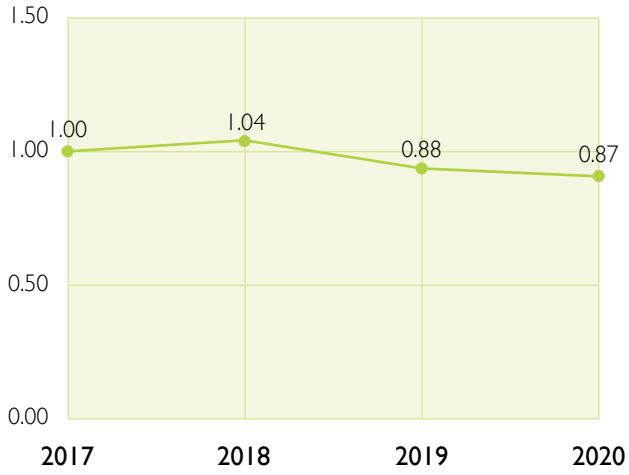
In 2020, an increase in energy consumption of 11%, with respect to 2019, was recorded, which was in line with the increased production volumes, and the energy intensity indicator (which is obtained from the ratio between the total energy consumption and the overall quantity of Mater-Bi and other biochemicals produced by the Group in the reference year) fell by 13% with respect to 2017.

Also for 2020, all of the **electrical energy** consumption of all of the Group's sites came from **Guarantee of Origin (GO)-certified renewable energy sources** (particularly from wind farms), and the **Zero Emission Electricity** certificate confirms that the purchase and cancellation of the GOs were done in a correct and traceable manner. In this way, we avoided the emissions of greenhouse gases and of other pollutants.

Total energy consumption within the Group, by geographical area

	2020	2019	2018
Total	1,300,863 GJ	1,176,384 GJ	1,206,576 GJ
Novara	**1%**	1.2%	1.1%
Terni	**14.2%**	17.6%	16.7%
PMV	**0.5%**	0.8%	0.6%
Adria	**51.1%**	50%	55.8%
Patrica	**33.2%**	30.5%	25.9%

Standardized energy intensity of the Group[8]



8 The data relating to 2018 and 2019 differ from the data published in the previous Sustainability Report, following changes to the denominator, where, in addition to the products already considered, a number of previously unreported biochemicals (sold externally) were included.

Total fuel consumption of the Group, by type

[GJ]	2020	2019	2018
Non-renewable			
Methane	1,053,347	881,503	959,667
Liquid and gas refluents	6720	6216	8400
Renewable			
Biogas[9]	31,616	44,090	50,684

Standards, assumptions and methods used for the calculation

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

Conversion factors

- LHV Methane 2020: 35.3 MJ/Sm^3
- LHV Methane 2019: 35.3 MJ/Sm^3
- LHV Methane 2018: 36.8 MJ/Nm^3
- LHV Biogas: 19.7 MJ/Sm^3

Source

LHV methane 2018: Ecoinvent 3.5 (2018)

LHV methane 2019: tables of national standard parameters for monitoring and communicating greenhouse gases - ISPRA 2019

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

Electrical energy, steam and heating of the Group

[GJ]	2020	2019	2018
Electrical energy			
Purchased	284,077	264,796	246,100
of which, from renewable sources	*100%*	*100%*	*100%*
Sold	60,142	29,912	67,261
Steam			
Purchased	8699	9692	8985
Heating			
Biomethane sold[10]	23,454	-	-

Standards, assumptions and methods used for the calculation

- consumption of electrical energy: readings of consumptions indicated in invoices
- consumption of steam: direct measurements

Conversion factors

- Electrical energy: 3.6 MJ/kWh
- Steam 2018-2019: 2.75
- Steam 2020: 2.77 MJ/kg
- LHV biomethane: 33.66 MJ/Sm_3

Source

Energy manager

9 This number refers to the period of January to June 2020.
10 This number refers to the period of July to December 2020.

Emissions

The emissions of greenhouse gases into the atmosphere are primarily correlated with the Group's energy consumption and are divided into direct emissions (Scope 1) and indirect emissions (Scope 2). In 2020, the Group's Scope 1 emissions amounted to 59,446 t CO_2e, of which 59,243 t CO_2e was from the burning of methane, and 204 t CO_2e from the burning of liquid and gas refluents, which, with respect to 2019 (49,821 t CO_2e.), demonstrated a growing trend, but one that was in line with the increase in production volumes. However, we would point out that the trends in Scope 1 emissions are not strictly comparable over the years, as they are linked to the supplying of raw materials (which has varied over the years) which may occur inside or outside the Group. Thus, these emissions can be included in the calculations of the Scope 1 and Scope 3 emissions (upstream phase), respectively. The Adria site also gave rise to **biogenic CO_2 emissions** resulting from the burning of biogas and from the process of sugar fermentation. In 2020, these emissions amounted to 17,018 t CO_2 (compared with 14,614 t CO_2 in 2019).

Standards, assumptions and methods used for the calculation

- emissions from the burning of methane: calculated by applying an emission factor. For the factory in Adria, these were supplied by *Bureau Veritas*;
- emissions from the burning of liquid and gas refluents: the chemical composition of the refluents and the relative stoichiometric balance of the burning were considered;
- emissions from fermentation: stoichiometric balance;
- emissions from the burning of biogas: stoichiometric balance and biogas composition.

Gases included for the calculation

CO_2

Base year

2018

Approach used to consolidate the data

Operation control

Emission factions

- Methane (2020): 1.98 kg CO_2/Sm^3
- Methane (2019): 1.98 kg CO_2/Sm^3
- Methane (2018): 1.97 kg CO_2/Sm^3
- Biogas: 1.07 kg CO_2/Nm^3

Source

- Methane: tables of national standard parameters for monitoring and communicating greenhouse gas data - ISPRA 2020

Thanks to the purchase of 100% electrical energy from renewable wind sources, from self-produced energy from a cogeneration plant, and to energy recovered from the biogas, we achieved a total of

44,168 TONNES OF CO_2e PREVENTED IN 2020[11]

11 This figure is calculated with respect to a theoretical scenario in which, in 2020, all of the electrical energy was purchased from the national grid (Italy mix), the site in Adria did not have a cogeneration plant and recovery of the biogas did not take place. The figure is divided thus: emissions prevented by using renewable electrical energy (wind power): 23,397 t CO_2 e; emissions prevented by the cogeneration plant and sale of electrical energy and biomethane: 20,771 t CO_2 e.

Scope 2 emissions of the Group, by method

[t CO_2e]	2020		2019		2018	
	Location-based	*Market-based*	*Location-based*	*Market-based*	*Location-based*	*Market-based*
TOTAL	**24,292**	**895**	**24,241**	**997**	**22,527**	**925**
Electrical energy	23,397	-	23,243	-	21,602	-
Steam	895	895	997	997	925	925

Standards, assumptions and methods used for the calculation

• emissions from electrical energy and steam: calculated by applying an emission factor

Gases included for the calculation

CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3

Base year

2018

Approach used to consolidate the data

Operational control

Emission factors

• Location-based electrical energy (2020): 0.297 kg CO_2 e/kWh

• Location-based electrical energy (2018-2019): 0.316 kg CO_2 e/kWh

• Steam (2020): 0.285 kg CO_2 e/kg

• Steam (2018-2019): 0.283 kg CO_2 e/kg

Source

• Electrical energy: 2020 ISPRA Report 317/2020 "Atmospheric greenhouse gas emission factors in the national electricity sector and in the main European countries"

• Steam: Ecoinvent 3.6 (2019)

• GWP factors: *IPCC Fifth Assessment Report: Climate Change* (2013) (100 years).

NOx emissions by the Group, by geographical area

Other significant emissions by the Group are accounted for by NOx from the burning of methane, used in the cogeneration plant in Adria and in the boilers for the production of steam. With respect to 2019, the increase registered, was in line with the increased production volumes.

	2020	2019	2018
Totale	18,726 kg	12,435 kg	28,102 kg
Novara	**0%**	0%	0%
Terni	**10%**	10%	4%
PMV	**1%**	0%	0%
Adria	**48%**	47%	60%
Patrica	**41%**	43%	36%

Water resources

Our water resources are a precious commodity that must be managed in an intelligent way. For this reason, we work to reduce the consumption of water to a minimum, and to encourage its reuse. In the production plants in Terni and Patrica, for example, a system is in operation that recovers purge water from the evaporation towers, which is suitably stored and reused inside the factories. The Group's sites do not have any high vulnerability characteristics and do not interact with protected or natural areas, with the exception of the Adria site, whose industrial area lies in the Po Regional Park, which is part of the Natura 2000 network. The factory is primarily responsible for the Group's drawn water and wastewater; however, about 95% of the drawn water is used as cooling water. The drawn water is taken from the water table and from the Po River: in the latter case, the water is drawn and put back into the same body of water, in order not to cause any impact in terms of scarcity of the water resource.

The Group's drawn water and wastewater, by source and destination

[Megalitres - Ml]	2020	2019	2018
Drawn water total	**12,274**	**10,726**	**11,365**
Surface waters Po River	9285	7653	8214
Underground waters Well	2959	3049	3112
Third-party water Aqueduct	30	24	38
Wastewater total	**12,330**	**10,721**	**11,420**
Surface waters	12,314	10,711	11,404
Underground waters	16	10	15

Standards, assumptions and methods used for the calculation

- Drawn water data from consumptions listed in invoices, or from direct measurements using meters.
- The quantities of wastewater come from direct measurements and estimations.
- For identification of the water stress areas, the Baseline water stress provided by the Water Risk Atlas Aqueduct was considered. The Baseline water stress measures the ratio between the total annual water drawn and the total renewable annual supply available, taking account of the use upstream. On the basis of this indicator, all of the Group's sites lie in areas of water stress.
- All of the wastewater is freshwater, insofar as the suspended matter content is less than 1000 mg/l.

Source

WRI Aqueduct 2014

Novamont receives the platinum medal in the Ecovadis assessment

Founded in 2007, **EcoVadis** is an independent rating agency for Corporate Social Responsibility (CSR), that undertakes to **promote improvements in sustainable supply chain management**. The main EcoVadis tool is an online platform that enables companies to monitor and assess their sustainability practices and to share the results on the EcoVadis Scorecard. The assessment method incorporates a number of international sustainability standards (Global Reporting Initiative, UN Global Compact, ISO 26000) and is based on 21 CSR criteria grouped into four categories: Ethics, Environment, Working practices and human rights, and Sustainable purchasing. In Novamont, we have used the EcoVadis platform since 2015, and have renewed the assessment of our sustainability practices every year. In 2020, the assessment was extended to the whole Group, and led to us obtaining a **score of 76/100**; this excellent result placed Novamont among the **top 1% of performers** in its sector. For this reason, we were awarded the **Platinum Medal**, one of the most prestigious acknowledgements in EcoVadis CSR assessments.

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 contribute to maximizing the amount of waste sent for recycling, and achieved 74% in 2020. Furthermore, we try to encourage the purchase of raw materials that are transported inside tankers, avoiding the use of packaging. Where possible, the same policy is implemented also to transport Mater-Bi. The overall quantity of waste produced increased by 27% with respect to 2019. This increase was partially explained by the increased production volumes, but also by the extraordinary disposal of waste stored on the Group's two sites.

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

[t]	2020			2019			2018		
	Hazardous	Non-Hazardous	Total	Hazardous	Non-Hazardous	Total	Hazardous	Non-Hazardous	Total
Total	**2410**	**11,298**	**13,708**	**1980**	**8798**	**10,778**	**1609**	**9485**	**11,093**
R	2171	7988	**10,159**	1863	8186	**10,049**	658	8733	**9391**
D	239	3310	**3549**	117	612	**729**	951	752	**1702**

Standards, assumptions and methods used for the calculation

The data was collected from the waste disposal service providers.
The D category includes the types of disposal: D8, D9, D13, D15
The R category includes the types of recovery: R3, R5, R12, R13

For the specifics of each type, turn to Attachments C and D, in Part IV of Italian Leg. Dec. No. 152/06

Source

Attachments C and D, in Part IV of Italian Leg. Dec. No. 152/06.

Tetrahydrofuran - THF

We are constantly looking for innovative industrial processes that can recover and make the most of the waste from our production, from the perspective of a circular economy. This process of using residues has enabled us, at our factory in Patrica, to create a system for separating and purifying process water, to recover the tetrahydrofuran (THF), a chemical intermediate generated during the polymerization reaction. Once distilled, THF is used in the chemical and pharmaceutical industries.

EN 13432

REACH

LEGISLATION PANORAMA

PRODUCT SAFETY

CUSTOMER SATISFACTION

Chapter 4

CONFORMITY AND QUALITY OF THE PRODUCTS

[GRI 103-1]

Respecting the national and international laws, norms and regulations that govern the use of renewable, biodegradable and compostable products and that can affect the value chain in which the Group operates, by guaranteeing that the product conforms to the principal performance standards for the characterizing parameters, and ensuring the high quality of the products, which the customers expect.

DISCLOSURE ON MANAGEMENT APPROACH

[GRI 103-2, 103-3, 416-1, 417-1]

Management approach

In 2020, Novamont issued its **Sustainability Policy** which, on the topics of conformity and quality of the products, formalizes the Group's commitment to ensuring that processes, products and workplaces do not entail risks to the health and safety of employees, or of the community, and to reduce, as much as possible, every form of pollution.

The Group also updated its **Policy for Quality, the Environment and Safety (QEHS)**. The new QEHS Policy confirms, among other commitments, the importance of:

- Respecting 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 demands; in the absence of a law or suitable standard, Novamont voluntarily adopts and applies standards and methods that reflect its commitment to respecting the requirements of its QEHS Policy and to putting into practice the best techniques available;
- 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 adequate resources, and the information and training necessary for them 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;
- Examining regularly the effectiveness of the QEHS integrated system, by means of verification and auditing processes.

In its pursuit of the commitments stated in the QEHS Policy, Novamont decided to adopt an **Integrated Management System (IMS) for Quality, the Environment, Health and Safety**. With respect to the material topic, the IMS includes checking, monitoring and, if necessary, reducing the impacts on the environment and on the health and safety of workers, customers and consumers. The work of monitoring begins with a preventive analysis, identifying the hazards, assessing the risks and subsequently defining preventive and protective measures.

Then, within its organization system, the Group established a set of procedures that regulate how corporate activities are carried out, and that minimize the risk of the crimes identified by the risk assessment being committed. The procedures linked to the material topic include:

- **Procedure for Validating Raw Materials**: this defines the process of validating a new raw material, by taking into consideration its impact on the health of the operators and on the environment, as well as on the safety, conformity and quality of the finished product. The procedure refers to the assessments stipulated by the regulations relating to chemical products (REACH (1907/2006 CE) and CLP (1272/2008 CE)) and by those relating to materials that come into contact with foodstuffs, and to the assessments resulting from any other sector regulation or norm of interest that is applicable.
- The **Procedure for applying for hazard classification and for drafting the safety data sheet for outgoing chemical products**: this requires verification of the hazard classification of products leaving the Novamont Group, and drafting of the associated hazard communication documentation (information sheet, SDS, eSDS, label).

In respecting these principles, planning every new product always entails:

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 **conformity to the regulations** for materials intended to come into contact with foodstuffs or to other sector regulations, in accordance with the intended final use;
3. An **assessment of the formulations** made with the new raw materials, on the basis of the norms concerning chemical products and of the required performance characteristics: biodegradation and disintegration by composting, and suitability for contact with foodstuffs, etc.;
4. The carrying out of **conversion tests**, with the customer, in order to optimize the operating conditions, in the field, to obtain the finished products.

The above stages of planning and developing, for example, a new formulation (grade) of Mater-Bi set off a series of targeted activities to provide new products with the documentation necessary for them to be sold, including the **safety sheet or information sheet, the technical data sheet** and the establishment of a **control plan** to monitor the reproducibility of the characteristics of the product itself. For some products, **information on their sustainability** is also transmitted, in accordance with international reference standards and best practices, including UNI EN 16848:2017 Biobased products – Requirements for Business to Business (B2B) communication of characteristics using a data sheet, and UNI EN 16935:2017 Bio-based products - Requirements for Business-to-Consumer communication and claims.

The activities of assessing and checking conformity, in accordance with **EU Regulation 10/2011** concerning **plastic materials and articles intended to come into contact with foodstuffs**, entail the following steps:

1. Carrying out **preliminary tests** for fact-finding purposes, on prototypes that represent the finished products, following the protocols provided by law, and the sector standards (e.g. series UNI EN 1186:2003 Technical norms for methods of global migration from plastics);
2. Drafting and sending of the **conformity declaration**, for supplied materials intended to come into contact with foodstuffs;
3. Preparation of a **control plan** (for parameters relevant for the purposes of suitability for coming into contact with foodstuffs) on fully-running industrial productions;
4. **Assistance** to customers, in terms of training on the topic of contact with foodstuffs, collaboration in drawing up testing plans and examination of the results of tests carried out by customers.

Novamont not only certifies its products, but also **actively assists its customers** to obtain certifications for finished items, providing training on the topic and test reports (disintegration tests) from its own, internal laboratories, during the development phase of the product, and occasionally also reports of tests carried out at third-party organizations that facilitate certification of the customers.

The quality of Novamont's products and services is assessed annually using a **customer satisfaction detection system**. The results of the analysis enable us to decide on improvements intended to ensure that customers are fully satisfied. With particular reference to complaints, Novamont adopts a specific **Customer Complaint and Report Management Procedure**, which describes how the organization implements the process of managing complaints from external customers.

Finally, the **Non-Conformity and Recommendation Management Procedure** defines the activities, responsibilities and main characteristics that the non-conformity and recommendation management system must have.

Finally, the Group regularly monitors the **guidelines and policies, laws and norms, projects, initiatives and proposals** from international (European Commission), national (Ministry for the Environment, Ministry of Health, Ministry for Economic Development, Ministry of Agriculture) and regional authorities.

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

Complaint, consultation and discussion mechanisms

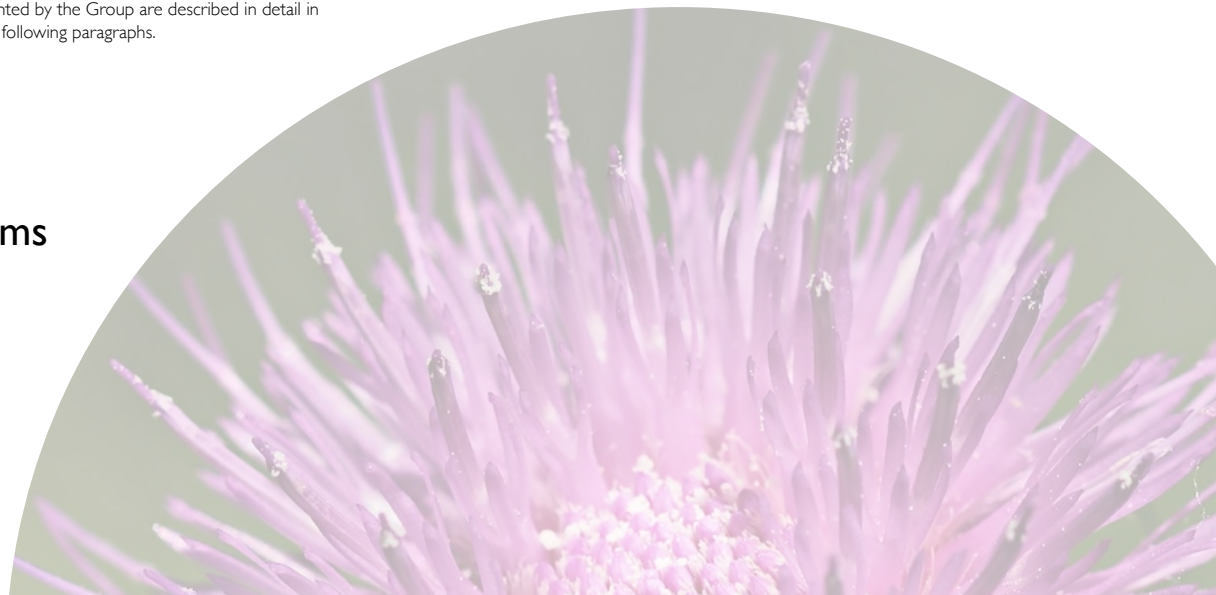
The Novamont Group provides the opportunity to request information through its website www.novamont.com or by emailing info@novamont.com. Complaints may also be made to Novamont's Customer Service, who will forward them to the companies in the Group, and to the function responsible.

