

SUSTAINABILITY REPORT 2020 REPORT IN A NUTSHELL



Certified



Corporation[®]

In 2020, the spread of the Covid-19 pandemic caused an unprecedented contraction in the world economy, highlighting all of the weaknesses and contradictions of the development model followed in the last few decades, and making it even more urgent to take an active part against the environmental and climate crisis that is foreshadowing.

Despite the difficulties and uncertainties due to the current context, 2020 was a crucial year for Novamont, thanks to the achievement of important milestones in terms of sustainability.

Also this year we renewed our commitment to reporting on our non financial performances by publishing the thirteenth Sustainability Report of the Novamont Group, which constitutes our second Consolidated Voluntary Non-Financial Statement Pursuant to Italian Leg. Dec. No.254/2016.

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.

SUSTAINABILITY REPRESENTS A FUNDAMENTAL PRINCIPLE OF OUR STRATEGY, WHICH GUIDES US IN THE DEFINITION OF ALL BUSINESS ACTIVITIES AND THAT PERMEATES THE WHOLE VALUE CHAIN.

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



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. 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 renewable origin, that are biodegradable and compostable, and conceived as solutions to specific problems strictly connected with the quality of water and soil, pursuing the continuous innovation of products, structures and processes with a view to ever 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 and new products, thus also creating new jobs.

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



OUR STAKEHOLDERS

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. 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.

THE CONTINUOUS INVOLVEMENT OF OUR STAKEHOLDER ENGAGEMENT IS THEREFORE AN ESSENTIAL ELEMENT OF OUR COMMITMENT. THROUGH A CONTINUOUS PROCESS OF LISTENING AND DISCUSSION, WE ARE ALL THE MORE AWARE OF THE EXPECTATIONS OF OUR STAKEHOLDERS, AND HOW WELL WE ARE SATISFYING THOSE EXPECTATIONS.

STAKEHOLDERS OF THE NOVAMONT GROUP



CAPITAL PROVIDERS
Anyone who brings capital into the Novamont Group



DIRECT CUSTOMERS
Anyone who purchases Novamont products



INDIRECT CUSTOMERS
Anyone who purchases products made with Novamont products



COLLABORATORS
Anyone who is employed by, or who works on behalf of Novamont, including their representatives



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



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



SUPPLIERS
Anyone 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 managing waste, particularly the organic fraction



ASSOCIATIONS AND NGOs
Private, non-profit associations and organizations



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



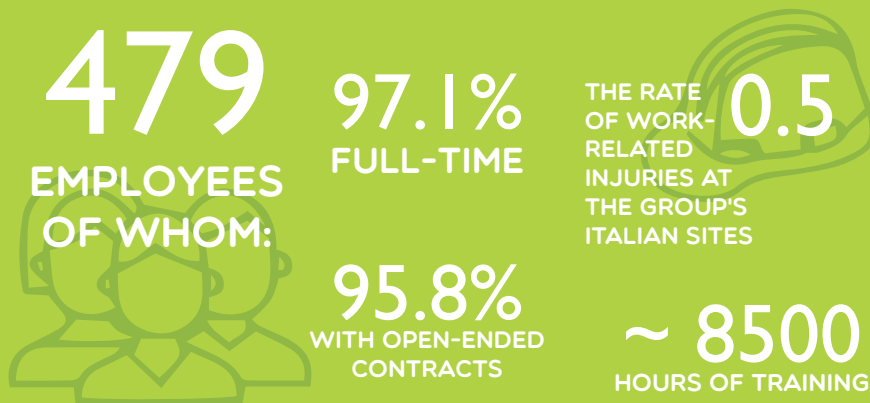
COMMUNITIES AND SOCIETY
The social context of the territories in which Novamont sites operate, and the community

OUR PRIORITIES

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. These topics are the result of an internal group elaboration process which, combined with the analysis of the stakeholders' expectations, allows us to define which aspects are a priority both for us and for the subjects we interact with.

