



NOVAMONT

A Versalis Company

Sustainability Report

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**2023**

Certified



Corporation



# Sustainability Report

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2023

This report was drawn up by the ECOPEC function, which produced the guidelines for the document and followed its development throughout the work phases, in collaboration with Corporate Strategy Implementation and Engagement.

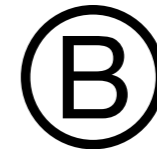
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[GRI 2- 22]

Letter to the stakeholders



Catia Bastioli Chief Executive Officer

The new geopolitical scenario has highlighted Europe's vulnerability which is increasingly competing in a global context marked by asymmetries in terms of regulations, market and trade policies.

Against this challenging backdrop, Novamont has resolutely pursued its path in the field of the circular bio-economy, with the aim of continuing to contribute to the decarbonisation of the economy by maximising the efficiency and sustainability of solutions from renewable raw materi-

als. This is an area of strong innovation in which Novamont has chosen to operate for over thirty years, through its integrated chain of biorefineries for bioproducts that can regenerate waste and by-products and create solutions, in an eco-design logic, which, thanks to their biodegradability and compostability, transform business as usual into powerful opportunities for competitiveness, sustainability and cultural change.

It is precisely this firm conviction that has allowed Novamont to project itself into the future with a major change by becoming an integral part of Versalis, Eni's chemical company committed to an increasingly sustainable and circular chemistry. The acquisition of Novamont by Versalis is part of Eni's energy transition path, which identifies the

bio-based chemicals sector as one of its priorities. Novamont, an integral part of Versalis's Biochemistry Business Unit, will be able to count on the development of the entire platform and new synergies, enhancing what has already been built, and putting in place projects for total upstream and downstream integration.

Novamont's bio-economy model is in itself an important evolving tool to support the decarbonisation of the industry.

With the aim of further decarbonising its supply chain, during the year Novamont continued during the year to develop low-input crops grown according to regenerative agriculture protocols, to favour renewable resources obtained through innovative

processes, in addition to the use of waste and by-products, and the development of initiatives to combine different recycling technologies.

Waste and by-products will be used directly by Novamont to produce new bioplastics, reducing the consumption of virgin resources and thus also the greenhouse gas emissions from their production. An important point was the development and transfer on a pilot scale of a process for the use of second-generation sugars from waste material, including cellulose waste, nappies, fruit processing residues and cereal materials, at the Bottrighe plant.

Demonstrating its ability to innovate, within the framework of the HORIZON-JU-CBE-2023 calls, Novamont won the call for the project TERRIFIC - Next generation circular bio-based Flagship packaging: a Catalyst for the green transition'. This is one of four flagship projects funded by the Circular Bio-based Europe Joint Undertaking (CBE-JU) that aims to demonstrate circular and bio-based flagship

solutions for the packaging industry, improving performance, circularity and resource efficiency throughout the value chain.

Novamont's objective was then oriented towards the continuous enhancement of the environmental, economic and social contribution of its products, counteracting the business-as-usual model and focusing on accelerating the development of new applications. Important results have been achieved in the application areas of high barrier packaging, cling film, extrusion coating, lamination, water-borne dispersions and agricultural products.

Demonstrating the credibility and uniqueness of its supply chain, Novamont has obtained ISO 14067 certification, making it the first company in the plastics sector to determine the certified carbon footprint of all its products. This is further proof of traceability of compostable bioplastic solutions and certified environmental sustainability, as well as quality and legality, guaranteed by the Mater-Bi label.

Today, Novamont is a Benefit Company and a B Corp that has chosen by statute to act as a regenerative force, guaranteeing transparency and driving entire supply chains towards ever higher environmental standards, helping them to become an active part of change. For these reasons, Novamont will continue to create systems that have a positive impact on society and apply high standards for itself and its stakeholders. It is worth mentioning that in 2023, Novamont's 98.3% share of eligible turnover according to the Taxonomy (89.7% of turnover) was in line with the Taxonomy criteria.

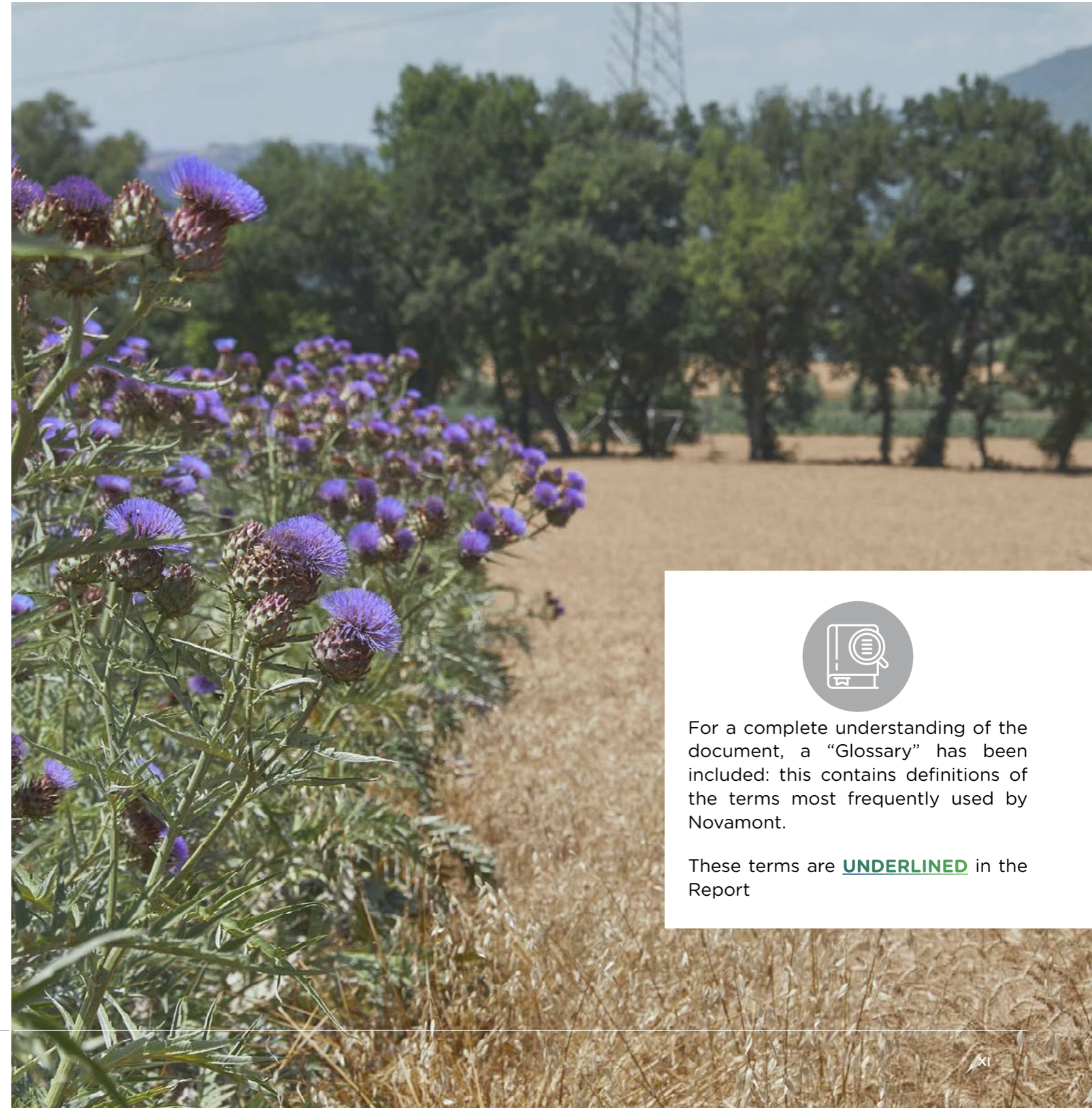
In 2023, it was even more evident that the Novamont model is the right recipe for a sustainable transition. Our wide range of technologies, equipment, solutions, skills and knowledge, together with our extraordinary ability to manage complexity, set us apart. Driven by this vision, we will continue to shape the future, approaching reality in a creative, positive, visionary and sometimes revolutionary way.