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
- Ecology of Products and Environmental Communication
- Quality, Environment and Safety
- Institutional Relations and Associations
- Commercial
- Group Operations General Management
- Logistics and Procurement
- Intellectual Propriety and Legal Affairs
- Group Administration, Finance and Auditing Department

These functions interface with the Group's subsidiaries, collaborating actively with specific functions and the respective facility managements. In addition, in Novamont, there is a qualified figure (**Business Operator - Food Contact Expert**) who guarantees that the norms underlying the Materials and Objects in Contact with Foodstuffs (MOCF) are known and correctly applied.



CORPORATE MANAGEMENT SYSTEMS

We undertake to manage all of our processes carefully and responsibly, by acquiring, for this purpose, an Integrated Management System (IMS) for Quality, the Environment, Health and Safety.

The IMS, which applies to all employee categories, is the set of procedures, processes and resources necessary to develop, implement, monitor and review goals and targets to reduce possible risk factors linked to the aspects of quality, the environment and safety, with a view to continuous improvement. To this end, our Italian sites in the Group are certified for the schemes ISO 9001:2015, ISO 14001:2015 and ISO 45001 (OHSAS 18001:2007), which define the requisites for implementing a management system (for quality, the environment, and the health and safety of workers, respectively) within an organization.

Novamont
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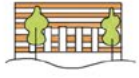


Novamont
Piana di Monte Verna

Mater-Biotech

Mater-Biopolymer

TRIPLE CERTIFICATION

QUALITY

ISO 9001

The international standard that sets the requisites of a quality management system

ENVIRONMENT

ISO 14001

The international standard that sets the requisites of an environmental management system

SAFETY

ISO 45001 and OHSAS 18001

The international standard for the system of managing the health and safety of workers

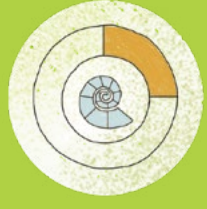
The work of auditing and confirming the ISO 9001, ISO 14001 and ISO 45001 certifications continued in 2020 and were carried out both remotely and in person, which ensured operational continuity during the pandemic.

THE REGULATION CONTEXT

The regulation context significantly influences the market in which Novamont operates. This is why we carefully monitor the evolution of the national and international legislative frameworks for the sector, that regulate the use of renewable, biodegradable and compostable products.

The impact of man's activities on ecosystems and on the climate constitute a growing emergency for human societies, exhibiting, with increasing urgency, the need to bring about a profound reorganization of the current economic and production system. Climate change is the most important challenge of our times, but it is not the only one: protecting biodiversity, reducing the polluting of the atmosphere and of water, protecting and regenerating soil, to mention just a few, force us to rethink our relationship with the Earth, a relationship in which everyone, from governments to individual citizens, must be involved.

According to current estimates on population growth, in 2050, the world will consume the resources of **three planets**[1].



Currently, the risk of extinction affects **25% of the species** most studied, which corresponds to about one million species[2].

84% of Europeans are concerned about the impact of the chemical substances present in everyday products on their health, and 90% are concerned about their impact on the environment[3].

1 www.un.org/sustainabledevelopment/sustainable-consumption-production/
2 IPBES, 2019. The global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. Summary for policymakers.
3 Eurostat, 2020, Eurobarometer

For years, Europe has been in the front line in developing plans and strategies to build a sustainable socioeconomic system, by undertaking a path that, at the end of 2019, had led to the development of the **European Green Deal**[10], an ambitious plan with which the European Union confirms its desire to: become climatically neutral by 2050; protect human, animal and plant life by reducing pollution; help businesses to become world leaders in the fields of clean technologies and products; and contribute to a fair and inclusive transition.

During 2020, the plan began to take form, and a series of specific strategies were developed to achieve it:

- **Communication from the European Commission, 2020/102, A new industrial strategy for Europe.** (10 March 2020)

The EU aims to make its industry more competitive around the world and to increase its autonomy and resilience, and relies on this to guide the transitions towards climate neutrality and digital leadership. The goal is the make European industry an accelerator and an engine for change, innovation and growth. It is also an opportunity to develop markets, products and services, and to enhance competitiveness in the EU.

- **Communication from the European Commission, 2020/98, A new circular economy action plan. For a cleaner and more competitive Europe**. (11 March 2020)

The new Action Plan is at the heart of the European

10 ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_it

By 2050, annual waste production will have increased by **70%**[4].

Small and medium-sized enterprises (SMEs) account for **99%** of European enterprises[5].

The manufacture of chemical products is the **EU's fourth largest industrial sector** (with 30,000 businesses), employing around 3.3 million people[6].

The EU has a complete regulatory framework that contains about **40 tools,** including the REACH regulations[7], the CLP regulations[8], legislation on the safety of toys, on cosmetics, on environmental protection, etc.

4 World Bank Group, 2018, What a Waste 2.0: A Global Snapshot of Solid Waste Management to 2050
5 www.ec.europa.eu/growth/smes_it
6 CEFIC, 2020, Facts and Figures Report
7 Regulation (EC) No. 1907/2006 *concerning the registration, evaluation, authorisation and restriction of chemicals*
8 Regulation (EC) No. 1272/2008 *on classification, labelling and packaging of substances and mixtures*

Green Deal, and aims to speed up the transition to a regenerative growth model that gives back to nature more than it takes, thereby helping to keep the consumption of resources within the limits of the planet. The Action Plan introduces measures that affect the whole life cycle of products and that will allow putting resources back into circulation in the economy.

The Plan identifies priority sectors in which European-wide intervention can give added value: for the plastics sector, it started with the 2018 strategy[11] and it concentrates on the increase in recycled plastic content. In the packaging sector, the Plan aims to reduce the quantity of waste from packaging, and in the next two years, binding provisions will be put forward relating to the recycled content. The Action Plan also tackles challenges linked to microplastics, and to the supplying and use of organic-based or biodegradable plastics. The Plan seeks to make all packaging introduced onto the EU market reusable or recyclable, in an economically sustainable way by 2030, and intends to strengthen the obligatory essential requisites that this packaging must satisfy, by reviewing the Packaging Directive 1994/62.

• **Communication from the European Commission, 2020/380, EU biodiversity strategy for 2030. Bringing nature back into our lives**. (20 May 2020)

Protecting biodiversity is essential for a healthy and resilient society to progress, and the health of our economic system is also dependent on it[12]. With its strategy on biodiversity, the EU intends to adopt concrete solutions to ensure that, by 2050, the planet's ecosystems are restored, resilient and adequately protected. The strategy confirms the commitment to:

o **Legally protecting** at least 30% of the land and 30% of the sea in the EU, combining ecological corridors into a genuine trans-European nature network;

o **Restoring** degraded land and sea ecosystems throughout Europe: by increasing organic farming and the elements characteristic of a high level of biodiversity on farmland, and, by 2030, reducing the use of pesticides and the risk from them.

• **Regulation (EU) 2020/852 of the European Parliament and Council on the establishment of a framework to facilitate sustainable investments and recent modifications**

11 COM (2018) 28 Strategia europea per la plastica nell'economia circolare
12 World Economic Forum, 2020, Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy

One aspect that guides the increase in sustainable investments is the **generational** one. According to a recent study, **64%** of *millennials* have said that ESG matters are important in their investment decisions[9].

In 2018, investments with a sustainability mandate exceeded $30,000 billion[9].

Recent studies estimate that achieving the SDGs could release **$12,000 billion** in market opportunities worldwide, and create 380 million new jobs[9].

9 World Economic Forum, 2019, Unlocking Capital Markets to Finance the SDGs

to the Regulation (EU) 2019/2088. (18 June 2020)

With the Regulation on Taxonomy, the EU is putting into action a common classification system to encourage private investments in sustainable growth and to contribute to a climatically neutral economy. The taxonomy will enable investors to redirect investments towards more sustainable technologies and businesses and will be decisive in achieving the goals set by the European Green Deal and by the Paris Agreement. The framework is based on six environmental goals:

o climate change **mitigation**;

o climate change **adaptation**;

o the sustainable use and protection of **water** and marine resources;

o the transition to a **circular economy**;

o **pollution** prevention and control;

o the protection and restoration of **biodiversity** and ecosystems.

• **Communication from the European Commission, 2020/667, Chemicals strategy for sustainability. Towards a toxic-free environment.** (14 October 2020)

The strategy will give a boost to innovation, to create safer and more sustainable chemicals and guarantee greater protection for the health of humans and of the environment from hazardous chemicals. The goal will be pursued also by banning the use of the most harmful chemicals in consumer products, unless these substances are considered essential to society.

At a national level, in 2020, the Italian government acknowledged two directives concerning waste:

• Legislative Decree No. 116/2020, Implementation of Directive (EU) 2018/851, which modifies Directive 2008/98/EC on waste and implementation of Directive (EU) 2018/852, which modifies Directive 1994/62/EC on packaging and waste from packaging.

• Legislative Decree No. 121/2020, Implementation of Directive (EU) 2018/850, which modifies Directive 1999/31/EC on the landfill of waste.

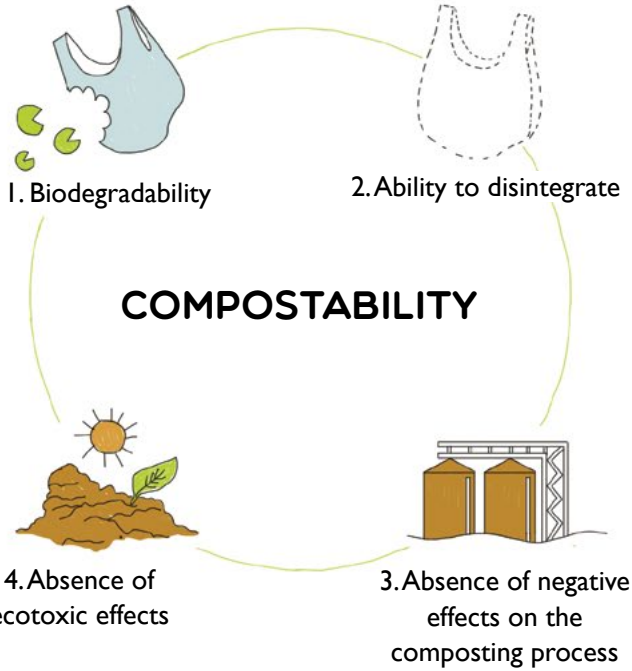

MATER-BI,
BIODEGRADABLE
AND COMPOSTABLE
LIKE THE
APPLE PEEL
NOVITÀ
Croissant
COMPOSTABILE

CONFORMING PRODUCTS

Conformity to compostability requisites

Mater-Bi is our family of bioplastics that are biodegradable and compostable[13], essential properties that are verified in our laboratories using standardized methods. The biodegradability is determined by exposing the material to the enzymatic activity of microbial populations and measuring its conversion into carbon dioxide, compared to the conversion obtained, in parallel, by natural polymers that are known to be biodegradable (such as cellulose). The rate of biodegradation is not an absolute parameter, but varies depending on the environmental conditions in which the process takes place, and on the dimensions of the material. However, to demonstrate the compostability of the material, measuring the biodegradation is not sufficient on its own; it is also necessary to demonstrate the material's absence of any ecotoxic effects and its ability to disintegrate (to break up physically) under composting conditions.

In Novamont, we pay maximum attention to the conformity of our products in every design phase. For us, "conformity" means not only correspondence with the requisites of applicable laws and with the performance requisites of the materials, but also, and in particular, guaranteeing maximum protection of the environment and of consumers.



13 Additional information is provided on page 40-43 in Chapter 3 – Value chain and product sustainability

In Europe, the reference norm 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

produced by the CEN (Comit Europ en de Normalisation) under the mandate of the European Commission, following the European Directive on packaging and waste from packaging (94/62/EC); it contains the definitions of biodegradability, compostability and atoxicity applied to the compostable materials used in packaging.

The standard

EN 14995

Plastics - Evaluation of compostability

Test scheme and specifications,

presents the same set of requirements, but applies to plastics in general, and not only to packaging.

In addition to industrial composting, various grades of Mater-Bi can also be composted at home, in domestic composters. Other forms of recovery, such as energy recovery, are also possible. For specific products, other end-of-life processes are made possible, such as biodegradation in soil, for mulching films. In the case of materials coupled with paper, Mater-Bi does not hinder the processes of recovering this.

Conforming to the standard EN 13432 is a priority of ours in any process aimed at creating a new material, with the intent of always providing the option of biological recycling at the end of the product's life cycle.

A product's conformity to safety

The safety of our products, during the production/processing phase, and during use, depends largely 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, the REACH (1907/2006 CE) and CLP (1272/2008 CE) regulations), and we always seek to select safe raw materials, trying to minimize the use of substances that are hazardous to health and to the environment.

REACH

(Registration Evaluation and Authorization of Chemicals, Reg. CE 1907/2006)

regulates the production, importation and use of chemical substances in Europe, with the aim of improving protection of the health of humans and of the environment against risks that can result from activities connected with the production, handling, conversion, use and scattering of the substances.

CLP

(Classification, labelling and packaging, Reg. CE 1272/2008)

aligns the previous EU legislation with the globalized harmonized system of classification and labelling of chemicals (GHS[14]) and provides the criteria for classifying and labelling chemical substances, to guarantee a high level of protection for health and for the environment, and the free circulation of substances, mixtures and articles.

14 Global Harmonized System of classification and labelling of chemicals

For materials intended to come into **contact with foodstuffs** (for example, cutlery, plates, cups), in additional to applying the sector regulations, Novamont participates actively in developing the finished products, together with the customer, by collaborating on identifying suitable testing strategies, to ensure the product's maximum 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: plasticizers of the family of phthalates, chlorinated, brominated, fluorinated and perfluorinated substances, by-products of animal origin, substances described as allergens by the regulations on food labelling, including latex, bisphenol A and SVHC (*Substances of Very High Concern*) that are included in the list provided in the REACH regulations.

Regulation UE 10/2011

defines specific norms for manufacturing and marketing plastic materials and objects intended to come into contact with foodstuffs, in order to ensure safe conditions of use.

All phases in the life cycle of our products are examined for their impact on health and safety:


Development of the concept of a new product


Research and development


Certification


Production


Marketing and promotion


Storage, distribution and supply


Use and service


Disposal, reuse and recycling

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


Safety of the operators


Conformity to the European regulation 1907/2006 (REACH)


Conformity to the laws that govern the sector of materials and articles intended to come into contact with foodstuffs


Conformity to the classification and labelling of substances and mixtures (CLP and GHS)

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 certifications

The compostability of our products is certified by a number of international, third-party organizations, which periodically carry out tests and monitoring. In general, certification of conformity to standards relating to composting are not compulsory. However, in some countries, for specific applications (for example, carrier bags, 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 table[15].

LOGO	DESCRIPTION	CERTIFIER	NORM
	Industrial compostability in Italy. This makes it possible to clearly identify compostable articles	Certiquality (Italy)	EN 13432 + Certification scheme produced by CIC
	Industrial compostability-recognized 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-recognized in Europe and in Australia	DIN CERTCO (Germany)	EN 13432 AS 4736

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

99.8% of the Mater-Bi sold in 2020 was certified for compostability. The small, remaining quantity was of Mater-Bi grades whose sector of use did not need this requirement to be satisfied.

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*

15 The complete list of certifications that Mater-Bi has can be found on the website www.novamont.com/mater-bi-le-certificazioni.

CUSTOMER SATISFACTION

We are aware that the assessment of the quality of our products and of the services associated with them is made not only with respect to norms and standards, but also with the judgement of our customers. This is why we use a **customer satisfaction assessment system**, which includes a number of monitoring tools, which focus on three main areas. The results of these surveys, which are carried out annually, enable us to identify any areas in which to make improvements, and what actions to take.

Our products' conformity to European regulations and laws is only the first, indispensable step to achieving the real goal of all of our work: the confidence and satisfaction of those who choose us. Also in 2020, we carried out the usual satisfaction survey among our customers, which, once again, demonstrated the high level of satisfaction with our products and services.

1
SATISFACTION
Assessment of the level of satisfaction

2
COMPLAINTS
Analysis of complaints and reports

3
CUSTOMER LOYALTY
Adherence to brand specifications

Satisfaction

Also in 2020, we engaged a third party to carry out the customer satisfaction survey, which, depending on the customer type, entailed interviews, telephone calls and the completion of questionnaires. The satisfaction was measured with respect to the specific fields that concern us most:

Safety

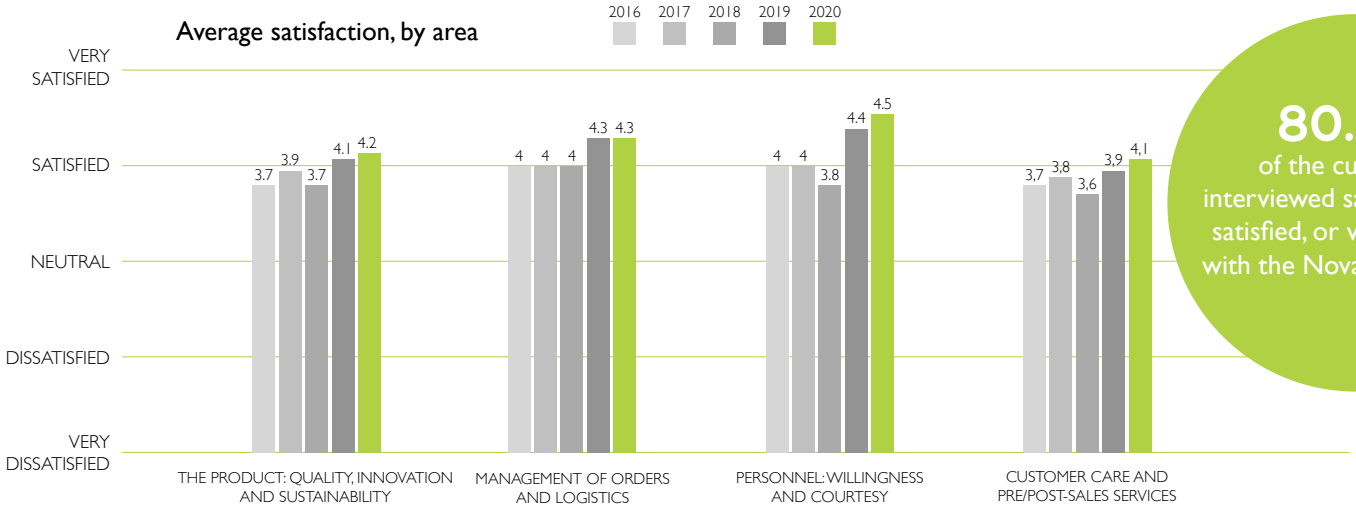
Environmental product performance

Innovation

Novamont's ability to be an ideal business partner and not just a simple supplier

The response percentage was 69%, and the individual answers were grouped into 4 main areas, for which the average satisfaction was calculated.

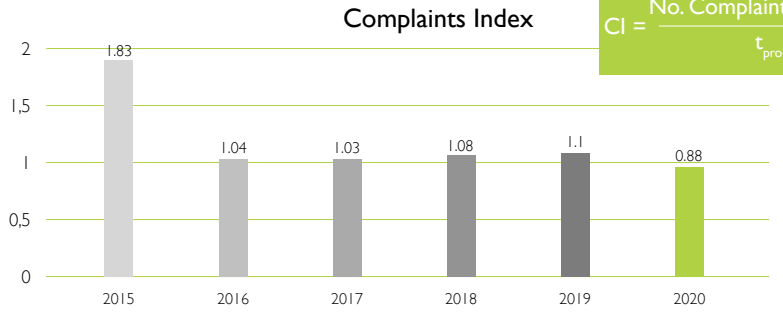
The results of the survey confirm the general level of satisfaction. In particular, management of orders, which includes product delivery and respecting times, was once again one of Novamont's strengths, followed by the willingness and ability of the personnel. The survey enabled us to identify areas for improvement, also in relation to the importance that customers assigned to certain requisites, for which the administration produced the following action strategies.