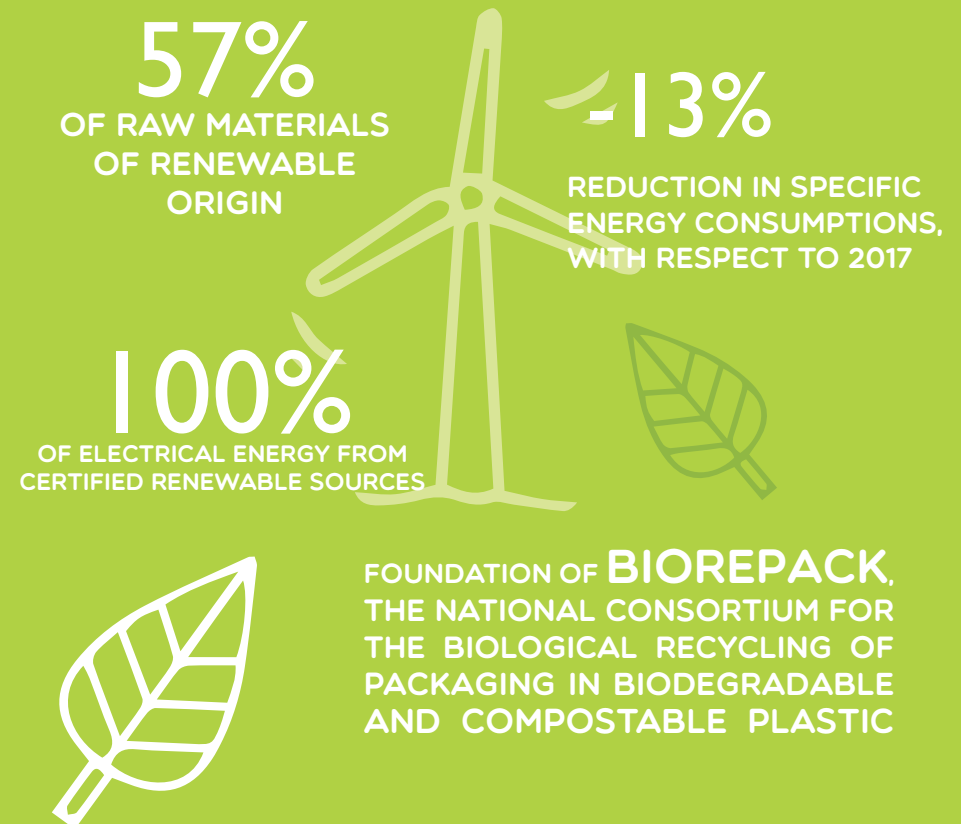
RESPONSIBILITY TOWARDS THE COLLABORATORS

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.



VALUE CHAIN AND PRODUCT SUSTAINABILITY

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.



TERRITORIAL REGENERATION AND SOIL PROTECTION

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.

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 - MILAN, TURIN, TARANTO, PANTELLERIA - AND ABROAD - SERBIA, MOZAMBIQUE - CONTINUED

COMMUNICATION AND SUSTAINABILITY AWARENESS

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.

CONTRIBUTION TO THE WRITING OF NUMEROUS SCIENTIFIC STUDIES AND ARTICLES AND INTERVIEWS WITH ITALIAN NEWSPAPERS
 FONDAZIONE SYMBOLA WWF COLDIRETTI
 PARTICIPATION IN OVER 110 NATIONAL AND INTERNATIONAL EVENTS
 EUROSCIENCE OPEN FORUM SUSTAINABLE MARKETS COUNCIL
 ECOMONDO MARATONA RAIPLAY

INNOVATION

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.

> 1400 ACTIVE PATENTS AND PATENT APPLICATIONS IN 2020

> 20% OF EMPLOYEES INVOLVED IN RESEARCH & DEVELOPMENT ACTIVITIES
 ~ 5% OF TURNOVER INVESTED IN RESEARCH & DEVELOPMENT

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

BUSINESS INTEGRITY AND STABILITY

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.

€ 287 million
THE ECONOMIC VALUE GENERATED

Certified
B
CORPORATION

NOVAMONT BECAME A B CORP-CERTIFIED BENEFIT CORPORATION

CONFORMITY AND QUALITY OF THE PRODUCTS

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.

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

PARTNERSHIPS AND COLLABORATIONS

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.