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

Methodological note

Purpose of the Sustainability Report	<p>This document is the 16th Sustainability Report (hereafter referred to as “the Report”) of companies in the Novamont Group (the “Group” or “Novamont”), formed of Novamont S.p.A. and its fully consolidated subsidiaries, Mater-Biotech S.p.A., Mater-Agro S.r.l., Novamont North America Inc., Novamont France S.A.S., Novamont GmbH, Novamont Iberia S.L. and of the companies of the BioBag group: BioBag International AS, BioBag Norge AS, Dagöplast AS, BBI Sverige AB, BioBag Americas Inc., BioBag Finland Oy, BioBag Zenzo A/S, BioBag Inc., BioBag Plastics Ltd, BioBag UK Ltd., and BioBag Polska Sp. Z o.o..</p> <p>Please note that on the 18th October 2023 Versalis S.p.A. has completed the merging process. (part of the Eni Group, committed to the development of sustainable chemistry) of 64% of the share capital of Novamont S.p.A. and, therefore, Versalis S.p.A. holds 100% of Novamont S.p.A.’s share capital.</p> <p>The Sustainability Report is the means by which the Group informs internal and external stakeholders of the commitments, strategies, management approach and business performance, presented from three different angles: economic, environmental and social. The process of non-financial reporting for the Novamont Group.</p>	Approval and publication	The Report was approved by the Board of Directors of Novamont S.p.A. on the 2 nd December 2024 and published on the 28 th January 2025.
Novamont has extensive experience of non-financial reporting.	<p>It has been publishing annual Sustainability Reports since 2008, as part of its process of continuous improvement, which is in line with the most recent developments in non-financial reporting regulations. In addition, as of 2021 Novamont, as a Benefit Company, has been committing to report annually on progress towards the achievement of common benefit purposes in the Impact Report. The Impact Report, now in its fourth edition, reports on the positive impacts generated by the company and also describes its commitments and objectives for the future. It is a document that is complementary to the Sustainability Report and can be accessed on the web page ‘Benefit company and B Corp’ You can find a preview of the contents of the Impact Report in this document with dedicated boxes.</p> <p>For the present year, the Sustainability Report has been drafted by drawing inspiration from the contents reported in the provisions of Legislative Decree No. 254 of 30 December 2016 (hereinafter also “Decree” or “Legislative Decree 254/16”), concerning the disclosure of non-financial information, implementing the European Directive 2014/95/EU. The document contains information on topics concerning the environment, society, personnel, respect for human rights and the fight against corruption. This helps providing an understanding of Novamont’s activities, progress, results and the impact of its business.</p> <p>In addition, to ensure that the contents of the document comply with the requirements of the UN Global Compact (UNGC), which Novamont decided to join in 2020, a correlation table between the UNGC Principles and the GRI Standards has been inserted in the chapter “Correlation between UN Global Compact principles and GRI Standards”.</p>	Base year	The data and information contained in this document refer to the 2023 financial year (from 1 January to 31 December). To ensure the comparability of the data over time and to assess business performance, a comparison was made with the data for the 2021 and 2022 financial years disclosed in the 2022 Sustainability Report.
		Reporting scope	<p>The economic data presented in this Sustainability Report, including those relating to Taxonomy, relate exclusively to Novamont S.p.A. It should be noted that Novamont S.p.A., although it has a controlling interest, avails of the option granted to subgroups, pursuant to Article 27 c. 3 of Legislative Decree 127/1991, not to prepare consolidated financial statements, as these are prepared and published by the indirect parent company Eni S.p.A.</p> <p>As far as environmental and social information is concerned, this includes the companies of the entire Group, with the following exceptions:</p> <ul style="list-style-type: none"> • from 2023, the company BioBag World Australia Pty Ltd. is excluded as a result of the sale of the interest held by the parent company BioBag International AS to a third party in December 2023; • Environmental information on water consumption, waste production and materials used does not include the companies Novamont North America Inc., Novamont France S.A.S., Novamont GmbH, Novamont Iberia S.L., BioBag International AS, BioBag Norge AS, BBI Sverige AB, BioBag Americas Inc, BioBag Finland Oy, BioBag Zenzo A/S, BioBag Plastics Ltd, due to difficulties in obtaining primary data. However, as the latter consist exclusively of small offices, the significance of the above-mentioned data is considered marginal; • the companies BioBag Inc., BioBag UK Ltd. and since 2023 BioBag Polska Sp. Z o.o. Do not have either offices nor employees, and are therefore not represented by the environmental and company data shown in these financial statements. <p>Any other changes in this scope are expressly indicated in the document. These exclusions in no way prejudice a complete understanding of the Group’s business, its progress, its results or any impacts generated.</p>
		Nature of the data	To provide a correct representation of performance and guarantee the reliability of the data, the use of estimates has been limited as much as possible; where present, estimates are based on the best methods available and are flagged as such. In addition, any restatements of previously published comparative data are clearly indicated in the text.