80.4%
of the customers interviewed said they were satisfied, or very satisfied, with the Novamont Group.

Complaints

For years, we have used a summarized indicator to assess the incidence of customers' complaints and reports, called the **Complaints Index (CI)**[16]. The graph below shows the trend of Novamont's CI in the period 2015-2020, from which we can see a downward trend. The positive management of events with margins of uncertainty, such as the introduction of products into new markets, led to the incidence of complaints essentially remaining constant.



$$CI = \frac{\text{No. Complaints} + \text{No. Reports}}{t_{\text{product sold}}} \times 1000$$

Customer loyalty

Most of our customers have a relationship with us that is governed by an agreement concerning respecting product conversion specifications. This guarantees high quality standards in the final product.

In 2020, 67% of the Mater-Bi was sold under these agreements. During this year, the ratio between the brand contracts stipulated and those rescinded remained positive, with a 14% increase in the number of partners with respect to the previous year.

16 The index is independent of the effective acceptance of responsibility by Novamont

"A cultural paradigm shift that is necessary, if we are to tackle the climate and environment crisis suitably, is to acknowledge the role of soil and of its ecosystemic services in our lives. Indeed, soil is a non-renewable resource that has always been considered "money in the bank", from which we can withdraw without ever replenishing it. Taking care of the soil is a measure of the extent to which we are capable of taking care of ourselves. Politics alone will not be able to promote a change in mindset. We need a strong, civic commitment and active participation on the part of informed communities. The approach of citizen science must play a key role in quality training, in a holistic way, and above all, in involving young people, society, the media and every one of us, in systemic and inclusive, territorial projects."

Catia Bastioli

DEVELOPMENT OF VIRTUOUS LOCAL MODELS

SOIL FERTILITY

Chapter 5

TERRITORIAL REGENERATION AND SOIL PROTECTION

[GRI 103-1]

The impacts generated on the economy and on the community, the safeguarding of the territory's resources and respect for the local communities in which the Group operates, to develop value chains that combine farming, the economy and the environment, contributing to territorial regeneration. In particular, safeguarding the soil, a non-renewable resource that is essential for life on the planet, whose ecosystem function is put at risk by the phenomena of pollution and desertification.

DISCLOSURE ON MANAGEMENT APPROACH

[GRI 103-2, 103-3]

Management approach

The geographical context is an aspect of fundamental economic and social value for every company. For Novamont, this is even more true, because our concept of sustainability forces us to have a view of reciprocal exchange with the territory: on the one hand, the territory is a direct source of raw materials, and human resources and skills; on the other, it is an interlocutor to whom we must give back value, employment opportunities and protection activities.

The circular economy also means regenerating territories, preventing the consumption of virgin soil and starting again from existing sites and skills to revive them, with the application of innovative technologies. This is why the Group's research centres and production plants are the result of the reconversion of sites that were no longer competitive or that were abandoned.

From raw materials of vegetable origin to their 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 being put greatly at risk.

In 2020, Novamont issued its **Sustainability Policy,** which, on the topic of territorial regeneration and soil protection, formalizes the Group's commitment to:

- Contributing to the development and spread of raw materials of vegetable origin grown using sustainable farming practices, that put the health of the soil at the centre, enhance the fertility of the land and restore the organic matter;
- Contributing to maximizing efficiency in the management of organic waste in urban and metropolitan areas, by encouraging biological recycling.

In respecting these principles, Novamont promotes an approach to agriculture based on the **exploitation, one after another, of local raw materials**, which can be grown on marginal lands, maintaining the biodiversity, and with great attention to the fertility of the soil.

To give a greater boost to safeguarding the soil, Novamont adopted a number of solutions aimed at promoting correct management of the organic fraction, using compostable products and biodegradable solutions especially for agriculture (mulching films, clips, pheromone dispensers). The Group also leads 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 final goal of these solutions is to obtain **high quality compost**, an essential element for preserving the organic matter in soil.

Novamont promotes specific initiatives and events that aim to spread awareness and knowledge of the theme of soil. Finally the Group contributes to promoting social inclusion events, by developing and participating in community initiatives.

To achieve more and more positive impacts on communities and on territories, in 2020, the Group also adopted the framework of the ***B Impact Assessment*** **(BIA)**[1], as the main support in managing the topics of sustainability, including those connected with commitment to communities.

More information on the actions, programmes and initiatives implemented by the Group in relation to the material topic is provided 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 Communications and Special Projects
- Corporate Communications and Strategic Planning
- Institutional Relations and Associations
- Research & Development
- Ecology of Products and Environmental Communication
- Quality, Environment and Safety
- Agro

These functions interface with the Group's subsidiaries, by collaborating actively with specific functions and the respective facility managements. In 2020, they started operating, with the coordination and support of the Sustainability Committee and of internal workgroups connected with the management of the B-Corp certification and of the pursuit of common benefit.

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. In addition, the Quality, Environment and Safety function monitors any complaints from the local community.

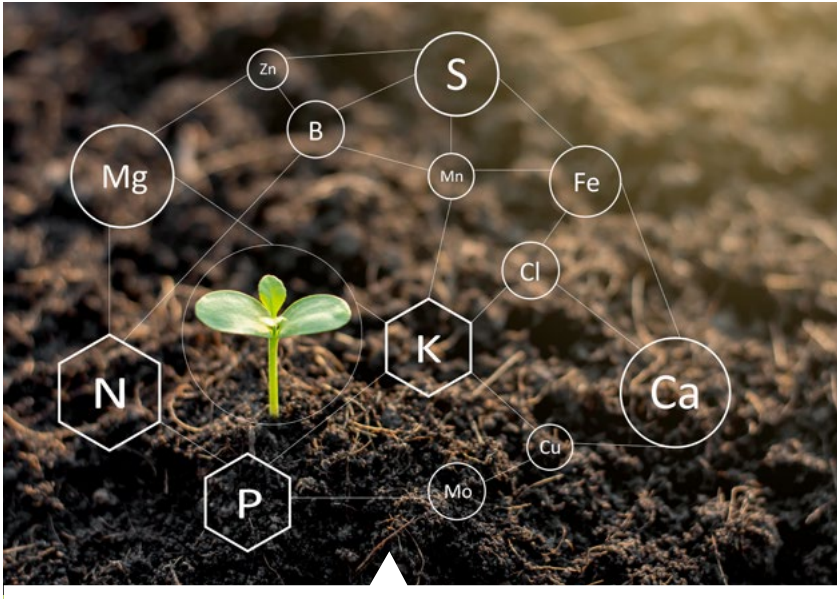
1 More information on the framework can be found on page 15

PROTECTING THE SOIL

The bioeconomy, organized within a circular framework, can be a strategic tool when seeking to regenerate the 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 appropriate industrial facilities and sustainable products that do not accumulate in the environment.

The health of the soil has 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 urbanized areas has led to a marked acceleration of the process of **waterproofing**, a phenomenon that has a great impact on the soil, as it causes a total loss, or compromise of its functionality.

So, fighting the intensification of these phenomena is becoming a priority, if we are to contribute, on the one hand, to slowing climate change, and, on the other, to increasing food safety. In the face of this need, a number of solutions emerge that combine environmental protection with economic and social development. First and foremost, **storing soil organic carbon** by increasing the soil organic matter can contribute to halting these phenomena. A **correct collection of the organic fraction and use of compostable solutions** help reduce the contamination of organic waste, and consequently obtain high quality compost[2], an essential element for preserving the organic matter.

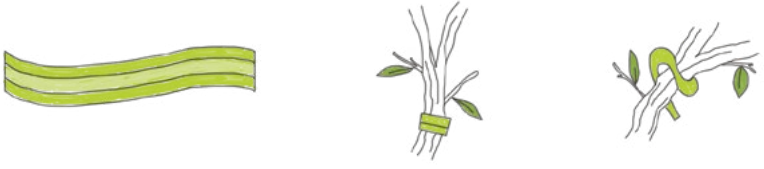


Soil is a non-renewable resource that is of vital importance in guaranteeing food production, the growth of vegetation, the regulation of water flows to the water tables and rivers, the removal of contaminants, the reduction of flood risk, the regulation of energy flows to/from the atmosphere and maintenance of the biodiversity of the territories. Furthermore, thanks to its ability to capture carbon from the atmosphere (carbon sink), soil makes an essential contribution to combatting climate change.

2 Additional information is provided on page 41 in Chapter 3 – Value chain and product sustainability

Our applications intended for the world of agriculture act on various levels, bringing benefits to a number of environmental aspects:

Mulching film, clips, pheromones



Thanks to the fact they are biodegradable in soil, mulching films, clips and pheromone dispensers made of Mater-Bi make it possible to maintain the quality of the soil, even if they are scattered in the environment.

Biolubricants

Biodegradable biolubricants for farming machinery minimize the risk of their being scattered into the ecosystem.

In our **research & development** activities, we seek to identify **native crops** that can be grown on marginal, unirrigated land, to exploit local specific characteristics, while maintaining the biodiversity. Also in 2020, agronomic testing on low-input, dryland crops (such as trinaseed cardoon) that are of potential industrial interest, continued. At the same time, in our production, we maximize the use of all production components, which, from "waste" become co-products, that is, the starting point of new value chains.

By following this approach, we activate **innovative agro-industrial value chains** that respect the territory, in collaboration with farmers and their associations, such as Coldiretti[3], the most important farmers organization in Italy and in Europe.

We participate in and actively promote the creation of moments to spread awareness and knowledge of the topic of soil, of the problems and of the solutions.

With the goal of resolving some of the greatest challenges our world has to face, which are at the heart of the conversion process going on throughout Europe, in 2020, the European Commission presented five great "missions", which will be integrated into the next research and innovation programme ***Horizon Europe* 2021-2027**.

The missions (adapting to climate change, including social transformation; cancer; healthy oceans, seas, coastal and inland waters; intelligent cities and climate; health of soil and food) were outlined with the support of five Mission Boards, which had been established in 2019 by the EU Commission, made up of experts independent of the world of innovation and of research, representatives of politics and of civil society, and representatives of trade organizations, who will contribute to achieving the goals defined in the missions.

Our CEO, Catia Bastioli, was selected as a member of the "Mission Board for Soil Health and Food", and she supported the Commission in identifying solutions to the challenges of food safety and of soil quality, by contributing to drawing up the Mission's **Final Report**, "Caring for soil is caring for life", which was published in September 2020[4].

3 More information on this collaboration can be found on page 116 in Chapter 9 – Partnerships and collaborations.
4 At this link, https://ec.europa.eu/info/publications/caring-soil-caring-life_en, it is possible to download the final report of the *Mission for Soil Health and Food*.

On 22 October, during the European Week of Regions and Cities, the Mission Board for Soil Health and Food promoted the event "*Caring for soil is caring for life - an EU mission to protect healthy soils for food, people, nature*".

During the event, Catia Bastioli illustrated the actions that the Mission is going to take to pursue its 2030 goals. The expected result is that:

75% of the soil in each EU member state will be healthy

society is able to rethink how to use and make the most of soil

consumers are aware of the impact of food choices on managing soil and the territory

land and soil in farming areas, in forests and in urban areas are managed in a sustainable way

To achieve these goals, the Mission has identified a systemic approach as being essential, one that combines research and innovation, co-creation of projects, their measurement by means of "living labs", to create knowledge and lighthouses for testing and demonstrating solutions.

The *Mission Board for Soil Health and Food* is preparing guidelines on the topic of soil regeneration, so that, by 2030, at least 75% of the soil in each EU member state is healthy and able to carry out the essential functions we depend on.

Re Soil Foundation was set up to protect one of the planet's most important and undervalued commodities: soil

In 2020, the **Re Soil Foundation** was established. Promoted by the University of Bologna, Coldiretti, Novamont and the Politecnico di Torino, the goal of the Foundation is to give a boost to real change, starting with the protection of soil and with the key concept of territorial regeneration. The Foundation seeks to be a new tool in the promotion of activities in scientific research, technology transfer, training and education, and creating awareness of the topics linked to soil health. We will bring into Re Soil our experience in constructing value chains with the farming world, in the study of end of life, and in the research and development of biodegradable products to resolve problems of soil and water pollution.

RE SOIL FOUNDATION
Regeneration for a clean and healthy soil

The goals of the Re Soil Foundation

1

Promoting soil protection in Italy and in Europe

2

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

3

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

REOPENING ABANDONED INDUSTRIAL SITES

Reopening abandoned industrial sites allows creating economic and social development in areas affected by socioeconomic difficulties, with private investments in installations that are the first of their kind, without increasing the use of virgin soil. The creation and maintenance of jobs that would otherwise be lost add to the employment resulting from the construction of the new plants and to the induced business generated by the new production activities. From this beginning, the project was born of a biorefinery integrated into the territory, that can produce sustainability from every point of view: environmental, economic and social.

Thanks to technologies developed through our research work, we are able to reconvert sites that are no longer competitive or have been abandoned, and turn them into innovative research centres and industrial plants[5].

NOVARA

Novamont's Administration and Research Centre is situated in the chemical facility in Novara, and is the result of a complete restoration of the offices and guestrooms of the Donegani Institute. 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, inside the Polymer Site, in a building adjacent to the Moplen granulation facility, which had undergone a continuous process of deindustrialization, which led to its closure.

PATRICA

The factory came from the reconversion of a plant dedicated to the production of PET; the various sections of the plant were regenerated, modified and, in some cases, totally renewed, applying the innovative technologies developed by Novamont, on a continuous scale.

BOTTRIGHE

The factory in Adria is the result of the industrial reconversion project of the previous site, Bioltalia (formerly Ajinomoto), dedicated to the production of lysine. In the process of reconverting the site, Novamont kept 60% of the plants, and all of the existing buildings were preserved and renovated, keeping the characteristic elements of the period industrial building.

PIANA DI MONTE VERNA

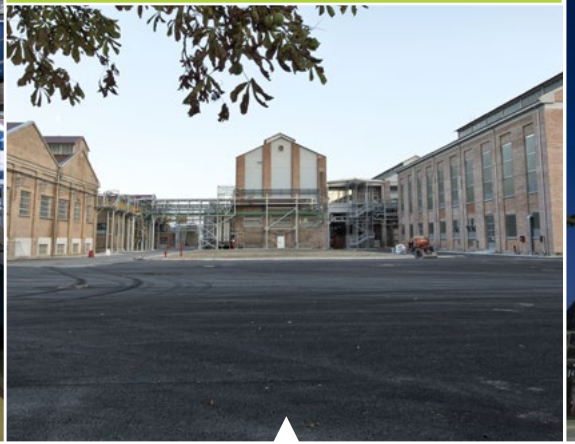
The Research Centre for the Development of industrial biotechnologies is the result of a reconversion of a pharmaceutical research centre, which began in 1992 (as Tecnogen S.p.A.), for the production of experimental drugs, and which was subsequently abandoned.

5 Additional information can be found in the 2020 Impact Report.

Before

THE PROCESS OF RECONVERTING MATER-BIOTECH

2011-2016



After

TERRITORIAL REGENERATION PROJECTS

We believe that interaction with the community and the surrounding territories is essential to shift the paradigm, as part of a vision that looks not only at products but also at promoting sustainability and good practices in the territory. Thus, our activities are developed in order to encourage the growth of communities through their direct involvement.

In promoting these principles, we collaborate with local authorities and organizations, to promote the development and protection of the territory and of the environment, supporting the creation, in the field, of circular bioeconomic projects. Below, we present some of the projects we have developed with the communities and local administrations, which we plan to examine in more detail in the 2020 Impact Report. These are projects that involve local administrations throughout Italy, from large cities in northern Italy (Milan and Turin), moving south to large urban centres (Taranto) and smaller ones (Pantelleria and the collaborations established with the association Terra Felix), to foreign countries (Serbia, Mozambique).

Organic waste management projects in the city of Turin

repopp
PROGETTO VALORIZZAZIONE ORGANICO PORTA PALAZZO

In Europe's largest, multi-ethnic fruit and vegetable market, of Porta Palazzo, Turin, we started the **RePoPP project to exploit organic waste**, an initiative promoted by Turin City Council, Novamont, the association "Eco dalle Citt ", and the AMIAT – Iren Group, with the scientific coordination of the University of Gastronomic Sciences in Pollenzo (UNISG). Porta Palazzo is the largest, most culturally diverse food market in the city of Turin, and the largest open-air market in Europe. Every year, it produces about 4000 tonnes of waste, with an estimated disposal cost of

about €1.8 million. The goal of the project is to **set up an efficient system of collecting organic waste and fruit and vegetable products that could still be used in the market**.

Still in the Turin area, we are participating in the development of the project "***Bag to Nature***", promoted by ASCOM (the Association of Trade, Tourism and Service Entrepreneurs) in Turin and its Province, with the collaboration of Turin City Council. This is a process of raising awareness of the environment, aimed at greatly reducing food waste by businesses, achieved thanks also to the use of biodegradable and compostable containers that are ideal for takeaway and for home delivery.

Protecting biodiversity on the Island of Pantelleria

In November 2020, on Pantelleria, the go-ahead was given for the implementation of an agreement signed by Novamont, the National Parks Organization on the Island and the Department of Agricultural, Food and Forest Science of the University of Palermo. The goal of the agreement is **to promote the conservation of the agricultural landscape and biodiversity, to design systems that have a low environmental impact and to test innovative agronomic practices, in order to reduce water and energy consumption, and waste production.**

Sustainable aquaculture in the city of Taranto

As part of the project "**reMar Piccolo: natura e tradizioni per rivivere il mare**" ("reMar Piccolo: nature and traditions, to re-experience the sea"), in the summer of 2020, the Taranto administration, SLOW FOOD and Novamont agreed to set up an experiment, in the Mar Piccolo (Little Sea) of Taranto, that entails **the use of biodegradable and compostable netting made of Mater-Bi, to grow and market mussels**. This experiment, agreed upon in the protocol of 9 November 2020, will contribute to making the value chain of Taranto mussel farming more sustainable, by enabling it to obtain the prestigious mark of acknowledgement of SLOW FOOD for the black mussel of the Mar Piccolo.

The circular economy in the city of Milan

Over the years, we have supported Milan City Council in its **transition to a circular system for waste management**, which has led the city to become a European model thanks to the level of separate organic waste collection, which has exceeded the threshold of 50%. In this result, the collection of organic waste has had a central role, particularly thanks to the introduction of door-to-door collection and the use of compostable bags, promoted also by the introduction of information campaigns aimed at the people, to encourage the reuse of compostable carrier bags.

The publication of the 2020 "Circular food economy in Milan", sponsored by Milan City Council, as part of the Food Policy initiative, presented the main results obtained by Milan in this area.

Mozambique

In Novamont, we are working to set up a project in Mozambique that seeks to **enhance the value chain of fruit and vegetables, of rice and of tobacco in a sustainable way, by promoting biodegradable mulching**. The project, which will last three years, also responds to the need to reduce the use in agriculture of plastics, which cause a reduction in the production capacity and fertility of the soil, and to increase marketing opportunities for the local producers, guaranteeing a rise in the productivity per hectare and a reduction in the production cycle for selected crops.

Collaboration with Terra Felix

The social cooperative "Terra Felix" is a non-profit organization, whose goal is to **pursue the general interests of the local community, by focusing on human promotion and the social integration of the people**, combining solidarity and assistance, in close collaboration with all local, social players. And because of these very characteristics, Terra Felix is a significant player in the promotion of Novamont's sustainable development model, and the reason why, over the years, we have formed an increasingly structured, close collaboration.

Promotion of the bioeconomy in Serbia

With a view to promoting the spread of circular and sustainable systems also outside the country, on 29 January 2020, we signed a Collaboration Protocol, with the Serbian government, to **design a circular bioeconomic model that allows Serbia to achieve low-impact agricultural-environmental systems**.

The collaboration will see us involved in supporting the work to design a separated urban and farm waste collection model, in the subsequent implementation of a pilot project for the model, in one or more towns in Serbia, and as consultants on the circular bioeconomy, for the Ministries of Agriculture and of the Environment.