CLUSTER SPRING
125 MEMBERS

NOVAMONT JOINED THE **UN GLOBAL COMPACT**

NEW COLLABORATIONS STARTED WITH MULTIUTILITY COMPANIES AND WITH MAJOR BRANDS

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

IREN GROUP
COLUSSI GROUP
FILENI GROUP
MELINDA

EDUCATION AND TRAINING

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

SCUOLA@NOVAMONT
WAS RENEWED, WITH THE INITIATIVE **#LAFORMAZIONENONSIFERMA!** WHICH INTEGRATES THE TEACHING CURRICULA OF SCHOOLS USING DISTANCE LEARNING TOOLS

DISCOVERING MATER-BI
LAUNCH OF NEW VIRTUAL TEACHING FORMATS

BEYOND THE PLASTIC
SUPPORT TO THE INITIATIVE OF THE SCIENCE MUSEUM IN TRENTO

BIOCIRCE MASTER'S
START OF THE FOURTH COURSE

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

OUR COMMON BENEFIT PROJECT

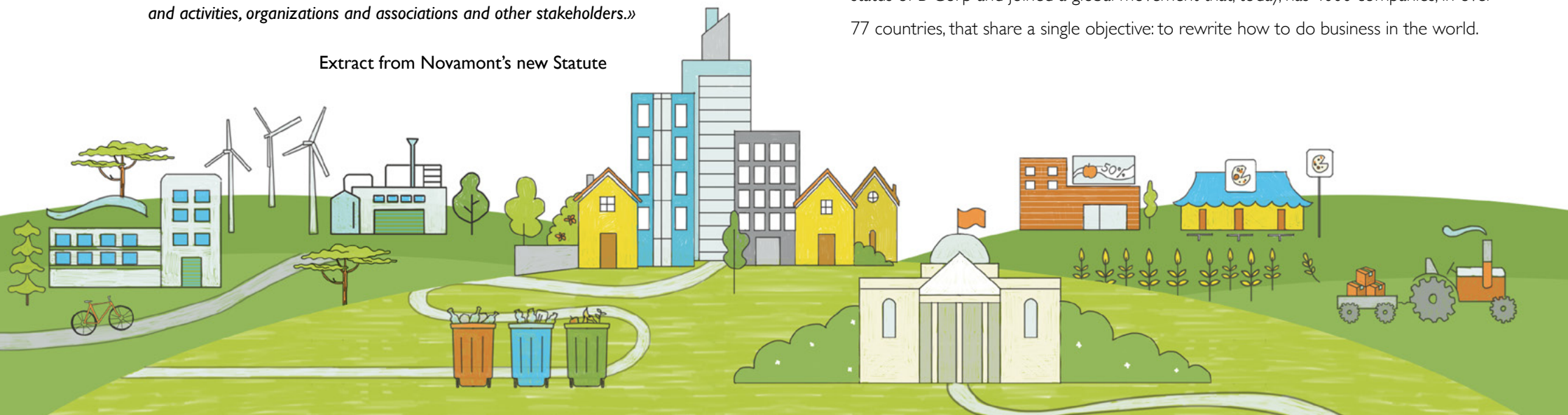
WE ARE A BENEFIT CORPORATION...

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.

By becoming a benefit company we are committed to incorporate within our statutes, goals of common benefit and to measure and publish all of our impacts in an Impact Report, which describes the actions taken and the commitments for the future.

«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



...B CORP-CERTIFIED

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.

To become a B Corp we had to undergo a rigorous procedure of assessing the impacts generated by our business on the environment and on society.

In its first year of assessment, we achieved a score of 104, and thereby obtained the status of B Corp and joined a global movement that, today, has 4000 companies, in over 77 countries, that share a single objective: to rewrite how to do business in the world.

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



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



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



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.

NOVAMONT AND THE COVID-19 EMERGENCY

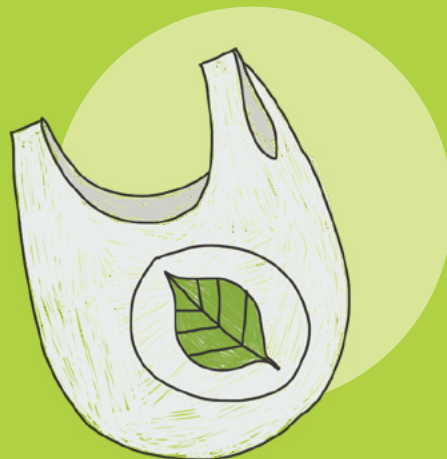
COMMITMENT FOR THE TERRITORIES

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.



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

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



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



The complete document the Novamont Group's 2020 Sustainability Report is available in web version on the website www.novamont.com

For any information, please contact us at csr@novamont.com



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