Reference standards	The Sustainability Report was written in accordance with the GRI Sustainability Reporting Standards published in 2021 by the Global Reporting Initiative (GRI). For the preparation of this document, the Reporting Principles provided by GRI 1 - Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability, Reliability and Timeliness.
Definition of the content and structure of the Report	<p>The reported content was established on the basis of the materiality analysis, process that has made it possible to identify the sustainability topics that were most relevant for the Group and its stakeholders (material topics).</p> <p>Each chapter in the Sustainability Report deals with each of the nine material topics identified in the materiality analysis. In particular, each chapter begins with a disclosure on the management approach, which describes the policies and procedures guiding the organisation, the specific actions, the responsibilities assigned to the different people in the company and the complaint, consultation and discussion mechanisms.</p> <p>In the section “Materiality analysis and stakeholder engagement”, the table “Material topics: scope and correlation among GRI Standards, SDGs and the main areas under Italian Legislative Decree No. 254/2016” indicates, for each material topic, the scope (i.e. those generated and influenced by the impacts relating to the material topic), and the relationship with the GRI Standards, the SDGs and the areas under Italian Legislative Decree No. 254/2016.</p> <p>In the “GRI Content Index and UN Global Compact” section, it is possible to see a breakdown of the information reported according to the performance indicators defined by the GRI. Any omissions are suitably indicated, where applicable.</p> <p>It should be noted that, with its entry into the Eni Group, Novamont began a process of implementing a series of policies and procedures (in accordance with the Management System Guidelines - MSG) that constitute a component of the corporate governance, organisational structure and internal control system of the company and the Eni Group. These policies and procedures will be explained in the following chapters.</p> <p>During the year 2022, Novamont Group has also started a redesign effort of the organisational framework in order to create a more flexible organization that is more adequate to the requirements and the challenges to be faced, in an increasingly uncertain and complex competitive context. This process, which continued in 2023, led to the creation of new committees, the redesigning of important corporate roles and the implementation of major corporate projects and processes.</p>
Assurance	The company has not conducted an external review of the data and information reported. Therefore, the contents presented have been prepared and verified internally and have not been subject to verification by an external auditor.
Contacts	For any information about the Sustainability Report, please email csr@novamont.com .



For a complete understanding of the document, a “Glossary” has been included: this contains definitions of the terms most frequently used by Novamont.

These terms are **UNDERLINED** in the Report

Glossary



BIO-BASED

Derived wholly or partly from biomass.

BIOCHEMICAL

Substances, meaning monomers and/or solvents, that are biodegradable and/or derived wholly or partly from biomass of plant origin.

Note 1: Novamont monomers to date are obtained entirely from plant-derived biomass.

BIODIGESTER

A plant for the energy recovery of the organic fraction of domestic and industrial waste through the process of biomethanation of organic matter by anaerobic microorganisms leading to the formation of biogas.

BIODEGRADATION

It refers to a process that leads to the breakdown of an organic compound by microorganisms in the presence of oxygen into carbon dioxide, water, mineral salts and new biomass, or in the absence of oxygen into carbon dioxide, methane, mineral salts and new biomass.

BIODEGRADABILITY

Biodegradability is an intrinsic property as it refers to the innate potential for biodegradation, regardless of extrinsic properties, which on the other hand depend on the amount of material present and the shape of the material (e.g. size: thickness).

BIOECONOMY

An economy that uses biological resources from the land and sea as inputs for energy, industrial (materials), food and feed production.

BIOGENIC EMISSIONS

Emissions that originate from natural processes and are therefore not among the climate balance altering factors caused directly by man: they must therefore be differentiated from direct CO₂ emissions of fossil origin.

BIOLUBRICANTS

Biodegradable lubricant that wholly or partially derives from plant-derived biomass.

BIOMASS

Material of biological origin, excluding material incorporated into geological formations or transformed into fossilised material and excluding peat. The biomass used by Novamont is renewable and plant based.

BIOPLASTICS

Biodegradable and/or bio-based plastic.

Note 1: A type of plastic is biodegradable if it is a nutrient substrate for at least one life form (in the case of biodegradation tests, a micro-organism) and under environmental conditions the life form can be active.

BIOPRODUCT

Biodegradable product and/or derived wholly or in part from renewable raw materials of plant origin. The term includes both finished products (biolubricants, phytosanitary and cosmetic products) and raw materials and intermediates that are themselves subject to processing within the value chain (bioplastics and biochemicals).

BIOREFINERY FOR BIOPRODUCTS

An industrial activity that applies appropriate conversion technologies to biomass to transform it partly into fuel and partly into products such as food, materials, chemicals for the polymer industry, for cosmetics or for pharmaceutical industry, etc.

BLOWN FILM

In polymer technology, it is a process used to obtain less thick films (15÷500 µm). These films are used for example, to produce packaging, bags, or films for greenhouses and mulching.

BYPRODUCT

A sub-product of the industrial production of other products. A substance or object resulting from a production process that does not have as a primary purpose the production of that item, may not be considered waste, but a by-product only if all the following conditions are met (Article 184/bis of Legislative Decree no. 152/2006): a) it is certain that the substance or object will be used again; b) the substance or object can be used directly without any further treatment other than normal industrial practice; c) the substance or object is produced as an integral part of a production process; d) the further use is lawful, i.e. the substance or object fulfils, for the specific use, all the relevant requirements concerning products and the protection of health and for and of the environment, and overall will not cause any negative effect on the environment or on the human health.

CARBON FOOTPRINT

The carbon footprint is a measure that expresses the total greenhouse gas emissions, usually expressed in kg or tonnes of CO₂ equivalent, associated directly or indirectly with the life cycle of a product, a service or the activities of a business.

CIRCULAR ECONOMY

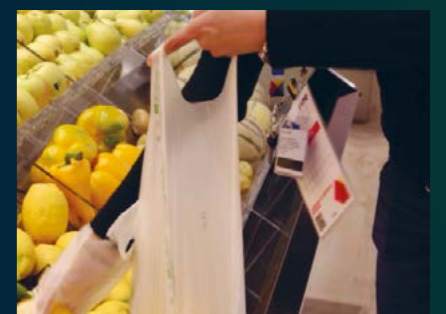
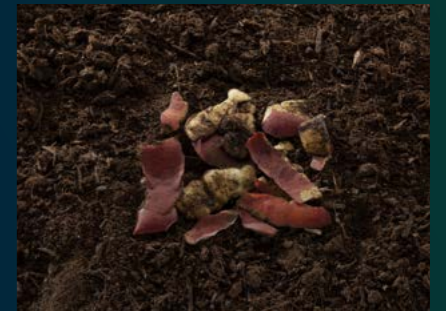
A model in which all the value chain activities, are organised to use renewable resources or recycled materials, creating a system in which products maintain their function for as long as possible while minimising waste.