INITIATIVES FOR THE COMMUNITIES

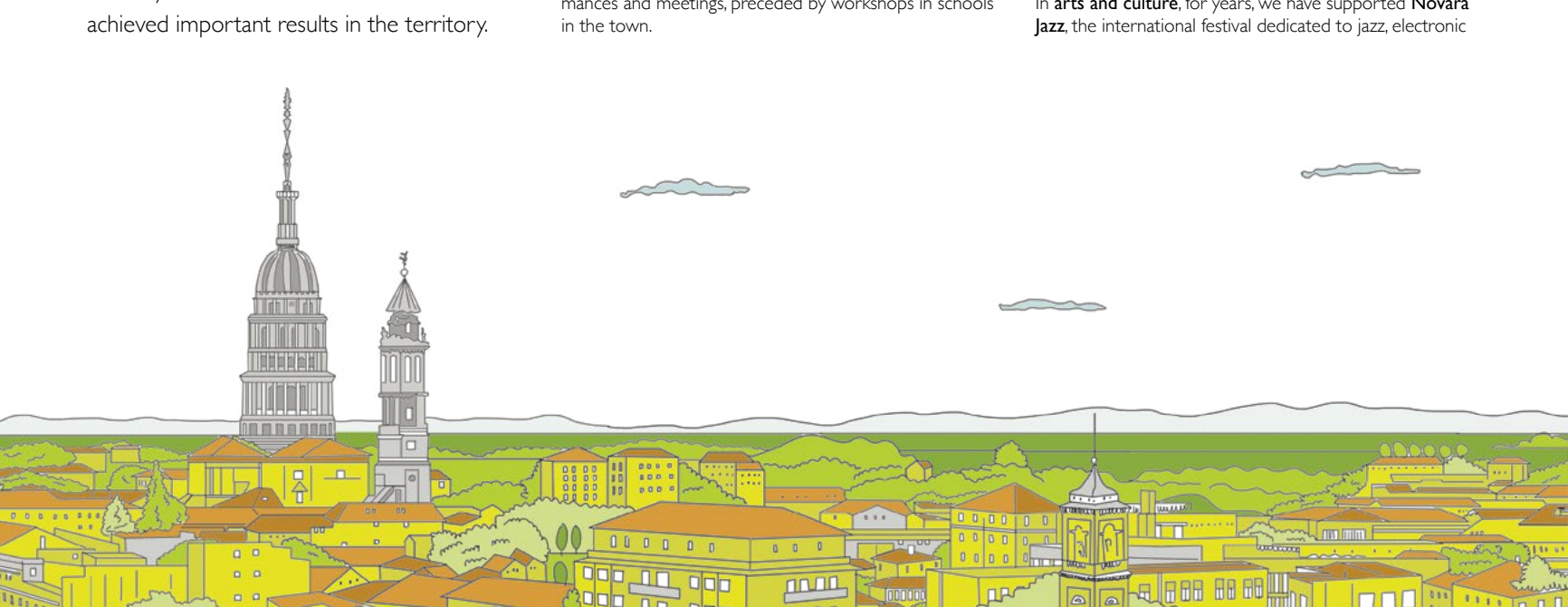
Our contribution to territorial regeneration is also made by promoting initiatives that encourage interaction with subjects in the territory who are involved in social work, who share our principles of sustainability and the circular economy. This support is provided through sponsorships, donations and free material supplies, for developing projects and ways to achieve social inclusion, and has achieved important results in the territory.

In 2020, we allocated funds to the following associations in the Novara area, involved in promoting art, culture, awareness-raising and education locally.

In the **education field**, the projects we have supported for a number of years now include **Promemoria Auschwitz**, an initiative to raise awareness among people, that was launched by the association Deina, that seeks to develop a conscious and critical use of history among the new generations, and **Scarabocchi**, which was born out of the collaboration between the cultural association Doppiozero and the foundation Circolo dei lettori, with the support of Novara town council: three days of workshops, performances and meetings, preceded by workshops in schools in the town.

Still in the education field, in 2020, we supported the Novara-based **association La Torre-Mattarella**, which operates in the area of social engagement to fight organized crime and mafias, by making a donation whose purpose was to provide teaching materials. Finally, we supported the **organization that manages the protected areas in the Ticino and Lake Maggiore areas**, by contributing to the publication "Il Plesso Verde", a text promoted by Piedmont Region, that seeks to teach young children about the topics of eco-sustainability and respect and responsibility for biodiversity, with an easy text including games and teaching nuggets.

In **arts and culture**, for years, we have supported **Novara Jazz**, the international festival dedicated to jazz, electronic



music and visual arts projects, and, in 2020, we funded the **Rotaract Val Ticino di Novara**, to create a charity dance show, which involved the dance schools Citt della Danza, Danza Viva and Officina della Danza in Novara, Happy Days in Trecate and Accademy in Oleggio. Outside the Novara area, we supported the international festival ***Time in Jazz***, one of the most important European cultural events, which takes place in Berchidda (near Sassari). In particular, one of the music workshops saw the use of material produced in Mater-Bi.

Finally, other donations were made to contribute to the community, to tackle the Covid-19 emergency, as described in the box below.

Novamont and the Covid-19 emergency: commitment for the territories

With a view to tackling the serious economic and social impact of Covid-19, we decided to promote and support a number of initiatives to help the territories, facilities and people involved, in the front line, in the fight against the pandemic, by taking part in an extraordinary outpouring of solidarity that is mobilizing people, businesses and associations throughout the country. We gave priority to the territories we operate in and, in particular, to the areas most affected by the emergency.

In collaboration with our converter partners, we supported Milan City Council, by supplying 100,000 compostable carrier bags, in the initiative "**Milano Amica**" for the distribution of foodstuffs to the most needy.

Thanks also to the partnership with Novamont, **Coccato&Mezzetti** restarted its production of **surgical masks in Mater-Bi**, breathing new life into a line that was considerably reduced in 2005, achieving the production of around 100,000 pieces per week.

When it comes to donations, economic support was given to the **Maggiore Hospital** in Novara and to the Santa Maria della Misericordia Hospital in Rovigo. In addition, collaborators that are members of **Novamont's Recreation Association**, that were unable to use the company gym during the emergency, donated their monthly membership fees to give 1000 masks to the hospital in Novara.

Novamont North America donated 1000 compostable bags to the Bridgeport Rescue Mission, a non-profit organization dedicated to fighting poverty, for the distribution of foodstuffs to people in need.

We supported the **Lions Club Novara** in supplying disposable plates and cutlery for the distribution of takeaway meals by the town's canteens during the lockdown.

Novamont made a solidarity contribution to the **Sant'Egidio Community**, which promotes initiatives that seek to encourage an open and fair education model, with particular attention to peripheries. The contribution was aimed at people severely affected by the consequences of the health emergency.

EQUAL OPPORTUNITIES

NON-DISCRIMINATION

TRAINING

HEALTH AND SAFETY

Chapter 6

RESPONSIBILITY TOWARDS THE COLLABORATORS

[GRI 103-1]

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

DISCLOSURE ON MANAGEMENT APPROACH

[GRI 102-11, 102-41, 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 407-1, 408-1, 409-1]

Management approach

Novamont acknowledges the central role of its collaborators and the importance of establishing with them solid, transparent relationships based on mutual trust. Thus, managing employment relations is inspired by protecting the rights of workers and exploiting their contribution, with a view to increasing the patrimony of skills that each collaborator has.

In line with this approach, and in conformity with what is stipulated by national and international norms, the Group's policies seek to **prevent any form of discrimination** on the basis of age, sex, sexual orientation, state of health, race, nationality, political opinions and religious beliefs. Furthermore, Novamont undertakes to **protect the moral integrity** of its collaborators, by guaranteeing the right to working conditions that respect the dignity of the person, and safe and healthy workplaces. No attitude or conduct that might harm a person, his convictions or his preferences in any area is tolerated. Finally, **no form of irregular employment** or use of **child or forced labour is tolerated.**[1]

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

- Ensuring that processes, products and workplaces do not constitute hazards to the health and safety of workers or of the community, and reducing, as much as possible, every form of pollution;
- Promoting the principle of equal opportunities and fighting discrimination;
- Guaranteeing respect for human rights along the whole value chain, including the supply chain.

The Group also updated its **Policy for Quality, the Environment and Safety (QEHS)**. The new QEHS Policy confirms, among other commitments, the importance of:

- Ensuring that workers, service providers and contract employees have adequate resources, and the information and training necessary for them to carry out their work in a competent and safe manner, in such a way that achieving the goals of the system, in terms of product and service conformity, is guaranteed;
- Ensuring that all workers undertake actions to prevent accidents and mishaps, by applying the procedures for managing any risk related to their work;
- Identifying, reporting, recording and analysing accidents and unplanned events, in order to learn from them and to implement corrective and preventive actions.

In pursuing the commitments stated in the Policy, the Novamont Group decided to adopt an **Integrated Management system (IMS) for Quality, the Environment, Health and Safety**[2]. With reference to the material topic, the IMS includes checking, monitoring and, if necessary, reducing the negative impacts on the health and safety of workers. The monitoring begins with a precautionary analysis, with identification of the dangers, a risk assessment and subsequent definition of the preventive and protection measures. These activities are carried out throughout all of the manufacturing stages, respecting the **principle of a precautionary approach**. The risks may be reassessed for events, following organization changes, physical changes and whenever it is necessary to modify one of the variables in play. Particular attention is paid to jobs that are done in high places, or in confined spaces, to the use of equipment, to exposure to noise, and to the use of chemical substances. In this latter case, starting with the initial phase of selecting the raw materials, every new component is selected while bearing in mind the risks linked to its processing and to its presence in the finished products for the environment and for the health and safety of the workers, as defined in the **Raw Materials Validation** Procedure. However, the activities carried out in the company do not entail a high risk of professional diseases. Every year, the results of the assessment and monitoring of the risks are re-examined using **performance indicators**, the trends of which suggest the system goals and preventive and/or corrective actions. For retrieval of the accident data, the Group operates a system of monitoring the performance indicators, in accordance with the management systems BS OHSAS 18001:2007 and UNI ISO 45001.

In order to investigate work-related accidents and find effective solutions to prevent their repetition, the Group adopted guidelines that define how to carry out a **Root Cause Investigation**, with involvement of workers' representatives, and procedures for stablishing actions to reduce the risks. Regular internal and external auditing procedures ensure that the standard of quality of the IMS is high. At all of Novamont's Italian sites, a **qualified physician** is appointed to carry out the activities required by Italian Leg. Dec. No. 81/08, while collaborating 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, and takes part in regular meetings on the topic and in the writing of the Risk Assessment Document. All of the above activities entail the involvement, consultation and participation of the workers and of their representatives.

In 2018, Novamont S.p.A. joined **WHP Novara – Workplaces Health Promotion**, the initiative that has the support of the European Union, for the prevention of chronic diseases. By joining the programme, companies undertake to promote good health by gradually achieving "Good Practices" in a variety of topic areas. During the first year of trying it out, Novamont implemented a series of initiatives in the area of healthy eating and physical exercise. In 2020, with the onset of the pandemic, the programme was temporarily suspended.

The Group follows a careful and rigorous hiring process; all personnel are hired with regular employment contracts and the **Procedure for Selecting, Introducing and Training** Human Resources defines the responsibilities and methods to ensure that the process of Selecting, Introducing and Training human resources is done while respecting equal opportunities and non-discrimination for all subjects concerned.

With particular reference to training in relation to quality, the environment and safety, a specific

1 More information can be found in the Code of Ethics.
2 More information on the IMS can be found on page 62 in Chapter 4 – Conformity and quality of the products

Procedure for Training and Informing personnel was defined, which describes the requisites for qualifying and training personnel and ensuring that all workers have the technical skills concerning quality and safety necessary to carry out their work efficiently and safely. The activities relating to health and safety concerned both compulsory training (in accordance with Italian Leg. Dec. No. 81/08 and with the State-Region Agreement of 21/12/2011), and training on operating procedures and instructions, to increase or maintain the abilities of the workers, resulting in more efficient risk management. In order to satisfy specific risk management needs, training is given to external personnel.

Every year, our Group draws up a **Training Plan**, which identifies the company's training needs in terms of what is compulsory, and in terms of specific needs that emerged from a discussion with the various company functions. For the training activities, Novamont relies on external companies and on highly qualified personnel, who gave specific training sessions in the classroom, and online.

Developing constructive dialogue with the trade unions is essential for creating a calm and collaborative corporate environment, which enables us to understand the needs of our collaborators more completely. Over the years, Novamont has built up a fruitful **dialogue with the AU** (Amalgamated Union) – who are present at all of the Group's Italian sites – and with the trade union representatives. Thus, trade union rights and the free association of workers are guaranteed in the Group.

With respect to the Italian companies in the Group, 100% of the employees are covered by **collective bargaining agreements**, in accordance with the CLA for Chemical Industry employees, and 100% of the managers are covered by the CLA for Managers of Companies that Produce Goods and Services. In France, 100% of the employees are covered by the *Convention collective nationale des commerces de gros*. In Spain, 100% of the employees are covered by the *Convenio Colectivo de la Industria Quimica*. In Germany, the employees are covered by non-collective bargaining agreements, as the size of this site does not warrant application of the collective regulations. 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 law[3].

To achieve increasingly high performance levels, in 2020, the Group adopted the framework of the **B Impact Assessment (BIA)**[4], as the main support in managing the topics of sustainability, including those connected with the wellbeing of employees.

More information on the actions, programmes and initiatives implemented by the Group is provided 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

These functions interface with the Group's subsidiaries, by collaborating actively with specific functions and the respective facility managements. In 2020, they started operating with the coordination and support of the Sustainability Committee and of internal workgroups connected with the management of the B-Corp certification and of the pursuit of common benefit.

Finally, in accordance with what is stipulated by Italian Leg. Dec. No. 81/08, every Italian site has a reference function for the topic of health and safety in the workplace (Prevention and Protection Service - PPS).

Complaint, consultation and discussion mechanisms

For the aspects concerning the health and safety of workers, complaints may be made (while respecting the confidentiality of the worker), using a specific form, to the SB at every Group site. Furthermore, reporting dangers linked to hazardous jobs or situations may be done to the Prevention and Protection Service (verbally, on paper, or by email) by the workers themselves or by the reference person in charge, or by the amalgamated union RLSSA.

3 www.dol.gov/agencies/whd/flsa
4 More information on the framework can be found on page15

CHARACTERISTICS OF THE PERSONNEL

Our collaborators are an essential resource, without which 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 31 December 2020, our personnel consisted of 479 employees, an increase of 4.6% over 2019 (with 458 employees). In addition to these, there were 31[5] external workers and collaborators, accounted for by workers with fixed-term contracts, and temps. We have always favoured establishing stable and lasting working relationships; among our personnel, there is a marked predominance of employees with permanent and full-time contracts. Diversity is an essential element in order to guarantee a dynamic and socially cohesive environment.

479 EMPLOYEES ON 31 DECEMBER 2020

Novara	Terni	PMV	Patrica	Adria[6]	France	Germany	Spain	USA
161	124	16	101	64	4	2	3	4

The Group's employees, by contract type, gender and geographical area[7]

[No. of People]	On 31 December 2020			On 31 December 2019			On 31 December 2018		
	Permanent contract	Fixed-term contract	Apprenticeships	Permanent contract	Fixed-term contract	Apprenticeships	Permanent contract	Fixed-term contract	Apprenticeships
Novamont Group	459	16	4	448	6	4	430	20	0
Italy	446	16	4	439	6	4	421	20	0
Men	347	10	2	342	4	2	327	16	0
Women	99	6	2	97	2	2	94	4	0
Novara	153	4	4	149	2	4	144	8	0
Terni	121	3	0	122	0	0	121	2	0
PMV	15	1	0	14	0	0	13	0	0
Patrica	95	6	0	91	0	0	81	5	0
Adria	62	2	0	63	4	0	62	5	0
France	4	0	0	3	0	0	3	0	0
Germany	2	0	0	2	0	0	2	0	0
Spain	3	0	0	-	-	-	-	-	-
USA	4	0	0	4	0	0	4	0	0

5 Mean value
6 This number includes 62 employees of Mater-Biotech S.p.A. and 2 employees of Novamont S.p.A.
7 The numbers relating to the division by gender for 2018 and 2019 differ from those published in the previous Sustainability Report, following the adjustment of the reporting scope to include just the Italian companies.

The Group's employees, by working hours (full-time/part-time) and gender[7]

[No. of People]	On 31 December 2020		On 31 December 2019		On 31 December 2018	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Novamont Group	465	14	444	14	437	13
Italy	**453**	**13**	**436**	**13**	**429**	**12**
Men	356	3	344	4	339	4
Women	97	10	92	9	90	8

Employees in Italy, by gender and age range[8]

	On 31 December 2020		On 31 December 2019		On 31 December 2018	
	No. of people	%	No. of people	%	No. of people	%
Men	359	77.0	348	77.5	343	77.8
Women	107	23.0	101	22.5	98	22.2
< 30 years	**54**	11.6	**47**	10.5	**51**	11.6
30-50 years	**308**	66.1	**306**	68.2	**305**	69.2
> 50 years	**104**	22.3	**96**	21.4	**85**	19.3

On 31 December 2020, 23% of employees in Italy were women. At the administrative headquarters in Novara, the percentage of women was 45%.

Employees in Italy, by professional category, gender and age range

	On 31 December 2020						On 31 December 2019						On 31 December 2018					
	No. of people	%					No. of people	%					No. of people	%				
		Men	Women	< 30 years	30-50 years	> 50 years		Men	Women	< 30 years	30-50 years	> 50 years		Men	Women	< 30 years	30-50 years	> 50 years
Directors	**21**	85.7	14.3	0.0	19.0	81.0	**21**	85.7	14.3	0.0	19.0	81.0	**20**	85.0	15.0	0.0	25.0	75.0
Managerial staff	**85**	68.2	31.8	0.0	68.2	31.8	**74**	68.9	31.1	0.0	70.3	29.7	**73**	67.1	32.9	0.0	71.2	28.8
Managing clerks	**65**	55.4	44.6	4.6	75.4	20.0	**63**	60.3	39.7	3.2	77.8	19.0	**55**	60.0	40.0	0.0	80.0	20.0
Office workers	**126**	65.1	34.9	23.8	59.5	16.7	**126**	62.7	37.3	16.7	66.7	16.7	**128**	64.1	35.9	15.6	71.1	13.3
Manual workers	**169**	97.6	2.4	12.4	72.2	15.4	**165**	98.2	1.8	14.5	70.9	14.5	**165**	98.2	1.8	18.8	68.5	12.7

8 The numbers relating to the division by gender and age range for 2018 and 2019 differ from those published in the previous Sustainability Report, following the adjustment of the reporting scope to include just the Italian companies.

In 2020, there were 39 new recruitments, and 18 terminations; this latter figure includes employees who left the Group voluntarily, following the natural expiry of their contract, because of dismissal, failure to pass the probationary period, or retirement.

The Group's incoming and outgoing employee turnover rates[9], by gender, age range and geographical area[8]

	2020				2019				2018			
	Incoming		Outgoing		Incoming		Outgoing		Incoming		Outgoing	
	No. People	Rate [%]	No. People	Rate [%]	No. People	Rate [%]	No. People	Rate [%]	No. People	Rate [%]	No. People	Rate [%]
Novamont Group	39	8.1	18	3.8	29	6.3	19	4.1	43	9.6	21	4.7
Italy	35	7.5	17	3.6	28	6.2	18	4.0	43	9.8	20	4.5
Men	24	6.7	12	3.3	15	4.3	10	2.9	37	10.8	10	2.9
Women	11	10.3	5	4.7	13	12.9	8	7.9	6	6.1	10	10.2
<30 years	18	33.3	2	3.7	12	25.5	4	8.5	24	47.1	7	13.7
30-50 years	16	5.2	10	3.2	11	3.6	11	3.6	19	6.2	12	3.9
>50 years	1	1.0	5	4.8	5	5.2	3	3.1	0	0.0	1	1.2
Novara	14	8.7	8	5.0	17	11.0	12	7.7	14	9.2	7	4.6
Terni	4	3.2	1	0.8	0	0.0	0	0.0	2	1.6	1	0.8
PMV	2	12.5	0	0.0	1	7.1	0	0.0	0	0.0	0	0.0
Patrica	11	10.9	1	1.0	5	5.5	0	0.0	6	7.0	2	2.3
Adria	4	6.5	7	11.3	5	7.5	6	9.0	21	31.3	10	14.9
France	1	25.0	1	25.0	0	0.0	0	0.0	0	0.0	0	0.0
Germany	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Spain	3	100.0	0	0.0	-	-	-	-	-	-	-	-
USA	0	0.0	0	0.0	1	25.0	1	25.0	0	0.0	1	25.0

9 The incoming and outgoing turnover rates are calculated by dividing the number of recruitments and of terminations, respectively, recorded in 2020, by the number of employees, by gender and geographical area on 31.12.2020

HEALTH AND SAFETY AT WORK

In 2020, in the Group, there were 2 accidents at work[10], of which neither was fatal or entailed severe lesions. All of the accidents concerned male personnel involved in production activities at the Terni and Patrica sites. For the Group's Italian sites, we also monitor the trend of accidents of the external workforce, who did not register any accident at work during the year. Lastly, like the previous year, no cases of professional diseases were recorded.

The physical protection of employees and collaborators and the wholesomeness of the work environments are essential matters, and are first an ethical, and then a legal responsibility of ours.

The situation of accidents below demonstrates **consolidation of the company performance in terms of health and safety at work**, with, the rate of recordable accidents at work, in Italy, remaining unchanged with respect to 2019.

Trend in accident indices, in Italy

	2020	2019	2018
No. of recordable accidents at work	2	2	5
of which, fatal	0	0	0
of which, with severe consequences	0	0	1
Hours worked	792,746	770,272	734,140
Rate of recordable accidents at work[11]	0.5	0.5	1.4
Rate of deaths resulting from accidents at work[12]	0.0	0.0	0.0
Rate of accidents at work with severe consequences[13]	0.0	0.0	0.3

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

In 2020, we provided **3296**
hours of training on the topic of Health and Safety to our employees

10 To ensure that the data reported for 2020 can be compared with previous years, it does not take account of 5 accidents associated with Covid-19 infection, as these were extraordinary phenomena caused by events not strictly related to the company's business as a whole. Furthermore, the accident situation does not include 1 accident during travelling.
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 lesions in the year/Hours worked in the year) *200,000

Novamont and the Covid-19 emergency: commitment for the safety and health of collaborators

At the beginning of the epidemiological emergency from Covid-19, in Novamont, we set about giving **absolute priority to the health and safety of all of our collaborators**. We, therefore, made **a quick consideration of the system and organization**, to reduce the spread of the virus to a minimum and, at the same time, to ensure the continuity of our production activities. Together, quickly and for a large number of people, and we succeeded in applying not only new protocols and important precautionary measures, but also organization tools and solutions never previously adopted.

We set up a Group-wide "**Coronavirus emergency unit**", and a crisis unit for each site (of which the trade union representatives are also a part), to ensure that the rules for containing the risk of infection from Covid-19 in the work environments were applied and verified

We made **changes to the production system**, providing back-up solutions, interrupting all that was not essential to the production or to the most critical developments

To reduce the presence of personnel in the company, where possible, we adopted part-time and full-time **smart working**, providing our collaborators with portable PCs

For the personnel present in the company, we implemented **specific measures to limit contacts** inside and outside the company, for example, by encouraging remote meetings

Regular, general **sanitization** was done of all buildings, and activities to clean departments and the most sensitive areas intensified

The Internet lines at the Group's Italian sites were enhanced, to benefit the people present in the company and those working remotely

All personnel (including external collaborators) were able to benefit from specific **Covid-19 insurance cover**

In the month of May, on the basis of the specific characteristics of each site and of the instructions issued by each Region, we implemented a **serological testing programme** (with voluntary involvement) for collaborators of the Group

We started publishing the internal newsletter **'Kia-Kaha' - Tieni duro, il mio pensiero è con te (Hang in there, my thoughts are with you)** – to inform our collaborators of what the Novamont community has done to tackle the emergency and to share "digital solidarity" initiatives in various fields

In collaboration with Coldiretti and with Campagna Amica, we set up a **"0 km" farm product delivery** service that supports the personnel present in the company.

Despite the extraordinary nature of the events and the inevitable confusion, our collaborators continuously gave their support, with a great sense of responsibility. The ability of our production sites to respond to the emergency was exceptional, and confirmed the spirit of adaptation that characterizes our community.

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. In 2020, 8545 hours of training was provided, with an average of 17.8 hours per employee (with respect to 13,468 hours of training, and an average of 29.4 hours per employee in 2019).

In Italy, 60% of our employees have a high-school diploma, and 35% also have a university degree.

Our training is organized in such a way as to ensure a varied and targeted offering that adapts the skills of our collaborators to the growth of the company. As a demonstration of this, in 2020, we began the training course **Skills for Managing Company Projects using MS Project 2016**, run by the GEMA Business School. The goal of the programme was to provide the skills for a structured, methodological approach to managing projects and to using the MS Project 2016 software, as well as to encourage rationalization of professional skills in relation to project management. Our collaborators were involved in a learning process that alternated training activities on theoretical concepts with practice on actual corporate cases.

We gave colleagues involved in Application Research & Development the opportunity to take part in a series of **seminars on the evolution of technological processes**, in which they had the chance to refine their skills on specific technologies, for example, the injection moulding process and problems associated with it, also in relation to the properties of the materials.

Finally, we began training on **Office 365**, with the goal of presenting the characteristics of the Office 365 Suite and the benefits that can be obtained by adopting it, trying out the practical use of its main tools.

42%
ONLINE TRAINING, ON E-LEARNING PLATFORMS OR BY REMOTE LEARNING

~ 8500 hours of training
(17.8 hours on average, per person)
provided in 2020 in the following areas:

39% HEALTH AND SAFETY

38% QUALITY AND ENVIRONMENT

13% CROSS-JOB

6% SOFT-SKILL

4% TECHNICAL SPECIALIZATION

The training project 'environmental and social responsibility' at Mater-Biotech

As part of Corporate Social Responsibility, in 2020, the training project "**Environmental and social responsibility: procedures for initializing and consolidating businesses in the chemical and waste management sectors**" was launched. The project is part of "Responsible Enterprise – Procedures for encouraging innovation in companies in Veneto, with a view to sustainable development" (Regional Council Decree No. 816/2019), the initiative funded by the European Social Fund created to support projects to promote the culture of corporate social responsibility as a strategic factor for development of the region and of the competitiveness of businesses in Veneto. The project, for which Mater-Biotech is a partner, together with other local players in the municipality of Adria, involves companies in the chemical and waste sector, and its goal is to design and implement sustainable production models that, through training, group consultancy, study visits and multi-stakeholder meetings, encourage:

reducing environmental impact

energy efficiency

the reuse, recycling and recovery of materials

the transformation of waste into resources

The training course was development from two different perspectives:

one, inside the company, acts on the **production processes and on internal governance**.

the other, outside, acts on the **relationships between the company and territory,** with the goal of enhancing the bond and dialogue with it, and improving relations with the authorities and the people.

Particular attention is paid to corporate and territorial welfare and to the relationship between company and territory, from the viewpoint of a circular economy. In 2020, Mater-Biotech collaborators received part of the training and consulting on the topic of waste management in the company, on participation methods for developing the territory and corporate competitiveness and on the reuse, recovery and recycling of products from the manufacturing process. The project ends in 2021, with meetings for the Network Development Plans.


ONE BIG FAMILY
IN A SPIRIT OF
PROTECTION AND
RESPECT

"The challenge of a more resilient planet is not one that can be tackled without the adequate participation of all players along the value chain and in civil society, and it will be essential to start by spreading information and good practices, particularly among the young generations, with activities in the territories, always bearing in mind that it is sometimes better to inspire than to teach."

Catia Bastioli

COMMUNICATION CHANNELS

EVENT PROMOTION

Chapter 7

COMMUNICATION AND SUSTAINABILITY AWARENESS

[GRI 103-1]

The quality and transparency of corporate and product communication to all internal and external stakeholders and the spread of knowledge about the topics of sustainability among the population, in the broadest sense, including training of school/ university students, to support a cultural shift to more sustainable lifestyles.

DISCLOSURE ON MANAGEMENT APPROACH

[GRI 103-2, 103-3]

Management approach

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

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

In respecting these principles, Novamont undertakes to guarantee a continuous dialogue with its stakeholders, thanks to the presence of specific functions appointed to convey messages inside and outside the Group, about the Group and about the product. These messages are communicated through a multitude of dialogue and listening channels, conceived to make communication to stakeholders more effective and to increase participation. In particular, the environmental and social characterization of our products is conveyed using specific forms of communication. These include technical data sheets[1] (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 takes into account the importance of correct and complete communication, which enables the stakeholders to take autonomous decisions, while being aware of the interests involved, of the alternatives and of the relevant consequences, as mentioned in the Code of Ethics. For this reason, Novamont developed a series of communication contents intended to guarantee transparency and correctness in the messages. In specific cases, some contents are also examined by the legal department.

In the last few years, social networks have become established as some of the most important communication channels, which we cannot ignore if we want be able to count on simple and quick communication with an ever larger and more varied group of users. Conscious of this trend, and in line with what is defined by our **Social Media Strategy**, in 2020, the Group consolidated its presence and activities on the main social media channels. Other important communication channels include our websites, as well as our direct participation in national and international events.

Novamont is also supported by a press office, which writes and publishes press releases, articles and interviews with the outside world.

More information on the actions, programmes and initiatives carried out by the Group in relation to this topic is provided 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
- Corporate Communications and Strategic Planning
- Business Communications and Special Projects
- Ecology of Products and Environmental Communication
- Intellectual Property and Legal Affairs

These functions interface with the Group's subsidiaries, by collaborating actively with the respective facility managements.

Complaint, consultation and discussion mechanisms

Further information on aspects concerning the material topic may be requested from the websites www.novamont.com, and www.materbi.com, or by emailing 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 COMMUNICATIONS CHANNELS

Sustainability itself has great value, in the actions and results achieved along its way. But it is in sharing all of this that its strength is fully expressed: indeed, by communicating our commitment to our interlocutors, we can be open to accepting everyone's contribution, to offering our perspective, and in exchange, get their points of view. Only by doing this is it possible to develop and spread a different business culture, that belongs to everyone.

Websites

The main information about our activities, products and initiatives can be found on the following websites:

materbi.com
The website dedicated to the world of Mater-Bi and its applications

agro.novamont.com
This website contains detailed information about our approach and about our products, applied to the world of agriculture

novamont.com
Novamont's corporate website is one of the main channels for our corporate and product communication.

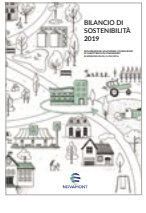
uk.novamont.com
france.novamont.com
germany.novamont.com
northamerica.novamont.com
novamontiberia.es
These contain sections dedicated to communication and contact with the most interesting foreign authorities and markets.

allascopertadelmaterbi.it
The website of the integrated education project "Alla scoperta del Mater-Bi" ("Discovering Mater-Bi"), aimed at the general public (families, adolescents, children and schools)

Sustainability Report

Published annually since 2008, this is our main communication tool in the area of Corporate Social Responsibility.



Social networks

Novamont's presence on social networks was consolidated in 2020, with a number of active channels:

LINKEDIN
linkedin.com/company/Novamont

YOUTUBE
youtube.com/user/novamontchannel

FACEBOOK
facebook.com/novamont
facebook.com/materbi
facebook.com/scoprimaterbi

TWITTER
twitter.com/Novamont
twitter.com/materbi
twitter.com/scoprimaterbi

INSTAGRAM
instagram.com/novamont_group

Publications

We are increasingly seen as a leading interlocutor on the topics of the circular bioeconomy and for this reason, we are called upon to contribute to discussions and to Italian and international reference publications.

Over the year, we contributed to numerous studies and reports. These include:

• **The future of Italian wine. Quality, sustainability and territory – The present and the challenges of Conegliano Valdobbiadene Prosecco Superiore DOCG** – study promoted by the Symbola Foundation and the Consortium "Tutela Conegliano Valdobbiadene Prosecco DOCG", designed to map out the main technological solutions to improve the products and production processes of the wine value chain, in terms of sustainability, in which Novamont was called upon to illustrate the benefits of the biodegradable solutions for agriculture.

• **The Coldiretti Notebook "Dove sta andando la PAC. L'evoluzione della PAC tra il Green Deal e l'emergenza Covid-19**" ("Where is the CAP going. Evolution of the CAP, with the Green Deal and the Covid-19 emergency") – a publication by Coldiretti, produced to describe the process of reforming the Common Agricultural Policy (CAP), intended for agricultural, agri-food and agroforestry companies, national and local policy makers and other stakeholders. Novamont was called upon to illustrate how the circular bioeconomy can be a solution in regenerating agricultural land.

There were also many books and e-books, in which our CEO Catia Bastioli was called upon to speak about Novamont's experience and model for the bioeconomy for regenerating territories, as a possible solution for a more sustainable future. These include:

• **Let's build a sustainable and fair future for Italy. Contribution of ideas of experts in social, economic and sectorial disciplines** – the e-book in which the WWF gathered the contributions of 13 creative minds in the fields of economic, environmental and social sustainability, to overcome the dramatic effects of the economic and social crisis.

• **The man who invented the bioeconomy – Raul Gardini and the birth of green chemistry in Italy**: the latest publication by Mario Bonaccorso, which, from Raul Gardini to the present day, describes the beginning and development of the project to integrate chemistry and agriculture that had been at the heart of the industrial strategies from which Novamont was founded. In the preface, Catia Bastioli speaks about the vision that led Novamont to become a pioneer in the circular bioeconomy sector.

• **A new ecological economy, beyond Covid-19 and climate change**: the book by the MP Patty L'Abbate seeks to put forward a new way of thinking about the economy and the tools for managing it, in order to achieve a sustainable and fair future. In the preface, Catia Bastioli speaks about how, in the regeneration of territories, the bioeconomy can be one of these tools.

Finally, in 2020, a lot of newspapers chose to speak about Novamont, about its model and its sustainable innovations, using the words of its people. These include the Italian newspapers *Corriere della Sera, La Stampa and Il Sole24Ore*, and the news agency *ADN Kronos*.

Events and trade fairs

The most important events in 2020 that Novamont took part in as a reference point for the sector include:

Participating directly in national and international events and trade fairs, primarily by virtual means, gave us a valuable opportunity to strengthen the dialogue with all of our interlocutors, to establish new partnerships, to announce new applications, and, above all, to spread our model of a circular bioeconomy.

National events

RAIPLAY MARATHON
MANIFESTO: A NEW GREEN DEAL FOR ITALY
- VIRTUAL EVENT, 25 JUNE -

An event organized by the Fondazione per lo Sviluppo Sostenibile, in collaboration with RAI, and streamed on RAI Play. Over the seven hours of the non-stop event, politicians, important figures in Italian industry, intellectuals, artists and representatives of European institutions discussed the roadmap to a green economy that can support growth, with a development plan that can tackle the current challenges. Novamont was called upon to illustrate how the bioeconomy, organized in a circular way, can be a powerful tool to accompany the energy transition, by transforming peripheries into strategic development centres.

EUROSCIENCE OPEN FORUM 2020
- TRIESTE, 2 SEPTEMBER -

This biennial scientific, Pan-European forum dedicated to research and innovation, which brings together important scientists, researchers, businesspeople, innovators, political decision-makers, and science and technology communicators, was hosted by the city of Trieste, the 2020 European City of Science. Novamont was invited to present its experience and to illustrate how it is possible to decarbonize the economy, to remedy the problems of deterioration of the ecosystems and to create new jobs "by doing more with less".

SOIL THAT IS PRODUCTIVE AND IN GOOD HEALTH
- VIRTUAL EVENT, 5 NOVEMBER -

A conference organized as part of the *Double Digital Week* of the Ecomondo by the Re Soil Foundation, in collaboration with the National Technological Cluster of Green Chemistry SPRING, with the goal of raising awareness of the topic of soil health and of the circular bioeconomy as a tool in the regeneration of this precious ecosystem. The conference, which was chaired by Paola Adamo, the Chairperson of the Italian Soil Science Society, saw Catia Bastioli, Novamont's Chief Executive Officer and Member of the *Mission Board Soil Health and Food* of the European Commission, presenting the final report of the Mission "*Caring for soil is caring for life*".

IN 2020, WE TOOK PART IN OVER 110 NATIONAL AND INTERNATIONAL EVENTS[2], SOME OF WHICH HAD BEEN ORGANIZED WITH OUR MOST IMPORTANT PARTNERS.

2 For more information on the events, visit the section News e Media/Eventi on our website novamont.com.

International events

CIRCULAR BIOECONOMY INVESTMENT FORUM PROSPERITY WITHIN PLANETARY BOUNDARIES - DRIVING A NEW ECONOMIC MODEL
- VIRTUAL EVENT, 4 JUNE -

An event organized as part of the *Sustainable Markets Council*, on the initiative of His Royal Highness the Prince of Wales, in collaboration with the *World Economic Forum*, to stimulate targeted innovation, attract investments and rethink business models and markets, with scientists and representatives from the world of industry and of finance. The most innovative technologies were gathered into the "*10-Point Action Plan to catalyse a circular bioeconomy of wellbeing*", coordinated by the director of the European Forest Institute, Marc Palah . During the dialogue, Novamont was called upon to represent the world of industry and to present the Italian model of the circular bioeconomy.

THE EU MISSION "CARING FOR SOIL IS CARING FOR LIFE" AND THE CO-CREATION OF A NATURE-BASED EUROPEAN GREEN DEAL
- VIRTUAL EVENT, 4 NOVEMBER -

The conference organized by the Technical-Scientific Committee of Ecomondo and by the *Mission for Soil Health and Food* of the European Commission, during the *Double Digital Week* of Ecomondo 2020, with the goals of presenting the *final report* of the Mission "*Caring for soil is caring for life*", which was published in September 2020, of presenting regeneration case studies in Europe and of raising awareness of the importance of healthy soil. Catia Bastioli, the Chief Executive Officer of the Novamont Group and Member of the *Mission Board for Soil Health and Food* of the European Commission, chaired the event and presented the Re Soil Foundation.

A SUSTAINABLE RECOVERY FROM COVID-19: BUILDING BACK BETTER
- VIRTUAL EVENT, 13 JULY -

An event organized by the British Ambassador to Italy, as part of the Conference in Pontignano, one of the most important moments in the bilateral relationship between the United Kingdom and Italy, which, every year, brings together the main government decision makers and influencers to discuss education and academia, technology and innovation, culture and society, business and finance, politics and security. Novamont featured among the high-level speakers called upon to contribute to the debate and to illustrate the case study of the integrated, Italian value chain for bioplastics and biochemicals.

EUROPEAN WEEK OF REGIONS AND CITIES
- VIRTUAL EVENT, 13-15 OCTOBER -

The largest annual European event dedicated to regional policies, during which cities and regions share their experiences and good territorial governance practices, to create growth and employment and implement the European Union's cohesion policy. Novamont was called upon to illustrate how partnerships along the whole value chain of bioplastics and biochemicals have contributed to generating circular bioeconomy case studies in Italy.