CO₂ e - CO₂ EQUIVALENT

Standard reference used to measure the impact of greenhouse gases on global warming (Global Warming Potential - GWP). The contribution of each gas is normalised to the contribution of one CO₂ molecule, used as the unit of measurement.

COMPOST

The result of the bio-oxidation and humification of a mixture of organic matter (e.g. pruning residues, kitchen waste, garden waste such as leaves and mown grass) by macro- and micro-organisms in the presence of oxygen. Compost is used as a soil nutrient in agriculture.



COMPOSTABILITY

The ability of biodegradable, organic matter (i.e. plant cuttings, kitchen scraps, gardening waste, some types of bioplastics, etc.) to be turned into compost in composting plants.

COMPOSTING

Composting is an end-of-life process for compostable waste (Directive 2008/98/EC clarifies this concept). Controlled biological decomposition, in the presence of oxygen, of organic waste from which a humus-rich material called compost is formed. Composting involves a thermophilic phase and takes place on an industrial scale in special plants.

CSR - CORPORATE SOCIAL RESPONSIBILITY

CSR corresponds to the organisation's responsibility for the impacts of its decisions and activities on society and the environment through ethical and transparent behaviour.

DUMPING

A practice whereby large companies bring products onto the European market at a much lower price than the market price. This artificial price is due to the presence of state subsidies to companies in the country of origin, or to the overproduction of a certain product by companies selling these surplus goods abroad.



EXTRUSION

Plastic deformation procedure, aimed at producing parts with a constant cross-section such as rigid or semi-rigid containers.

FOOD SERVICE

Large-scale preparation and delivery of complete meals for communities (e.g. company canteens, schools, hospitals, prisons, etc.).

GMO - GENETICALLY MODIFIED ORGANISM

Organism, other than a human being, whose genetic material has been modified in a way that does not occur naturally by mating and/ or natural genetic recombination (source: Directive 2001/18/EC).

GO - GUARANTEE OF ORIGIN

Electronic certification attesting to the renewable origin of the sources used to produce electricity. For each MWh of renewable electricity fed into the grid by qualified plants, the GSE (Electricity provider) issues a GO certification, in accordance with Directive 2009/28/EC.



GRADE (MATER-BI)

Referring to Mater-Bi, it indicates a specific type of material identified by a specific chemical composition and a unique product code. The trademark Mater-Bi® therefore denotes a set of material families consisting of different grades.

HOME COMPOSTING

Small-scale composting process operated by individuals for gardening purposes with the aim of producing compost for personal use from garden waste and occasionally kitchen waste.

LARGE SCALE DISTRIBUTION

It represents the evolution of trade from retail to wholesale. It is made up of large structures or large groups (in some cases multinationals) with many facilities spread throughout the country, internationally or even worldwide.



LCA - LIFE CYCLE ASSESSMENT

Objective process of assessing the energy and environmental loads related to a process or activity, carried out by identifying the energy and materials used and the waste released into the environment. The assessment includes the entire life cycle of the process/activity/product, including extraction and processing of raw materials, manufacturing, transport, distribution, use, reuse, recycling and final disposal.

LCT - LIFE CYCLE THINKING

An approach with which the environmental, economic and social sustainability of products, services, technologies and systems is analysed, considering all phases of the life cycle (extraction of raw materials, production, use, distribution and end of life).

MARGINAL LANDS

Land on the farm not used for agricultural purposes, unproductive for economic, social or other reasons, located in areas with natural handicaps, in mountain areas or other areas but which could be used for agricultural purposes by means normally available to the farm. They are usually referred to by different terms: unused, degraded, underused, uncultivated, desolate and abandoned. Fallow land is excluded (land included in the crop rotation system but temporarily uncultivated, whether worked or not, and not providing any harvest for the duration of the crop year).



MONOMER

A chemical molecule with a low molecular mass with functional groups capable of reacting with itself or with other chemicals to form macromolecules, called polymer chains of a certain length, with a certain molecular weight distribution, which together we call polymers. For example, 'styrene' is the monomer of 'polystyrene'. Azelaic acid is one of the monomers used in the polymerisation process to produce a type of Mater-Bi.

MULCHING

An agronomic technique for weed control that consists of covering the soil, with the exception of the area of growth and development of the plant of interest, with an opaque material capable of retaining solar radiation, thus preventing weed growth. The most common mulches are plastic films, bioplastic films, paper films, layers of straw, layers of bark.

OLEAGINOUS

Plant capable of producing and accumulating within itself (e.g. in fruits or seeds) fatty substances, which can be used for food and industrial purposes.

ORGANIC CARBON

Carbon found in those chemical compounds in which it is joined by covalent bonds to atoms of other elements (mainly hydrogen, oxygen, nitrogen). This definition excludes the carbon of carbon dioxide, carbonic acid and its salts, such as calcium carbonate.

ORGANIC FRACTION (OF WASTE)

Municipal waste fraction consisting of food and grass clippings or animal waste from home or industrial sources.

ORGANIC RECYCLING

Processing the organic waste fraction using microorganisms and under controlled conditions. The treatment can take place under aerobic or anaerobic conditions. In the case of aerobic treatment, the organic fraction of waste is treated in an industrial composting plant with free oxygen, producing biomass (compost), CO₂ and H₂O. In anaerobic treatment, the organic fraction is degraded in an anaerobic digestion plant in the absence of free oxygen. The process leads to the production of biogas (containing CO₂ and CH₄) and can be used as bio-fuel to produce heat and electricity) and a sludge called 'digestate'. Land-filling cannot be considered as a form of organic recycling.

PACKAGING

A product made from materials of any kind, designed to contain and protect certain goods, from raw materials to finished products, to enable their handling and delivery from the producer to the consumer or user, and to ensure their appearance.

POLYESTER

Polymer with ester groups in the main chain. Polymer with ester groups in the main chain.

POLYMERISATION

Process of synthesising a polymer through a chemical reaction from its constituent monomers.

PHYTOSANITARY PRODUCT

Product used to protect plants or plant products against all harmful organisms or to prevent their effects, to influence plant life processes, to preserve plant products, to destroy undesired plants or plant parts, to control or prevent undesired plant growth.

RENEWABLE (RESOURCE)

Resource (e.g. a raw material) that can be cultivated or regenerated naturally within a foreseeable time frame.

SDGs - SUSTAINABLE DEVELOPMENT GOALS

Represent the essential elements of the 2030 Agenda for Sustainable Development signed in 2015 by the governments of the 193 UN member countries.

SEPARATE COLLECTION

Collecting and separating waste according to their type, i.e. Glass, plastic, paper, compost, metal, dry waste.