FORO DE ECONOMIA CIRCULAR 2020 PARAGUAY
- VIRTUAL EVENT, 17 NOVEMBER -

This Forum, organized by MIPYME (a cooperation programme funded by the European Union), an important event for Latin America, for topics relating to sustainability, began in order to promote the transition to the circular economy in Latin America and to increase the awareness of the public and the authorities, by involving subjects from all over the world. Novamont was one of the European companies invited to present its experience in the circular bioeconomy sector

Virtual and in person participation in trade fairs

MARCA
- BOLOGNA, 15-16 JANUARY -

The international private label exhibition

BIOFACH 2020
- NUREMBERG, 12-15 FEBRUARY -

The most important trade fair in the world for organic foods

CIBUS FORUM
- PARMA, 2-3 SEPTEMBER -

Il più rilevante evento nazionale dedicato alla filiera agroalimentare

MACFRUT
- VIRTUAL TRADE FAIR, 8-10 SEPTEMBER -

The reference point for Italy and the world, for the fruit and vegetable secto

FA' LA COSA GIUSTA
- VIRTUAL TRADE FAIR, 27-29 NOVEMBER -

The trade fair on critical consumption and on sustainable lifestyles

15TH EUROPEAN BIOPLASTICS CONFERENCE
- VIRTUAL TRADE FAIR, 30 NOVEMBER-2 DECEMBER -

The main international business forum for the bioplastics industry in Europe

ECOMONDO
- VIRTUAL TRADE FAIR, 3-6 NOVEMBER -

The international trade fair on the recovery of matter and energy and sustainable development

Education and training are essential if we are to give a genuine boost to the spread of the circular bioeconomy. Innovative boosts and new ideas must come increasingly from the new generations, and our job, as entrepreneurs, must be to give them the tools and a voice"

Catia Bastioli

FUTURE GENERATIONS

AWARENESS-RAISING ABOUT THE ENVIRONMENT

EDUTAINMENT

Chapter 8

EDUCATION AND TRAINING

[GRI 103-1]

Promoting knowledge and a culture of systemic and multidisciplinary sustainability, involving the new generations and organizing training courses for young researchers and experienced figures.

DISCLOSURE ON MANAGEMENT APPROACH

[GRI 103-2, 103-3]

Management approach

Novamont is actively involved in promoting engaging dialogue with the world of schools and universities, in order to raise awareness among the new generations of the topics of sustainability and good environmental practices, and to ease young people's entry into the world of employment, by developing projects aimed at all age ranges.

In 2020, Novamont issued its **Sustainability Policy** which, on the topic of education and training, formalizes the Group's commitment to promoting cultural growth in the sector of the bioeconomy, with multidisciplinary training courses in collaboration with partners in the public and private sectors.

The educational tools that have been activated take account of the level of awareness of those involved and include, for schools of all levels, the project "Discovering Mater-Bi" and the channel "Scuola@Novamont". For the world of universities, Novamont continued with the promotion and support of the Master's "*Bioeconomy in the Circular Economy*" (BIOCIRCE). 2020 saw the launch of "*One Planet School*", a new, innovative learning platform on a number of across-the -board topics, produced by WWF Italia and supported by Novamont.

Additional actions, programmes and initiatives carried out by the Group are described in the following paragraphs.

Complaint, consultation and discussion mechanisms

Further information on aspects concerning the material topic may be requested from the websites www.novamont.com, or by emailing info@novamont.com.

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 Communications and Special Projects
- Corporate Communications and Strategic Planning
- Human Resources.

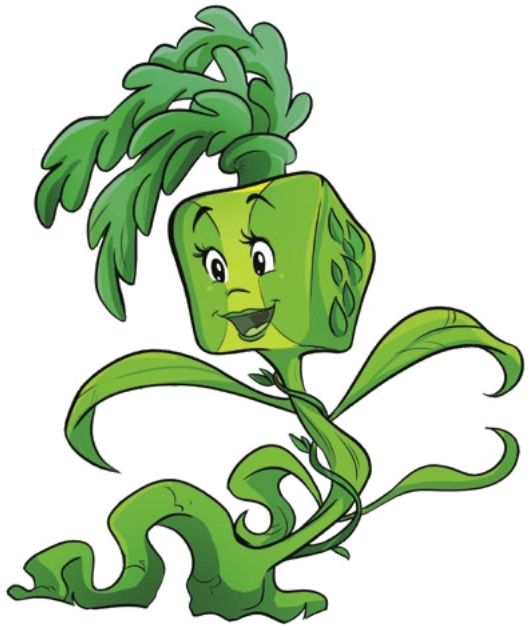
These functions interface with the Group's subsidiaries, by collaborating actively with the specific functions and with the respective facility managements.

EDUCATING 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 bring children, adolescents and parents closer to the world of bioplastics, we developed an integrated education project (edutainment) called "**Alla scoperta del Mater-Bi**" ("Discovering Mater-Bi"), which includes a web platform, a travelling, interactive, multimedia exhibition, science and creativity workshops, teaching materials, publications, games and comic strips. The character leading the discovery is **Bia de Compostabilis**, our mascot, which was created by the Walt Disney illustrator, Paolo Mottura, which has the appearance of various packaging solutions and products made of Mater-Bi.



The goal of "Discovering Mater-Bi" was to raise awareness and provide an active experience of the world of bioplastics and their life cycle, through workshops and games, and to demonstrate to children, adolescents and their families how we can all make a valuable contribution to the environment we live in, through our everyday actions.

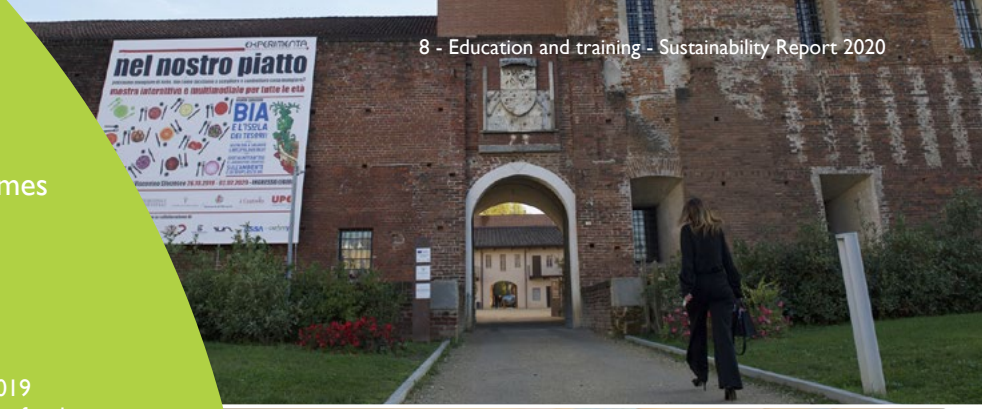
2020 saw the creation of new virtual formats:

Bia around the world in 12 days is the new interactive, multimedia journey created for the web intended for families with children, adolescents and adults. In an interactive game/tale, the visitor is led by Bia along a path of discovery of microworlds characterized by hilly and agricultural landscapes. For each of the 12 stages, the game provides examples of good practices, starting with respect for the environment, topics related to the separate collection of organic waste, the life cycle of bioplastics, wastage, regenerating territories, and the circular economy..

The story of Bia's journey has also been produced, for younger children, as a **video narration** set in the wood.

The magnificent 7: the world of Bia's creativity workshops has been turned into 7 new video tutorials on how to turn tableware and bags into toys and musical instruments, releasing the creativity of the young participants and of their families.

The challenge of 'Bia around the world in 12 days' is for the whole family, to be played directly at home, to test your knowledge of the environment and of good practices, in order to preserve the environment.



In 2020, Bia and her 'Alla scoperta del Mater-Bi' games and workshops made a stop at:

VISCONTI-SFORZA CASTLE
Novara, 26 October – 2 February

"Nel nostro piatto" ("On our plates"), the exhibition launched in 2019 that focuses on the topics of a healthy and conscious diet, on fighting food wastage and on raising awareness of environmental topics, is coming to an end. "Discovering Mater-Bi" was the special guest at the exhibition, providing interactive teaching courses and creative workshops on the environment and on the cycle of bioplastics. The initiative proved to be a valuable tool for spreading scientific knowledge, and registered a significant influx of schoolchildren and local inhabitants. Spreading these topics continued in the schools of Novara, with the work of teachers and activities of the environmental teaching centre.

After their visit to the castle, the young visitors continued, at school, their study of what they had learnt, and produced a video and creative drawings, which we collected together at the University of East Piedmont, in a video clip presented and shown on the social networks.

FESTAMBIENTE
Rispescia (near Grosseto), 19-23 August

This year, Legambiente's national Ecofestival dedicated to ecology and solidarity, took place in an innovative way, marked by safety and respecting the anti-Covid-19 norms. This year we took part, with the augmented reality "Bia and Treasure Island", "Discovering soil" and "Around the microworld in 12 stages".

FA' LA COSA GIUSTA! (DO THE RIGHT THING!)
Online, 20-29 November

In 2020, there was a special version of the largest, Italian trade fair for critical consumption and sustainable lifestyles, one that was entirely digital. With this new method, the public were able to follow virtually and take part in live events on the site and on the main social networking channels of Fa' la cosa giusta! This formula made it possible to achieve extremely positive results: the fair registered 583,000 views of its contents, and 64,000 interactions on the social networks.

73
active players in the Bia challenge e and Around the world in 12 days

191
views of the 7 video tutorials of the creativity workshops

83
views of Bia's new video tale, set in the wood

During the digital FA' LA COSA GIUSTA!, we presented the new educational website allascopertadelmaterbi, which has been completely remade with a new look and feel, with so many new games and contents

One Planet School

"As Novamont, we're happy to be able to contribute to WWF Italia's project, One Planet School. It is a new, e-learning platform, where there is a great deal of content that will enable us to be active citizens in support of sustainability, knowing, connecting and acting in an innovative and responsible way."

Catia Bastioli

On 7 October 2020, WWF Italia launched the new project One Planet School[1], an online platform that is free of charge and intended for everyone, that was conceived as an educational and training tool on various transversal, interdisciplinary and synergistic topics relating to active nature conservation.

So, on this platform, it is possible to follow courses, learn about the evolution of large, environmental summit meetings, take part in training meetings, download documents and follow the reading suggestions of the speakers who contributed to creating the project.

For years, beside WWF Italia in promoting territorial projects, we supported the creation of One Planet School from the very beginning.

The protagonists on the platform also include the Re Soil Foundation[2], which was established to raise awareness and to provide training on the topic of soil. On One Planet School, it is possible to follow a lesson that examines the foundation, given by the Dean of the Politecnico di Torino, Guido Saracco. During the Ecomondo Trade Fair, the course "Soil: the Earth's skin" was inaugurated; this course was developed, as part of One Planet School, to raise awareness among the public of the importance of this resource, which is essential to maintain life on the planet. The course is organized into a number of lessons that lead the visitor to discover its characteristics, the threats and pressures it is subject to and the solutions that, in Italy and internationally, are being undertaken to protect this important, limited and non-renewable resource. Catia Bastioli took active part in the initiative, giving a lesson on the topics of the circular bioeconomy and of regeneration of the territories.

1 oneplanetschool.wwf.it
2 More information on the Foundation can be found on page 78 in Chapter 5 – Territorial regeneration and soil protection

One Planet School, with lessons of great experts, and quality investigations, seeks to lay the foundations for a new awareness, with solid roots in the most advanced scientific knowledge, that goes beyond simplifications: a process to understand the present and build a future of wellbeing and sustainability.

Scuola@Novamont

Scuola@Novamont is the education project that we created to spread knowledge of topics relating to the bioeconomy and the circular economy, among pupils at junior and senior high schools and universities in Italy.

During the health emergency, we wanted to contribute actively to the **digital solidarity** marathon, which has seen companies and associations make available free services, education courses, e-books, magazines and digital bookshops to support people, above all, the young generations, in dealing with everyday life in the best way possible.

In particular, with the initiative **#laformazionenonsiferma!**, we did our best to develop online lessons, video-soundbites and home experiments, that are intended to promote cultural growth on the topics of sustainability, the bioeconomy and biorefineries, to entertain students and supplement the schools' curricula.

The videos are available on our web channels and social networks, and on YouTube, on the Novamont Channel.

Scuola@Novamont is an opportunity to share our values and our way of doing business, which focuses on reconnecting the economy and society, increasing employment and innovation capital in our country, for which, young people are the main resource.

#laformazionenonsiferma

is the initiative that was created to supplement the curricula of schools, with a number of remote teaching tools:

SOUNDBITES ON THE BIOECONOMY

A series of information videos to examine and popularize the key concepts of our model for the bioeconomy

BIO EXPERIMENTS VIVICHEM KIT

To teach students about the dynamics and products of a modern biorefinery, we used our Vivichem teaching kit: lessons and experiments for little chemists

NOVAMONT@HOME

To replace the usual visits by students to our premises, we produced some ad hoc video lessons on the values of Novamont, our activities and our products

CORPORATE PRESENTATIONS
REMOTE LESSONS

Lessons and webinars with universities and high schools

BIOCIRCE Master's

January 2020 saw the beginning of the fourth ***Master's in Bioeconomics in the Circular Economy***[3] **(BIOCIRCE)**, the interdisciplinary and international Master's that seeks to prepare professional figures specialized in the sector of the circular bioeconomy, and in the responsible and sustainable use of renewable resources and of biotechnological processes. The project was created in 2017, from a joint initiative of four universities (Milan's Bicocca University, the Federico II University in Naples, the University of Turin and the University of Bologna), in collaboration with a number of non-academic organizations that deal, at different levels, with the world of the bioeconomy and of the circular economy (Intesa Sanpaolo, Novamont, GFBiochemicals and the PTP Science Park in Lodi, near Milan).

During the course, the students had the opportunity to learn about the whole value chain of bio-based products, from supplying the raw materials in the agricultural ecosystems, to the biotechnological and industrial processes that convert these resources into new products, to the selling and consumption of the final product.

MASTER BIOCIRCE

Bioeconomy in the Circular Economy

4th BIOCIRCE MASTER'S

8 students visiting Novara for an intense day of lessons and guided tours of our laboratories

1 student will be attending a number of training periods in 2021

The BIOCIRCE Master's fits perfectly into Novamont's approach to education, which has been thought of as a tool to promote a new development model that connects the world of industry and of innovation with cultural growth and raising awareness among the new generations.

3 Additional information can be found on the website www.masterbiocirce.com

APPROACHING THE WORLD OF WORK

We collaborate actively with universities and schools, providing students with opportunities to guide their own professional development and to take their first steps into the world of work.

IN 2020, WE WELCOMED THE FOLLOWING TO OUR ITALIAN SITES:

1
SCHOLARSHIP HOLDER

5
STUDENTS WRITING THEIR THESIS

10
INTERNS AND APPRENTICES

2
STUDENTS INVOLVED IN THE "ALTERNANZA SCUOLA LAVORO" PROJECT

Technical High School in Terni

With the goal of **promoting the development of professional figures that are increasingly qualified to face the challenges of the bioeconomy**, we collaborate actively with the Istituto Tecnico Superiore in Terni, to create the **Biotech Academy** training course, "**Senior technician for the research and development of biotechnology-based products and processes**". The technician is a specialized figure in emerging and innovative fields, like that of environmental sustainability, and in researching alternative and biocompatible materials, with green process and product skills. In the teaching year 2019/2020, the scheduling was partially altered, with the inclusion also of process technology skills, with the aim of broadening the training provided and responding to the needs of local companies.

The main activities carried out in collaboration with Novamont go from planning the course, to producing the lessons on some modules, to organizing visits and training apprenticeships in the company.

The Biotech Academy course lasts 1800 hours (1000 hours of theoretical/practical training and 800 hours of apprenticeship in a company), and the minimum requirement to enrol is a high school diploma.

MUSE
Museum of Science, in Trento

In 2020, we supported the Museum of Science, in Trento, in creating the project "**Beyond the Plastic**", an initiative that was born out of the **involvement of young Italians in a process of awareness raising and action to reduce, recycle and reuse plastic waste**.

The project was created in collaboration with the Museum of Science, in Trento, with the support of the Italian Agency for Cooperation in Development, and was organized in the exhibition rooms of MUSE and of the Albere Palace. The initiative has spread to several parts of Italy, thanks to a network of ten partners (from Trento Province to Sicily) coordinated by the Oykos Institute.

At MUSE di Trento, the contest by the Agency and by the Oykos Institute saw the selection of the "Nautilus" installation by Valentina Furian, and of the tapestries produced in recycled plastic, by Giovanni Bonotto.

For the Nautilus installation, our Mater-Bi was used, so Novamont was rightfully included in the artistic planning of the installation itself.

To tackle the problems of water, soil and air, which are threatening ecosystems and our society, we need interconnected projects among the various economic and social groups, that involve all sectors that affect the quality of the environment, be it directly or indirectly. Consequently, I think it is essential to create and promote the development of unifying tools and of new alliances, to stimulate the interconnections between businesses and between research and the world of business. In Italy, in the circular economy and bioeconomy sectors, the virtuous examples on which we can build include the National Technological Cluster, SPRING, and the Alliance for the Circular Economy."

Catia Bastioli

NETWORKS

COMMON GOALS

Chapter 9

PARTNERSHIPS AND COLLABORATIONS

[GRI 103-1]

The promotion and development of partnerships and alliances, to stimulate interconnections among businesses, associations, research institutes, governments and communities, to share knowledge and to achieve common, sustainable development goals.

DISCLOSURE ON MANAGEMENT APPROACH

[GRI 103-2, 103-3]

Management approach

In 2020, Novamont issued its **Sustainability Policy** which, on the topic of partnerships and collaborations, formalizes the Group's commitment to:

- Collaborating on 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;
- Signing 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.

The Group also updated its **Policy for Quality, the Environment and Safety (QEHS)**. The new QEHS Policy confirms, among various commitments, the importance of adhering to the principles of sustainable resource management, pollution prevention, environmental management and the safety and sustainability of products, also by signing up to international voluntary programmes that promote these principles. Novamont undertakes to create and promote the development of partnerships, in order to stimulate interconnections between the Group and associations, the world of research, businesses, governments, institutions and communities. And so. as mentioned by the Code of Ethics, Novamont considers dialogue with the associations to be of strategic importance for a correct development of its business; consequently, it establishes a stable communications channel with the associations that represent its stakeholders, in order to cooperate, while respecting mutual interests, to present the Group's positions and to prevent any possible conflict situations. As part of its organization system, the Group established a set of procedures that regulate how company activities are carried out. These include the **Participation and Associations** procedure, which describes how Novamont S.p.A.'s participation in associations is managed.

All of the actions, programmes and initiatives carried out by the Group in relation to the material topic are described 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
- Corporate Communications and Strategic Planning
- Corporate Relations and Associations
- Business Communications and Special Projects
- Commercial
- Bioplastics Application Marketing, Technical Assistance and Development

These functions interface with the Group's subsidiaries, by collaborating actively with specific functions and the respective facility managements.

Complaint, consultation and discussion mechanisms

Further information on aspects concerning 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 SB.

OUR PARTNERSHIPS AND COLLABORATIONS

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 interlocutors 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.

The circular bioeconomy is a highly multidisciplinary sector, that requires great individual and collective effort. For us, creating strategic alliances and partnerships with the players along the whole value chain and with the territories and local communities is an essential element, not only so that we will be contaminated with different knowledge and be able to try out new solutions with a pioneering and constructive spirit, but, above all, so that we contribute to the creation of a shared culture on the topics of the circular bioeconomy.

For this reason, **we participate actively in the most important networks and corporate initiatives considered reference points for the circular economy and for the bioeconomy at both national and international levels**[1]. At the international level, Novamont is the founder and member of the *Bio-based Industries Joint Undertaking – BBI JU*, and is a partner of the Ellen MacArthur Foundation. At a national level, we created the Alleanza per l'Economia Circolare (Alliance for the Circular Economy), we collaborated actively with the Symbola Foundation, and we are members of the ICESP (*Italian Circular Economy Stakeholders Platform*). In 2014, we also promoted the foundation of the National Technological Cluster of Green Chemistry SPRING, to exploit territories through connections among regions, universities, research centres, associations and industry, and the development of multidisciplinary innovation projects.