STAKEHOLDERS

Entities with whom an organisation has (direct or indirect) relations and who can therefore directly or indirectly influence its activities. These include, for example, customers, suppliers, lenders (banks and shareholders), employees, but also external interest groups, such as residents of areas surrounding the company or local interest groups.

STANDARDS

Usually a formal document that establishes uniform engineering or technical criteria, methods, processes and practices.

SUSTAINABLE DEVELOPMENT

Development that meets the needs of the present without compromising the ability of future generations to meet their needs (source: Standard EN 16575).

TECHNOLOGY HUB

Experimentation space, located at an industrial plant and based on innovative technologies, which, with a view to open innovation, acts as an attractor of new technologies (auxiliary and/or complementary to the main ones) for initial validation on an industrial scale.

WASTE MANAGEMENT

In urban and industrial contexts, it means the set of technologies and methods for sorting, collecting, delivering and treating waste produced by human, industrial and domestic activities.



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

Materiality analysis and stakeholders engagement

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



Material topics represent the most significant impacts of a company on the economy, on the environment and on people, including impacts on human rights. In accordance with the most recent GRI Standards, the decision process to determine material topics is divided into the following phases:



1 UNDERSTANDING THE REFERENCE CONTEXT

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



2 IDENTIFYING THE IMPACTS

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



3 ASSESSMENT OF THE IMPACT SCOPE

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



4 PRIORITIZING IMPACTS FOR REPORTING

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

In order to be able to effectively describe the Group's approach to sustainability, the actual themes identified through this process are regularly adapted to the evolving context and are therefore subject to periodic review: the review carried out in 2023, which included both internal and external stakeholder engagement activities, did not, however, lead to changes in the wording of the topics, but only to an update of the scores.

To assess how important the corporate topics were a survey was conducted with all the Group management. The participants were asked to evaluate the company impacts using a grading system from 1 to 5, where 1 represents a low impact and 5 maximum impact. The relevance to the stakeholders was calculated as the average of the grades assigned by the different categories of stakeholders involved, for more details please read the methodol-

ogy note below. Five-point scales, defined according to the type of listening mode adopted, were used for the individual stakeholder activities.

The Novamont Group pays the utmost attention to the issues of supply chain and product sustainability and Research and Innovation, which are essential and necessary for business integrity and stability. The topic of Partnerships and collaboration for territorial regeneration becomes more important, showing the awareness that sustainable development is a common goal that can be easily achieved, if shared. One of the most important topics for the Group is Responsibility towards employees, especially with regard to aspects related to well-being in terms of job satisfaction and quality of work. Product conformity and quality and customer care remain important aspects for the Group, as do soil protection and

revitalisation, both areas in which Novamont has been investing many resources for many years. In line with the leading role on sustainability issues that the Group has always shown to have, the themes of Communication and Promotion of Sustainability and Education and Training of the New Generations are strongly emphasised.

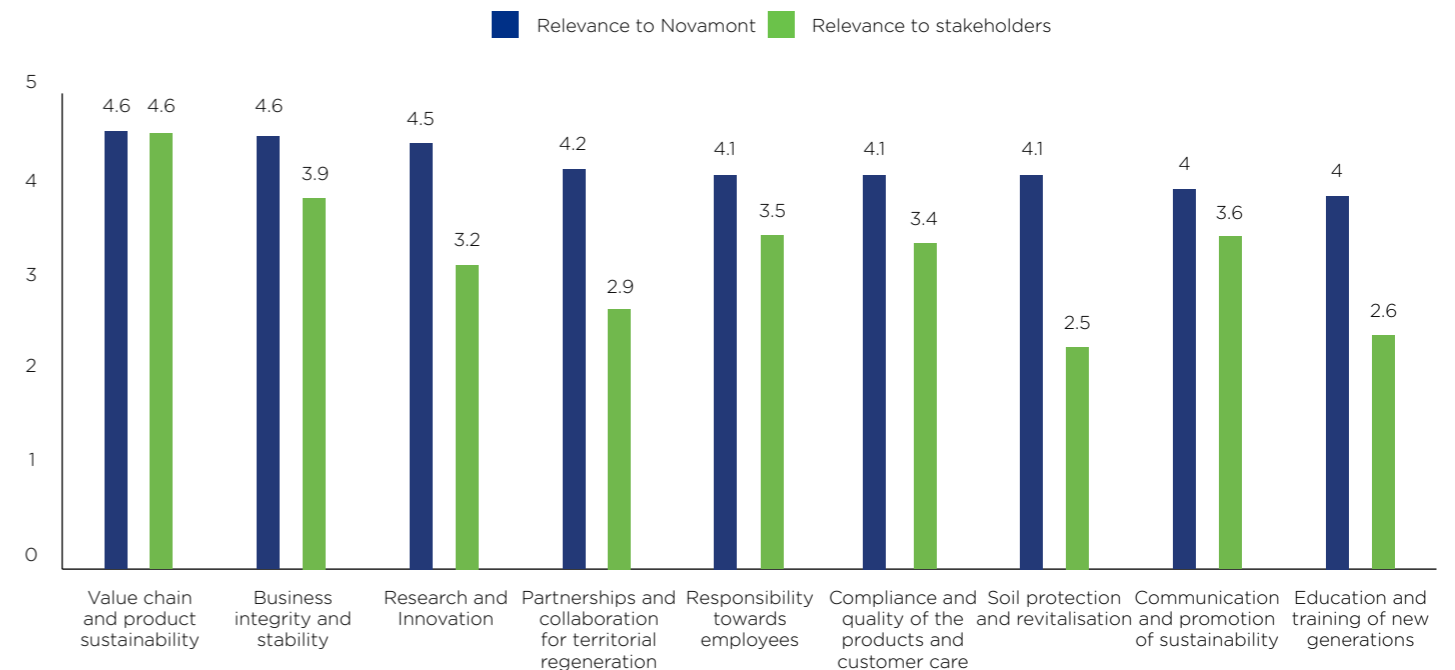
The stakeholders too pay most attention to value chain and product sustainability, followed by the topics of Business integrity and stability, acknowledging that this aspect provides the foundation for positive development for the Group and for all the stakeholders.

Please see the graph below for the Novamont Group's material topics in decreasing order of relevance for Novamont. The column 'Relevance to **STAKEHOLDERS**', on the

other hand, shows the level of appreciation assigned by stakeholders to the topics. The process of updating the Novamont Group's

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

Novamont Group's material topics



The following table specifies, for each material topic, the reference matrix, i.e. where the impacts relating to that particular material theme occur and Novamont’s type of involvement in such impacts.

Material topics: scope and correlation with GRI Standards

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

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

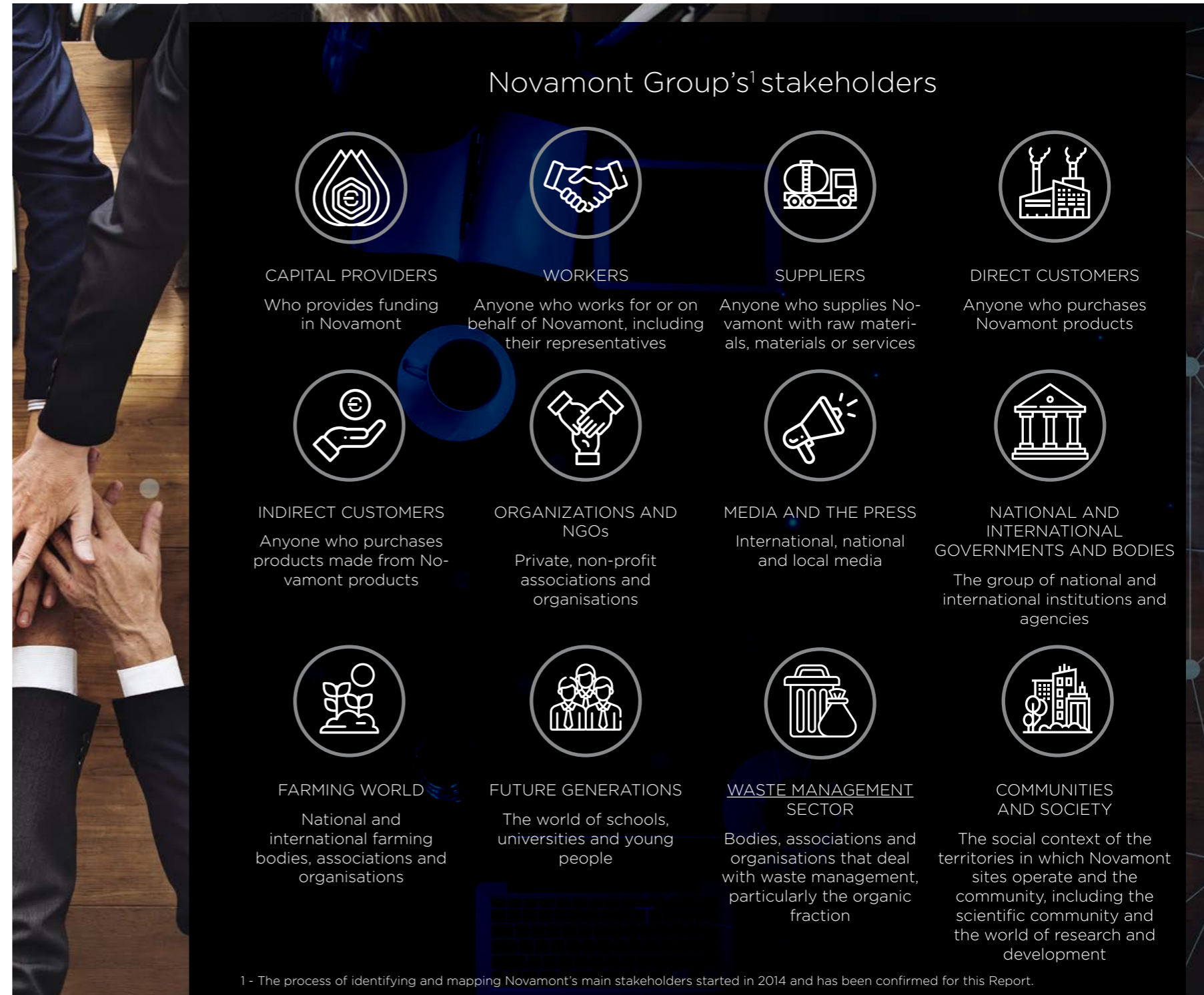
TOPIC-SPECIFIC GRI STANDARDS	SCOPE	
	WHERE THE IMPACTS OCCUR	NOVAMONT INVOLVEMENT
RESPONSIBILITY TOWARDS WORKERS		
<ul style="list-style-type: none"> • GRI 401 2016 Employment 2016 • GRI 403 2018 Occupational Health and Safety • GRI 404 2016 Training and Education 2016 • GRI 405 2016 Diversity and Equal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



Many players contribute directly or indirectly to Novamont’s success and, in their roles, can influence progress and affect the Group’s strategic decisions.

STAKEHOLDERS’ engagement is an essential element of Novamont’s sustainability strategy. The Group has identified its stakeholders by involving company management and periodically updating this process to ensure that it always reflects the situation. Through a continuous process of feedback and discussion, organised through various channels and methods, the Group is more aware of its stakeholders’ expectations and interests, and of how well we are meeting those expectations. For this reason, each year an **Engagement Plan** is drawn up which is different from the previous years, so as to provide our stakeholders with a variety of com-

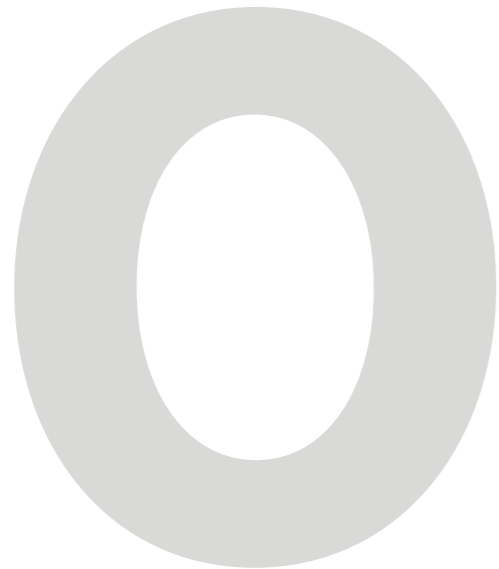
munication channels and allow everyone to express their views. The engagement methods used in the reporting year, according to each stakeholder category, are described below, with the key topics and requests that emerged during those activities.