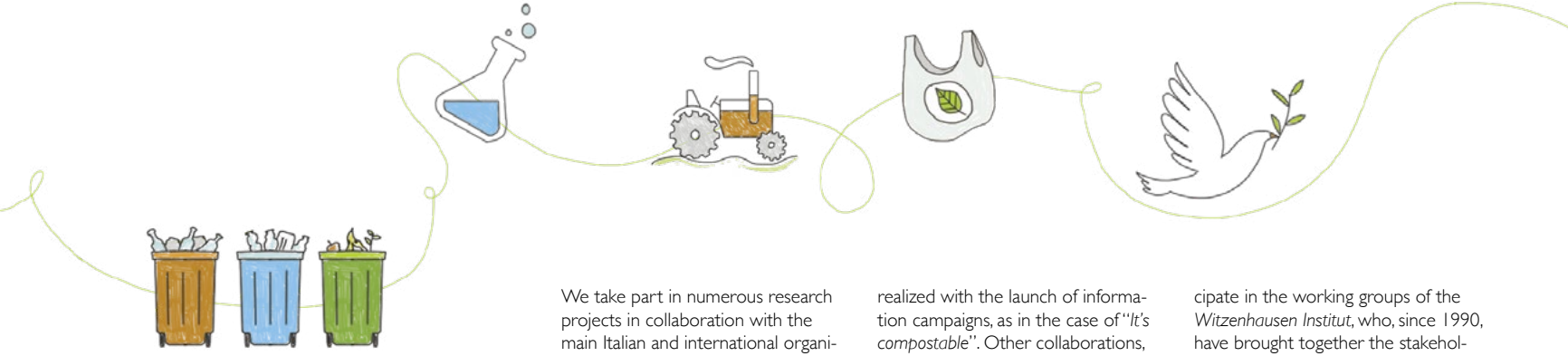
In 2020, together with the University of Bologna, Coldiretti and the Politecnico di Torino, we promoted the creation of the **Re Soil Foundation**[2], with the goal of connecting scientific, technological, environmental and humanistic knowledge in order to become a meeting point for the various Italian and European organizations dedicated to the topic of soil.

Creating synergies and partnerships along the whole value chain is the key element of our Group's business model, which is founded on research and participatory innovation.

Cluster SPRING

Starting with the pioneering activities developed over the years by Novamont and Biochemtex, together with Versalis and Federchimica, the **National Technological Cluster of Green Chemistry, SPRING**, was created in 2014, with the goal of bringing together innovative subjects along the whole value chain of chemistry from renewable sources, in order to contribute to consolidating an Italian bioeconomic model that reduces CO_2 emissions and makes efficient use of resources. Novamont has chaired the Cluster since 2014, the year in which Catia Bastioli was appointed President, an appointment that was subsequently confirmed in 2017, and renewed again in September 2020. In 2020, Cluster SPRING reached a total of **125 members**, with a large representation in all of the various member categories (public research, industry, organizations dedicated to technology transfer and dissemination, territorial organizations, associations) distributed throughout the country. SPRING is part of the National Coordination Group for the implementation of Strategies, together with 4 Ministries (MIUR – Education, University and Research, MATTM – Environment, MISE – Economic Development, MIPAAFT - Agricultural, Food and Forestry Policies) and other important national players. In 2020, SPRING contributed to establishing the Implementation Action Plan (2020-2025), for the Italian strategy for the Bioeconomy-BIT II.

1 Additional information can be found in the 2020 Impact Report
2 More information on the Foundation can be found on page 78 in Chapter 5 – Territorial regeneration and soil protection



Coldiretti

For many years, Novamont has collaborated with Coldiretti, the leading organization of farming entrepreneurs in Italy and in Europe, on creating a new model for cooperation, which, with the bioplastics value chain, and starting with vegetable oils, introduces innovation and regeneration into industry and farming, with the activation of innovative value chains that respect the territory, in collaboration with farmers and their associations. This includes the study of oleaginous crops and experimentation on bioherbicides throughout the country, focusing on soil regeneration and the creation of new opportunities for farmers.

We take part in numerous research projects in collaboration with the main Italian and international organizations in the field of the bioeconomy and of the circular economy, including **universities, research centres, technology parks**, as well as the world of industry, of agriculture, of waste treatment, brand owners, institutions and the voluntary sector.

In **agriculture**, we have collaborated with Coldiretti for many years, to create a new cooperation model, which, through the bioplastics value chain, and starting with vegetable oils, introduces innovation and regeneration into industry and agriculture.

The synergies established with **converting companies** have proven to be essential in guiding product innovation towards greater sustainability. Recent examples are the collaboration with SAES, IMA's Flexible Packaging Hub, Sacchital and Ticinoplast. In addition to technological development, this type of collaboration is also realized with the launch of information campaigns, as in the case of "*It's compostable*". Other collaborations, situated further down the value chain, are those with the large brands, such as the Colussi Group, the Fileni Group and Melinda.

Collaborations with **public administrations, with the multiutilities and, in general, with the world of waste treatment** were essential in creating good organic waste management practices, which have made Italy an example for Europe, but also in generating genuine research and innovation projects. Examples of these are the collaborations with Turin and Milan City Councils, for the creation of targeted projects to promote the separation and collection of organic waste, and the more recent collaboration begun with the Iren Group, on the development of specific projects for the optimized management of compostable products and packaging. At an international level, we participate in the working groups of the *Witzenhausen Institut*, who, since 1990, have brought together the stakeholders of industry, of public administrations and of the scientific world, in Kassel (Germany), to discuss new approaches to waste management and to increase recovery rates.

Collaborations and partnerships along the whole value chain have produced a number of protocols signed with **large industrial players**, for the development and validation of sustainable solutions and innovation projects.

Finally, **NGOs and the voluntary sector** represent an essential connection with the civilized society, to promote the approach of participatory science, with experience in the field, sharing territorial projects that set a multitude of initiatives in motion. These include close collaborations with Legambiente, WWF Italia, Marevivo and Terra Felix.

EXTERNAL INITIATIVES

Of the various initiatives in the economic, environmental and social fields developed externally that we have taken part in or supported, we can mention:

2012

Responsible Care: a voluntary programme to promote the Sustainable Development of the global Chemical Industry

2016

Italy Towards Zero Organic Waste in Landfill: the strategy promoted by the Kyoto Club and the Foundation for Sustainable Development, that seeks to bring an end to the disposal of organic waste in landfills

2017

Operation Clean Sweep: an international initiative to prevent the loss of plastic pellets and their release into the aquatic environment

2018

New Plastics Economy Global Commitment: the programme promoted by the Ellen MacArthur Foundation to eliminate the pollution caused by plastic, at source, by setting increasingly ambitious targets.

2019

• **4 per mille *initiative***: an international initiative launched by France at the COP 21, to bring together, voluntarily, all subjects in the public and private sectors, as part of the Lima-Paris action plan.

• ***Life Cycle Initiative***: an initiative promoted as part of the joint UNEP (*United Nations Environment Programme*)/SETAC (*Society of Environmental Toxicology and Chemistry*) partnership, to encourage the global use of the *Life Cycle Thinking* (LCT) approach, by public and private decision makers.

• **Assisi Manifesto**: a manifesto to build a world that is safer, more civil and polite, which has already been signed by more than 50 representatives of the economic, social and cultural worlds.

• **ICESP Platform**: a network of networks whose goal is to create a national point of convergence on initiatives, experiences, prospects and expectations about the circular economy, which System Italy is seeking and can represent in Europe.

• **Italian Phosphorus Platform,** promoted by the Ministries for the Environment and for Land and Sea Protection, the platform sets itself the goal of promoting self-sufficiency of the phosphorus cycle nationwide and coordination with European policies.

• **WHP Novara – Workplace health promotion**: a participation programme in which businesses undertake to implement actions, in the field of promoting health and sustainable development.

2020

• "***A solution to build back better: the circular economy***": Catia Bastioli signed the manifesto produced by the Ellen MacArthur Foundation, to ask for actions to speed up the transition to a circular economy, in response to the impacts of the pandemic emergency and to global challenges[3].

• "**Coming out of the pandemic with a new Green Deal for Italy**": Novamont signed the manifesto published on 7 May by the Foundation for Sustainable Development, with the goal of intervening in the national and European debate on measures to relaunch the economy[4].

3 www.novamont.com/leggi-news/catia-bastioli-tra-i-firmatari-della-dichiarazione-a-solution-to-build-back-better-the-circular-economy-di-ellen-macarthur-foundation
4 www.novamont.com/leggi-news/manifesto-uscire-dalla-pandemia-con-un-nuovo-green-deal-per-litalia/

Novamont adheres to 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.

For this reason, in the next few years, 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), which has already been integrated into this Sustainability Report, 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

ASSOCIATIONS AND ORGANIZATIONS WE BELONG TO

Collaboration among all of the players in the sector is indispensable for creating 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.

Italian Associations

Alleanza per l'economia circolare	CSR Manager Network
AGICI Finanza d'Impresa	Federchimica
AIDB - Associazione Italiana Documentalisti Brevettuali	Fondazione Marisa Bellisario
AIRI - Associazione Italiana per la Ricerca Industriale	Fondazione Sodalitas
Assobioplastiche	Fondazione Sviluppo Sostenibile
Assobiotec	FORAZ - Consorzio Interaziendale per la formazione professionale
Assofertilizzanti	ICESP – Italian Circular Economy Stakeholder Platform
ATIA - ISWA Italia	Istituto Italiano Imballaggio
Biorepack	Italia Decide
Chimica Verde Bionet	Kyoto Club
Circular Economy Network	Osservatorio sulla criminalità nell'agricoltura e sul sistema agroalimentare
Club Donegani	Proplast
Club of Rome	Rete Italiana LCA
Cluster Tecnologico Nazionale della chimica Verde – SPRING	Società di Ortofrutticoltura Italiana
CNVV - Confindustria Novara Vercelli Valsesia	Symbola
Confindustria Terni	Umbria Spring
Consiglio Nazionale della Green Economy	UNI
Consorzio IBIS	UNICHIM
Consorzio Italiano Compostatori	UNIPLAST

International Associations

ABA - Australiasian Bioplastic Association	Europen - European Organisation for Packaging and the Environment
AMORCE – Association nationale des collectivites, des associations et des entreprises pour la gestion des dechets, de l'energie et des reseaux de chaleur	FPA – Foodservice Packaging Association
ASOBIOCOM - Asociación Española de Plásticos Biodegradables Compostables	Förderverein VKU
ANPEA - Association Nationale Professionnelle pour les Engrais et Amendements	GKL e.V
Bio-based Industries Consortium	Global Compact
BBIA – Bio-based and biodegradable industries association	GMI – Green Management Institute
Belgian Bio packaging	HeRo e.V
BNPP - Bureau de Normalisation des Plastiques et de la Plasturgie	Holland Bioplastics
C.A.R.M.E.N. e.V	Institut de l'économie circulaire
CEFIC - European Chemical Industry Council	JBPA - Japan BioPlastics Association
CIPA - Comitè International des Plastique en Agriculture	Nordic bioplastics association
Climate-KIC	Plastics Europe
Club Bioplastique	REA – Renwable Energy Association
CRE – Composting & Anaerobic Digestion Association of Ireland	Runder Tisch Baw
EPNOE – European Polysaccharide Network of Excellence	Serpbio – Services étides polymères biodégradables
EuropaBio	TPOrganics
European Bioplastics	Verbund kompostierbare Produkte e.V.
European Compost Network	WRAP
European Plastics Converters	

STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS

Stakeholder engagement

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

Stakeholder engagement is an essential element of our sustainability strategy. Through a continuous process of listening and discussion, organized through various channels and methods, our Group is all the more aware of the expectations and interests of our stakeholders, and how well we are satisfying those expectations. For this reason, every year we draw up an **Engagement Plan** that is different from the previous years, in order to provide our stakeholders with a variety of listening methods and to facilitate the expression of each one. Below, the engagement methods used in the last three years are described, with the key topics and requests that emerged during these activities, for each category of stakeholder.

Stakeholders of the Novamont Group[1]

CAPITAL PROVIDERS
Those who brings capital into the Novamont Group

DIRECT CUSTOMERS
Those who purchases Novamont products

INDIRECT CUSTOMERS
Those who purchases products made with Novamont products

ASSOCIATIONS AND NGOs
Private, non-profit associations and organizations

COLLABORATORS
Those who is employed by, or who works on behalf of Novamont, including their trade unions

MEDIA AND THE PRESS
International, national and local means of communication

NATIONAL AND INTERNATIONAL GOVERNMENTS AND BODIES
The group of national and international authorities and agencies

FARMING WORLD
The national and European, farming bodies, associations and organizations

SUPPLIERS
Those who supplies the Novamont Group with raw materials, materials or services

FUTURE GENERATIONS
The world of schools, universities and young people

WASTE MANAGEMENT CHAIN
The bodies, associations and organizations that deal with waste management, particularly the organic fraction

COMMUNITIES AND SOCIETY
The social context of the territories in which Novamont sites operate, and the community

1 The process of identifying and mapping our main stakeholders started in 2014 and is confirmed for this Report.

STAKEHOLDER	ENGAGEMENT METHOD	KEY TOPICS RAISED
 Capital providers	• Analysis of the RobecoSAM questionnaire for the *"CHM Chemicals" industry*	The economic dimension is enhanced, above all, with reference to correct business management, using the appropriate development of codes of conduct. Within the company, a lot of importance is given to the health and safety of collaborators and to their professional and personal growth; the development of strategies for the climate and for managing the sustainability of the products are some of the aspects that make the greatest contribution to the environmental dimension.
 Collaborators	• Internal communication on the PSI (Product Sustainable Information) programme to the functions most involved • Presentation of the NFS to the company's BoA	Collaborators gave a positive reception to the new initiatives carried out by the Group, confirming the attention paid to topics linked to the sustainability of products and of the wellbeing of workers, and demonstrating the convergence of their and the company's interests.
 Direct customers	• Webinar for the presentation of the PSI programme	The attention seen during the event confirmed the importance for direct customers of such topics as innovation, the conformity and quality of products and the creation of partnerships and collaborations for the purpose of making the value chain after the Mater-Bi production increasingly solid, by increasingly seeking to enlarge the market sectors.
 Indirect customers	• Webinar for the presentation of the PSI programme	Like the direct customers, also the indirect customers, during the webinar, confirmed the primary importance of topics linked to innovation, to value chain and product sustainability and to the creation of partnerships and collaborations.
 Associations and NGOs	• Interviews	The topic of innovation associated with territorial regeneration and soil protection, and with the adoption of a *Life Cycle Thinking* approach linked to the product and to the value chain are of primary importance for the associations listened to. In addition to this, there is the awareness that activating partnerships and collaborations is of strategic importance for the diffusion, at various levels, of a sustainability culture.
 Media and the press	• Daily analysis of press coverage	This category confirms its greatest interest to be in the sustainability of the value chain and of the product, particularly in terms of promoting sustainable materials, and reducing the use of plastic products. With respect to previous years, there is an increase in the importance of territorial regeneration and soil protection, which are to be achieved by correctly managing waste and promoting sustainable farming methods.

STAKEHOLDER	ENGAGEMENT METHOD	KEY TOPICS RAISED
 Suppliers	• Documentary analysis of internal sources and analysis of online news about the main suppliers	The primary interest registered is for topics linked to environmental sustainability and to checking of the supply chain. Attention to the wellbeing of workers is also very present.
 National and international governments and bodies	• Monitoring and analysing the legislation panorama	National and international governments and bodies are expressing themselves, by producing a lot of regulations that seek to guide towards achieving sustainable development. What has been noted as particularly relevant is the development of regulations concerning territorial regeneration and soil protection, and attention to the quality of the product and its sustainability, by considering the whole value chain.
 Farming world	• Questionnaire to representatives of the farming sector	The topics of territorial regeneration and soil protection are of primary importance, as are the integrity and stability of the business and the responsibility towards the collaborators.
 Future generations	The activities are described in detail in the chapter "Communication and sustainability awareness"	The events linked to the pandemic in 2020 provided additional evidence of the need for sustainable development and strengthened the conviction that future generations are a key element in being able to face the global challenges linked to climate change and to the fragility of the ecosystems.
 Waste management chain	• Questionnaire submitted to representatives of the waste management chain	What proves to be relevant is product innovation in support of the development of a management chain for organic waste that is increasingly effective and efficient. In this sense, the conformity and quality of the products become important for the purpose of obtaining positive effects on the stability of the business which involves the whole chain. With respect to the past, there has been growing attention on the wellbeing of collaborators and on the communication and sustainability awareness.
 Communities and society	• Daily analysis of press coverage about the company	The priority topics are territorial regeneration and soil protection, and value chain and product sustainability, with particular emphasis on the topics of waste management and of separated waste collection.

Materiality analysis

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

The material topics are aspects capable of reflecting the significant economic, environmental and social impacts of Novamont, that can substantially affect the assessments and decisions of stakeholders. In accordance with the GRI Standards, the process of defining the material topics contains the following steps:

IDENTIFICATION OF THE TOPICS

The topics that are potentially relevant for Novamont and for its stakeholders are mapped out. This work is regularly updated, to take account of the evolution of the reference context and of the main trends in the sector

ASSIGNING PRIORITIES

The importance of the topics for Novamont and for its stakeholders is assessed through a process of listening. The importance was assessed using a scale of 1 to 5, where 1 corresponds to "Not very important" and 5, to "Very important"

IDENTIFICATION OF MATERIALITY

Materiality is the level at which topics become sufficiently important as to require being reported. The materiality threshold was set at a score of 3

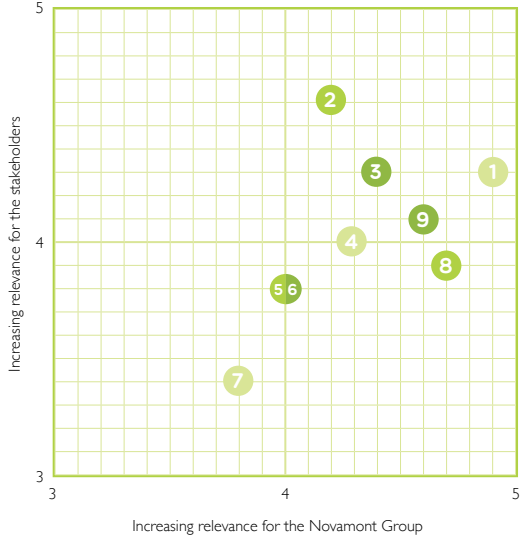
This process leads to the identification of material topics, which are briefly reported in a two-dimensional matrix, which shows the relevance of the topic for the Novamont Group on the x-axis, and the relevance for the stakeholders on the y-axis.

In order to be able to describe the Group's approach to sustainability effectively, the material topics are adapted to the reference context as it evolves and, therefore, are reviewed periodically; during 2019, a review and rationalization of the topics was done on the basis of the requirements of Italian Leg. Dec. No. 254/16. In 2020, the topic of "Education and training" was added to the eight topics that had emerged in 2019, to strengthen and make explicit Novamont's commitment in this area.

Our Group focuses maximum attention on the topics of innovation, conformity and quality of the products and of value chain and product sustainability, also in light of the

Novamont Group materiality matrix

1. Innovation
2. Value chain and product sustainability
3. Territorial regeneration and soil protection
4. Responsibility towards the collaborators
5. Communication and sustainability awareness
6. Education and training
7. Partnership and collaboration
8. Business integrity and stability
9. Compliance and quality of products



close relationship between these and the integrity and stability of the business, topics which are indispensable for us. For years, our Group has also worked on regenerating and protecting the soil. The importance of this topic is confirmed also for the stakeholders, who, on this matter, have demonstrated that they share the Group's vision.

The stakeholders pay most attention to value chain and product sustainability, in which there is a growing interest, followed by the topics of innovation and of conformity and quality of the products, acknowledging that these aspects provide the foundation for positive development for the Group and for all of the stakeholder categories connected with it.

The following table shows, for each material topic, the scope (that is, where the impacts occur and Novamont's involvement in these impacts), the specific GRI-related standards, and the correspondence with the SDGs and the main areas of ex Italian Leg. Dec. No. 254/2016.