STAKEHOLDERS	ENGAGEMENT METHOD	KEY TOPICS RAISED
Capital providers	Analysis of the RobecoSAM questionnaire for the "CHM Chemicals" industry	The economic dimension appears to be the one most valued in terms of both the number of criteria assessed and the number of points scored. Within this scope, the focus is not only on aspects of effective business and supply chain management, but also on compliance with the highest ethical standards. The social dimension focuses on relationships and responsibilities towards employees, giving great weight to the issue of health and safety and the management of labour practices, and integrating a focus on human rights. One of the main aspects for the contribution to the environmental cause is the development of strategies for the climate and an increasingly eco-efficient operational management.
Workers	Workshops and training webinars carried out by Officine Novamont	Over the course of 2023, Officine Novamont has conducted courses and workshops. The subjects analysed during the events are related to the material topics of Research and Innovation and of value chain and product sustainability. It was a course aimed at transferring different types of skills and knowledge to employees, making it possible to prioritise topics such as Responsibility to Employees and Communication and Promotion of Sustainability.
	Introduction of the Company Board of Directors	Novamont board members matched the material topics identified in this report with what they perceived in the management of the company's activities.
Direct customers	Direct interviews	The interviews conducted with the Group's direct and indirect customers, highlighted the relevance of Supply Chain and Product Sustainability and Communication and Promotion of Sustainability: two issues that are identity and common to Novamont's business scope. This is followed, in order of importance, by Product compliance and quality and customer care, and the development of, partnerships and collaborations aimed at making value redistribution increasingly geared towards the regeneration of territories. Research and innovation and education and training of new generations are also a priority for the customers, who recognise the group's best practices on both sides. Finally, another topic that has been highlighted was soil valorisation and protection.
Indirect customers		
Organizations and NGOs	Documentary analysis of the available external sources of the main consumer associations	The topic of value chain and product sustainability is a priority for the associations analysed, following Communication and promotion of sustainability confirming the increasing importance that ESG aspects have for the consumers. Another extremely relevant topic for this stakeholders' category is the one of Compliance and quality of the products and customer care showing how associations tend to protect the satisfactions of the consumers that they represent. Finally, the topic of Education and Training of the New Generations is also important, with reference to the growing value of raising awareness and consciousness of the younger generation on sustainability issues.

STAKEHOLDERS	ENGAGEMENT METHOD	KEY TOPICS RAISED
Media and the press	Analysis of press coverage	The main interest flows into the topics of Supply Chain and Product Sustainability and Communication and Promotion of Sustainability, demonstrating the growing interest of all actors in society in the sustainability issues of products and organisations. The analysis also highlights a high interest in the topics of Integrity and stability of the business and Compliance and quality of products and customer care.
Suppliers	Analysis of the results of assessments carried out with the EcoVadis platform	The most relevant issue is Business Integrity and Stability: an aspect of historical importance in the relationship between the Group and its supply chain. The topics Compliance and quality of the products and customer care have dropped slightly in importance, but still score as high as the topics of Responsibility to Employees, Supply Chain and Product Sustainability and Communication and Promotion of Sustainability. This result confirms that Novamont's environmental, social and governance sustainability issues are also relevant and widespread in its supply chain.
National and international governments and bodies	Monitoring and analysing the regulatory landscape	National and international governments and bodies are expressing their views with a flurry of legislative activity to guide us towards a sustainable development model. In line with this vision, the monitoring conducted revealed in particular the relevance of Research and Innovation, Supply Chain and Product Sustainability and Compliance and quality of the products and customer care, but all the other Novamont material topics are also present.
Farming world	Survey to evaluate the impacts of the Group with the option to flag more of them.	Research and Innovation and Compliance and quality of the products and customer care emerge as top priorities, but also Sustainability of Supply Chain and Products and Partnerships and Collaborations for the regeneration of territories continue to be perceived as important. They are all aspects seen as fundamental and crucial part of Novamont's identity.
Waste management value chain		
Future generations	Analysis of the feedback surveys carried during projects with schools	The educational activities focused on the topics of Soil protection and revitalisation, Value chain and product sustainability, Education and training of new generations and Communication and promotion of sustainability. This demonstrates how important it is to create knowledge and raise awareness among younger generations about the global challenges linked to climate change.
Communities and society	Analysis of corporate press coverage	The press review confirms the prioritisation of the topic of Sustainability of supply chain and products, proving that sustainability is increasingly a widespread value at all levels of society, and also attaches high value to the Communication and Promotion of Sustainability and Responsibility towards Employees. Nonetheless the rest of Novamont's material topics are seen as equally important.

Novamont Group



The Novamont Group is among the international players in the field of bioplastics, bioproducts and biochemicals obtained through the integration of chemistry, environment and agriculture. As a certified B Corp (Benefit Corporation), it acts responsibly, sustainably and transparently towards people, communities, territories, the environment, cultural and social activities and goods, organisations, associations and other stakeholders, pursuing goals in the public interest.



4

PRODUCTION SITES
(INCLUDING 1 PROCESSING SITE)



3

R&D CENTRES



3

ACTIVE INNOVATION
HUBS



640

EMPLOYEES



€270

MLN IN TURNOVER¹

1 - Only in relation to Novamont S.p.A.

2023 Highlights



ACQUISITION OF NOVAMONT BY VERSALIS COMPLETED

On 18 October 2023, Versalis, Eni Group's chemical company and already a shareholder of 36% of Novamont, completed the acquisition of the remaining 64% of Novamont's shareholding.

For Novamont, this operation represents a unique opportunity to strengthen its circular bioeconomy model, accelerating the development of multi-product value chains with high added value and territorial projects, as well as representing a concrete change of pace to continue decoupling the use of natural resources from economic growth following the 'doing more with less'.

With the acquisition, Novamont became an integral part of Versalis, Eni's chemical company, whose strategy is also strongly oriented towards specialising its portfolio through chemicals from renewable raw materials.

It is a strategic plan that will give Novamont even more strength to face the urgent challenges of the ecological transition and to play a role in the field of biochemistry from renewable raw materials and the circular bioeconomy on a national and international level.

"The acquisition of Novamont will allow us to drive our strategy towards chemistry from renewables through the integration of the two portfolios. Today the process of integrating our businesses begins, which will enhance the skills of our people and establish a business plan that will leverage a unique technology platform and an increasingly low-carbon product portfolio, in line with Versalis' strategy and Eni's energy transition journey.", said Adriano Alfani, CEO of Versalis.

RESEARCH AND INNOVATION

> 25%
of employees involved in Research and Development activities



€15.7 mln
of investments in Research and Development

~1600
active patents and patent applications as of 2023 and

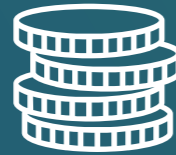
135
patent families as of 2023

>510
partnerships with companies, research centres, universities, associations and local governments in the context of research, development and innovation projects

2 - Only in relation to Novamont S.p.A.