Material topics: scope and correlation between GRI Standards, SDGs and areas of ex Italian Leg. Dec. No. 254/2016

TOPIC-SPECIFIC GRI STANDARDS	BOUNDARY		AREAS OF EX D.LGS. N.254/16
	WHERE THE IMPACTS OCCUR	NOVAMONT INVOLVEMENT	
MATERIAL TOPICS			
INNOVATION 			
/	• Novamont Group • Future generations	• Direct • Linked to business relationships	/
BUSINESS INTEGRITY AND STABILITY 			
GRI 201 Economic Performance 2016 GRI 205 Anti-corruption 2016 GRI 206 Anti-competitive Behaviour 2016 GRI 207 Tax 2019 GRI 307 Environmental Compliance 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 GRI 419 Socioeconomic Compliance 2016	• Novamont Group • Suppliers • Direct customers • Indirect customers	• Direct	• Respecting human rights • Fighting active and passive corruption

TOPIC-SPECIFIC GRI STANDARDS	BOUNDARY		AREAS OF EX D.LGS. N.254/16
	WHERE THE IMPACTS OCCUR	NOVAMONT INVOLVEMENT	
VALUE CHAIN AND PRODUCT SUSTAINABILITY 			
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 407 Freedom of Association and Collective Bargaining 2016 GRI 408 Child Labour 2016 GRI 409 Forced or Compulsory Labour 2016 GRI 412 Human Rights Assessment 2016	• Novamont Group • Suppliers • Direct customers • Waste management chain	• Direct • Linked to business relationships	• Environmental topics • Respecting human rights
COMPLIANCE AND QUALITY OF PRODUCTS 			
GRI 403 Occupational Health and Safety 2018 GRI 416 Customer Health and Safety 2016 GRI 417 Marketing and Labelling 2016	• Novamont Group • National and international governments and bodies • Suppliers • Direct customers • Indirect customers	• Direct • Indirect • Linked to business relationshipss	• Social topics
TERRITORIAL REGENERATION AND SOIL PROTECTION 			
/	• Novamont Group • Farming world • Waste management chain • Communities and society	• Direct • Linked to business relationships	• Environmental topics

TOPIC-SPECIFIC GRI STANDARDS	BOUNDARY		AREAS OF EX D.LGS. N.254/16
	WHERE THE IMPACTS OCCUR	NOVAMONT INVOLVEMENT	
RESPONSIBILITY TOWARDS THE COLLABORATORS 			
GRI 401 Employment 2016 GRI 403 Occupational Health and Safety 2018 GRI 404 Training and Education 2016 GRI 405 Diversity and Equal Opportunity 2016 GRI 407 Freedom of Association and Collective Bargaining 2016 GRI 408 Child Labour 2016 GRI 409 Forced or Compulsory Labour 2016	• Novamont Group • Suppliers	• Direct • Linked to business relationships	• Topics relating to personnel • Respecting human rights
COMMUNICATION AND SUSTAINABILITY AWARENESS 			
/	• Novamont Group • Communities and society	• Direct	• Social topics
EDUCATION AND TRAINING 			
/	• Novamont Group	• Direct	• Social topics
PARTNERSHIP AND COLLABORATION 			
/	• Novamont Group	• Linked to business relationships	/

GRI AND UN GLOBAL COMPACT CONTENT INDEX

GRI Content Index

GRI STANDARD	DISCLOSURE	PAGES	NOTES/ OMISSIONS
GRI 101 FOUNDATION 2016			
GRI 102 GENERAL DISCLOSURE 2016			
GRI 102 General Disclosure 2016 (Organizational profile)	102-1 Name of the organization	VI	
	102-2 Activities, brands, products, and services	6-12	
	102-3 Location of headquarters	6-7	
	102-4 Location of operations	6-7	
	102-5 Ownership and legal form	6, 14	
	102-6 Markets served	6	
	102-7 Scale of the organization	1, 6	The amounts of Mater-Bi and of its co-products have not been included for reasons of confidentiality.
	102-8 Information on employees and other workers	89-90	Dividing employees by gender might constitute an element of discrimination in some socioeconomic contexts. Consequently, this subdivision has been provided exclusively with reference to the Group's Italian sites.
	102-9 Supply chain	49	
	102-10 Significant changes to the organization and its supply chain	49	
	102-11 Precautionary Principle or approach	69, 87	
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GRI 102 General Disclosure 2016 (Strategy)	102-14 Statement from senior decision-maker	IV-V	
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GRI STANDARD	DISCLOSURE	PAGES	NOTES/ OMISSIONS
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GRI 102 General Disclosure 2016 (Governance)	102-18 Governance structure	31	
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GRI 102 General Disclosure 2016 (Reporting practice)	102-45 Entities included in the consolidated financial statements	VI	
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GRI STANDARD	DISCLOSURE	PAGES	NOTES/ OMISSIONS
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INNOVATION			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	16, 125	
	103-2 The management approach and its components	17	
	103-3 Evaluation of the management approach	17	
BUSINESS INTEGRITY AND STABILITY			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	24, 125	
	103-2 The management approach and its components	25-26	
	103-3 Evaluation of the management approach	25-26	
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	36	
GRI 205 Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	35	
GRI 206 Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	35	
GRI 207 Tax 2019	207-1 Approach to tax	25	
GRI 307 Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	35	
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	31, 90	
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	35	
GRI 416 Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	35	
GRI 417 Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	35	
	417-3 Incidents of non-compliance concerning marketing communications	35	
GRI 419 Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	35	
VALUE CHAIN AND PRODUCT SUSTAINABILITY			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	37, 126	
	103-2 The management approach and its components	38-39	
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GRI STANDARD	DISCLOSURE	PAGES	NOTES/ OMISSIONS
GRI 204 Procurement Practices 2016	204-1 Proportion of spending on local suppliers	49	
GRI 301 Materials 2016	301-1 Materials used by weight or volume	50	
GRI 302 Energy 2016	302-1 Energy consumption within the organization	51, 53	
	302-3 Energy intensity	53	
GRI 303 Water and Effluents 2018	303-1 Interactions with water as a shared resource	57	
	303-2 Management of water discharge-related impacts	39	
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GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	55	
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	305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	56	
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	39	
	306-2 Management of significant waste-related impacts	58	
	306-3 Waste generated	58	
GRI 407 Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	49, 88	
GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	49, 87	
GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	49, 87	
GRI 412 Human Rights Assessment	412-1 Operations that have been subject to human rights reviews or impact assessments	49	
COMPLIANCE AND QUALITY OF PRODUCTS			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundar	59, 126	
	103-2 The management approach and its components	60-61	
	103-3 Evaluation of the management approach	60-61	
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	62, 87	
GRI 416 Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	60-61	
GRI 417 Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	60, 69	

GRI STANDARD	DISCLOSURE	PAGES	NOTES/ OMISSIONS
TERRITORIAL REGENERATION AND SOIL PROTECTION			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	74, 126	
	103-2 The management approach and its components	75	
	103-3 Evaluation of the management approach	75	
RESPONSIBILITY TOWARDS THE COLLABORATORS			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	86, 127	
	103-2 The management approach and its components	87-88	
	103-3 Evaluation of the management approach	87-88	
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	91	Dividing the turnover data by age range and gender might constitute an element of discrimination in some socioeconomic contexts. Consequently, this subdivision has been provided exclusively with reference to the Group's Italian sites.
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	62, 87	
	403-2 Hazard identification, risk assessment, and incident investigation	87	
	403-3 Occupational health services	87	
	403-4 Worker participation, consultation, and communication on occupational health and safety	87	
	403-5 Worker training on occupational health and safety	87, 92	
	403-6 Promotion of worker health	87	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	87	
	403-8 Workers covered by an occupational health and safety management system	87	
	403-9 Work-related injuries	92	
	403-10 Work-related ill health	92	

GRI STANDARD	DISCLOSURE	PAGES	NOTES/ OMISSIONS
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	94	For training on the subject of Health and Safety and for the foreign sites, the subdivision of hours per gender and professional category is not currently monitored; consequently, it is not possible to indicate this subdivision in the overall hours of training.
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	31, 90	The foreign companies were excluded from the reporting of the following indicator, because the "foreign professional categories" are not comparable with the Italian categories; consequently, a homogeneous classification cannot be made. Furthermore, the division of employees by age range and gender might constitute an element of discrimination in some socioeconomic contexts.
GRI 407 Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	49, 88	
GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	49, 87	
GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	49, 87	
COMMUNICATION AND SUSTAINABILITY AWARENESS			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	97, 127	
	103-2 The management approach and its components	98	
	103-3 Evaluation of the management approach	98	
EDUCATION AND TRAINING			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	103, 127	
	103-2 The management approach and its components	104	
	103-3 Evaluation of the management approach	104	

GRI STANDARD	DISCLOSURE	PAGES	NOTES/ OMISSIONS
PARTNERSHIP AND COLLABORATION			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary	113, 127	
	103-2 The management approach and its components	114	
	103-3 Evaluation of the management approach	114	

Table of correlation between the Principles of the UN Global Compact and the GRI Standards Disclosures

AREA	PRINCIPLES	GRI STANDARDS DISCLOSURES
HUMAN RIGHTS	Principle I - Businesses should support and respect the protection of internationally proclaimed human rights	412-1
	Principle II - Make sure that they are not complicit in human rights abuses	412-1
LABOUR	Principle III - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	102-41
	Principle IV - The elimination of all forms of forced and compulsory labour;	409-1
	Principle V - The effective abolition of child labour;	408-1
	Principle VI - The elimination of discrimination in respect of employment and occupation.	102-8; 401-1; 401-3 404-1; 405-1; 406-1
ENVIRONMENT	Principle VII - Businesses should support a precautionary approach to environmental challenges;	301-1; 302-1; 303-1 305-1; 305-2; 305-7
	Principle VIII - Undertake initiatives to promote greater environmental responsibility	301-1; 302-1; 302-3; 303-1; 303-2; 303-3; 303-4; 305-1; 305-2; 305-7; 306-2; 307-1
	Principle IX - Encourage 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 - Businesses should work against corruption in all its forms, including extortion and bribery	102-16; 102-17; 205-3

ASSURANCE LETTER

NOVAMONT SPA

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 NO. 20267 OF JANUARY 2018

YEAR ENDED 31 DECEMBER 2020

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 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 of CONSOB Regulation No. 20267/2018, we have performed a limited assurance engagement on the consolidated non-financial statement of Novamont SpA and its subsidiaries (hereafter the "Group" or "Novamont Group") for the year ended 31 December 2020 prepared in accordance with article 4 of the Decree, and approved by the Board of Directors on 19 April 2021 (hereafter the "NFS").

Responsibility of Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with article 3 and 4 of the Decree and with the "GRI-Sustainability Reporting Standards" defined in 2016 and updated to 2019, by the GRI - Global Reporting Initiative (the "GRI Standards"), identified by them as the reporting standard.

The Directors are responsible, in accordance with the law, for the implementation of internal controls necessary to ensure that the NFS is free from material misstatement, whether due to fraud or unintentional errors.

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 to ensure an understanding of the Group's activities, its performance, its results 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 the identification and management of risks generated and/or faced by the Group.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

PricewaterhouseCoopers SpA

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Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in *the Code of Ethics for Professional Accountants* published by the *International Ethics Standards Board for Accountants*, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts *International Standard on Quality Control 1 (ISQC Italy 1)* and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with 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*" (hereafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised ("*reasonable assurance engagement*") and, therefore, 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 consisted in interviews, primarily with company personnel responsible for the preparation of the information presented in the NFS, analysis of documents, recalculations and other procedures designed to obtain evidence considered useful.

In particular, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating 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 standards adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. comparison of the financial information reported in the NFS with that 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 by 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;
   - main 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 point 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 particular, we held meetings and interviews with the management of Novamont SpA and Mater-Biopolymer Srl and we performed limited analysis 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 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 their consistency with available evidence;
     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 (Novamont SpA) and Mater-Biopolymer Srl, which were selected on the basis of their activities and their contribution to the performance indicators at a consolidated level, we discussed with management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusions

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Novamont Group as of 31 December 2020 has not been prepared, in all material respects, in compliance with articles 3 and 4 of the Decree and with the GRI Standards.

Milano, 22 April 2021

PricewaterhouseCoopers SpA

Signed by

Andrea Manchelli
(Partner)

Signed by

Paolo Bersani
(Authorised signatory)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the NFS 2020 translation.

GLOSSARY

BASE YEAR

The year with respect to which a measurement is traced over time.

BIO-BASED

Biologically-based. This refers to products that, in part or in whole, contain biomass-derived constituents, that is, that are from 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

The ability of an organic substance to turn into simpler substances through the activity of micro-organisms (biodegradation). If the biodegradation process is complete, the organic substance is converted entirely into simple molecules: water, carbon dioxide, methane and new biomass.

BIODIGESTER

A facility that recovers energy from the organic fraction of domestic and industrial waste, by a process of biomethanation of organic matter carried out by anaerobic micro-organisms, which leads to the formation of biogas.

BIOECONOMY

An economy that uses biological resources, from land and sea, as the input for energy production, and in industrial (material), food and animal feed production.

BIOGENIC EMISSIONS

Emissions that originate from natural processes, that, consequently, are not counted among the factors, directly caused by man, that alter the climatic balances; thus, they are different from direct CO_2 emissions of fossil origin.

BIOLOGICAL/ORGANIC RECYCLING

The aerobic (composting) or anaerobic (biomethanation) treatment by microorganisms, under controlled conditions, of the organic fraction of waste, with the production of stabilized organic residues and methane. Burial in a landfill cannot be considered a form of organic recycling.

BIOPLASTIC

Biodegradable and/or bio-based plastic.

BIOPRODUCT

See *bio-based*.

BIOREFINERY

An industrial facility that applies suitable conversion technologies to biomasses to transform them, in part, into fuel, and in part, into products, such as foods, materials, and chemical substances for the polymer, cosmetic and pharmaceutical industries, etc.

BLOWN FILM

In polymer technology, this is a process used to obtain a film of small thickness (15-500 µm). These films are used, for example, to produce packaging, bags or films for greenhouses and for mulching.

BYPRODUCT

A secondary product from the industrial production of other products, that are economically less important than these.

CARBON

A base element in organic chemistry and of organic substances. Living organisms are made up primarily of carbon, oxygen and hydrogen.

CIRCULAR ECONOMY

A model in which all activities, starting from extraction and production, are organized in such a way as to use renewable resources or recycled materials, creating a system in which the products maintain their function for as long as possible, while keeping waste to a minimum.

CO_2e – CO_2 EQUIVALENT

The standard reference used to measure the impact of greenhouse gases on global warming (*Global Warming Potential – GWP*). The contribution of each gas is standardized with respect to the contribution of one CO_2 molecule, used as a unit of measurement.

COMBUSTOR

A system designed to achieve combustion in order to produce energy in the form of heat. There are various types of combustor, which depend on the characteristics of the combustible material.

COMPOST

The result of bio-oxidation and humification of a mixture of organic materials (for example, plant cuttings, kitchen scraps and gardening waste, such as leaves and grass cuttings) by macro and micro-organisms in the presence of oxygen. The compost is used as a nutrient for farmland.

COMPOSTABILITY

The property of biodegradable organic matter (food and grass cuttings, manure, some types of bioplastic, etc.) of being converted into compost in composting plants.

COMPOSTING

The controlled biological decomposition, in the presence of oxygen, of organic waste, from which a rich humus material, called compost, is formed. Composting entails a thermophilic phase, and takes place, on an industrial scale, in special plants.

CSR – CORPORATE SOCIAL RESPONSIBILITY

This term refers to the responsibility of an organization for the impacts of its decisions and of its activities on society and on the environment, as a result of adopting an ethical and transparent conduct.

DOMESTIC COMPOSTING

The composting process on a small scale, managed by private individuals, for gardening purposes, with the aim of producing compost for personal uses, starting with garden waste and, occasionally, kitchen scraps.

EXTRUSION

A procedure for changing the shape of plastic, to produce items with a uniform cross-section, like rigid and semirigid containers.

FOOD SERVICE

The service of preparing and delivering to the community complete meals on a large scale (e.g. company canteens, schools, hospitals, prisons, etc.).

FORMULATION

See *Grade*.

GMO - GENETICALLY MODIFIED ORGANISM

An organism, with the exception of human beings, whose genetic material has been altered in a way that does not occur naturally by mating and/or natural recombination (source: Directive 2001/18/EC).

GO - GUARANTEE OF ORIGIN

Electronic certification that guarantees the renewable origin of sources used to produce electricity. For every MWh of renewable electricity introduced into the electrical system from qualified plants, the EP (electricity provider) issues a GO document, in accordance with Directive 2009/28/EC.

GRADE

With reference to Mater-Bi, this indicates a specific type of material identified by a specific chemical composition and a unique product code. Thus, the brand name Mater-Bi® indicates a set of families of materials of different grades.

LCA - LIFE CYCLE ASSESSMENT

An objective procedure for assessing the energy and environmental loads of a process or an activity; it is made by identifying the energy and materials used and the waste released into the environment. The assessment covers the whole life cycle of the process/activity/product, including the extraction and treatment of the raw materials, the manufacture, transportation, 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 are analysed, taking into consideration all phases of the life cycle (extraction of the raw materials, manufacture, use, distribution and end of life).

LSD - LARGE SCALE DISTRIBUTION

This is the evolution of trade, from retail to wholesale. It consists of large facilities or large groups (which, in some cases, are multinationals) with many facilities distributed nationwide, internationally, or even worldwide.

MATERIALITY ANALYSIS

A process whose purpose is to identify and prioritize material aspects (synonym: relevance analysis).

MATERIAL TOPIC

A significant (or relevant) aspect that reflects the significant economic, environmental and social impacts of an organization and that may substantially influence the assessments and decisions of stakeholders.

MONOMER

A small chemical substance that can react with itself or with other chemical substances to form large molecules, called polymeric chains, with a certain weight and length distribution, that, altogether, we call polymers. For example, "styrene" is a monomer of "polystyrene". Azelaic acid is one of the monomers of a Mater-Bi family.

MULCHING

An agronomic technique for controlling weeds, which entails covering the ground, with the exception of the area where the plant of interest is growing and developing, with an opaque material that stops the sun's radiation, thereby preventing the growth of weeds. The most common mulching materials are plastic or bioplastic films, paper, layers of straw, layers of bark.

NATURA 2000 NETWORK

The main tool of the EU policy for preserving biodiversity. This is one of the ecological networks that extends throughout the EU territory; it was established in accordance with Directive 92/43/EEC "Habitat", to guarantee the long-term maintenance of natural habitats and of species of flora and fauna that are threatened or rare in the Community.

OLEAGINOUS

A plant that is able to produce fatty substances and accumulate them inside itself (for example, in the fruit or in the seeds), which can be used for nutritional and industrial purposes.

ORGANIC CARBON

The carbon present in those chemical compounds in which it is bound by covalent bonds to atoms of other elements (primarily hydrogen, oxygen and nitrogen). The carbon in carbon dioxide, carbonic acid and its salts, for example, calcium carbonate, are excluded from this definition.

ORGANIC FRACTION (OF WASTE)

The fraction of municipal waste consisting of food scraps and grass cuttings or animal waste that comes from domestic or industrial sources.

PACKAGING

A product made of materials of any kind, used to contain and to protect certain goods (from raw materials to finished products), to allow them to be handled and delivered from the manufacturer to the consumer or user, and to guarantee their presentation.

POLYESTER

A polymer with ester groups in the principal chain. All polyesters degrade in the end, by hydrolysis, which is the main mechanism.

POLYMERIZATION

The process of synthesizing a polymer starting with constituent monomers.

PRECAUTIONARY APPROACH

The approach of behaving in a precautionary manner in the management of scientifically uncertain matters, adopted particularly in the assessment and management of risks.

RENEWABLE

Said of those raw materials (starch, oils, cellulose) and energy sources (wind, sun, etc.) that will not run out.

SDGs – SUSTAINABLE DEVELOPMENT GOALS

These are the essential elements of Agenda 2030 for sustainable development, which were signed, in 2015, by the governments of the 193 member countries of the UN.

SEPARATE COLLECTION

Collecting waste by separating it out according to its type, for example, glass, plastic, paper, organic waste, metal, dry residue.

STAKEHOLDERS

Subjects "that have an interest", with whom an organization maintains relations (direct or indirect) and who, therefore, can influence the activities of it, either directly or indirectly. Examples of stakeholders include: customers, suppliers, financial backers (banks and shareholders), collaborators, as well as external interest groups, such as residents in the areas surrounding the company, and local interest groups.

STANDARD

Normally a formal document that uniformly establishes 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 own needs (source: Standard EN 16575).

TYPE I ENVIRONMENTAL CERTIFICATION

Eco-labels (which conform to ISO 14024) which certify respect for specific, pre-established environmental parameters concerning the whole life cycle. These are B2C (Business to Consumer) type labels, as they are intended for the final user and are subject to external certification by an independent, third-party organization. The products certified with Type I labels are environmentally preferable.

WASTE MANAGEMENT

In urban and industrial contexts, this indicates the group of technologies and methods for differentiating, collecting, transporting and treating the waste produced by human, industrial and domestic activities.