BUSINESS INTEGRITY AND STABILITY

€270 mln
economic value generated²



Acquisition of **Novamont** by **Versalis** completed

COMPLIANCE AND QUALITY OF THE PRODUCTS AND CUSTOMER CARE

88%
Mater-Bi and THF customers state to be satisfied or very satisfied with Novamont

0.79
Complaints Index (-27% vs 2022)



VALUE CHAIN AND PRODUCT SUSTAINABILITY

47%
materials from renewable sources of plant origin

64%
share of regenerative turnover

99.8%
Electricity purchased from GO certified renewable sources

>80
suppliers involved in the **EcoVadis project** to assess the sustainability performance of Novamont's supply chain



Novamont was awarded again the **Platinum medal** in the EcoVadis CSR performance assessment.

Achievement of **ISO 14067 Systematic Approach** certification for quantifying and declaring the carbon footprint of products

SOIL PROTECTION AND REVITALISATION

Re Soil Foundation The foundation has involved about 5500 participants in training and outreach activities to raise awareness about issues related to soil health



RESPONSIBILITY TOWARDS EMPLOYEES

640
Employees
of which:

97.2%
full-time



98.6%
with permanent contract

1.0
rate of work-related injuries³

~ 9000
hours of training



Officine Novamont

38 training courses and

285 participants involved

Continuing

Psychological Counseling service

COMMUNICATION AND PROMOTION OF SUSTAINABILITY

Awarded the

2023 SMAU Innovation prize

for the carbon footprint traceability and certification project of Mater-Bi throughout the value chain



Participation - as speaker, audience and sponsor -

in over 100 national and international events

(including ASviS Sustainable Development Festival, Global Forum on Technology, FACIM, 50th anniversary of the European Patent Convention, Ecomondo, CBE JU Stakeholder Forum)



Contribution to the drafting of

studies and reports

(including Fondazione Symbola's GreenItaly publication) on circular bioeconomy topics

EDUCATION AND TRAINING OF NEW GENERATIONS



Discovering Mater-Bi launch of the following educational projects: 'Alla scoperta del suolo' (Discovering the soil) and 'Elementi di didattica per insegnare il suolo: la fabbrica della vita' (Educational elements for the soil: the factory of life) in partnership with Re Soil Foundation



Involvement of 50 students between 2022 and 2024 in the partnership with

Istituto Tecnico Superiore of Terni

PARTNERSHIPS AND COLLABORATIONS FOR TERRITORIAL REGENERATION

Cluster SPRING

156 members in total

Continuing

Territorial regeneration projects

developed with communities and local authorities throughout Italy and in the world (Milan, Poland, Mozambique)



Support for **local events** (Novara Jazz, SUQ Festival, Community of Sant'Egidio, National Food Collection Day)

³. These are minor injuries.

Who we are

Founded in 1990, Novamont is an Italian B Corp certified benefit company, among the international players in the **BIOPLASTICS** sector, of **BIOPRODUCTS** and **BIOCHEMICALS**. These products, thanks to their **COMPOSTABILITY** and **BIODEGRADABILITY** in different environments, can contribute to reducing non-recoverable waste and to protecting better the ecosystems, particularly the soil. The roots of the Group lie in the **Montedison School of Material Science**, where a number of researchers, led by Catia Bastioli, began to develop the ambitious project of integrating chemistry, the environment and agriculture, or “**Living chemistry for a better quality of life**”. In 2007, CEO Catia Bastioli was named European Inventor of the Year by the European Patent Office for inventions related to biodegradable and compostable starch bioplastics.

With the use of biochemistry, Novamont wants to give a significant contribution to the creation of a **circular BIOECONOMY with reduced Environmental impact**, with products that can be catalysts of an ecological transition, in a continuous evolution towards the objective production chains free from fossil raw materials. In Novamont, chemistry is used creatively, as a regenerative and clean force to create eco-design solutions that do release less persistent substances into the environment, that can be recycled in various forms and that can return to the earth, closing the carbon cycle. Novamont collaborates through alliances with all those who share its commitment, involving local and global communities to bring about **cultural, social and technological change together**⁴ Novamont aims to transform:



Plants no longer competitive in energy-independent bio-industries



Converting **MARGINAL LANDS** into fertile soil with precious sources of raw materials



Waste into new biodegradable and compostable bioproducts



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

4 - please find more information on alliance and territorial regeneration projects in chapter 9 - Partnerships and collaborations for territorial regeneration

THE DEVELOPMENT MODEL

Novamont has always pursued the principles now enshrined in the concept of the **circular bio-economy**, and its biodegradable and compostable products, made wholly or partly from renewable, plant-based raw materials and suitable for multiple forms of recycling (including organic recycling), are essential tools. This development model, which looks at the circular bioeconomy as a factor in territorial regeneration, is based on three main pillars:



REINDUSTRIALISATION OF DISUSED SITES

Biorefineries for bioproducts built from the reindustrialisation of disused or no longer competitive production sites. Development of innovative and more sustainable processes that contribute to the decarbonisation of the economy.



INTEGRATED AGRICULTURAL VALUE CHAIN AND PRODUCTION FROM WASTE

Research and innovation and innovation of low-impact agricultural value chains by recovering marginal lands. Research and innovation to transform production chain waste and by-products into new bioproducts.



PRODUCTS AS SOLUTIONS

Products that, thanks to their biodegradability and compostability, are designed to ensure that no persistent substances accumulate in compost, treated water, sludge, and soil, making their own contribution to the pollution problem. Products devised to be reused and recycled, extending the biogenetic carbon storage time.

SYSTEMIC INNOVATION AT THE CENTRE OF THE NOVAMONT MODEL

Scientific research is the engine of technological innovation, a necessary, though not sufficient, condition for realising concrete circular bio-economy projects capable of decoupling resources and development. But in this highly interdisciplinary and dynamically evolving sector, systemic training of internal staff and stakeholders is also an essential element to train thinking about complexity and to improve the ability to innovate together, riding on change and seizing new opportunities.



The key activities of Novamont's innovation model:



RESEARCH AND INNOVATION/DEVELOPMENT OF NEW BUSINESS APPLICATIONS

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



ECOLOGY OF PRODUCTS AND SYSTEMS

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



ENGINEERING

a wide and growing range of technologies and plants with reduced environmental impact, upstream industrial processes integrated throughout the bioplastics value chain; efficiency in the use of resources.



TRAINING

continuous development of diversified skills and internal training of qualified staff with a strong systemic vision.



OPEN INNOVATION

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

[GRI 2-1, 2-6]

Sites and commercial network

Novamont's roots lie deep in the **Italian territory**. In Italy, Novamont has its headquarters in Novara, three production sites with **TECHNOLOGY HUBS** in Terni, Adria and Patrica, and three research centres in Novara and Piana di Monte Verna (PMV).

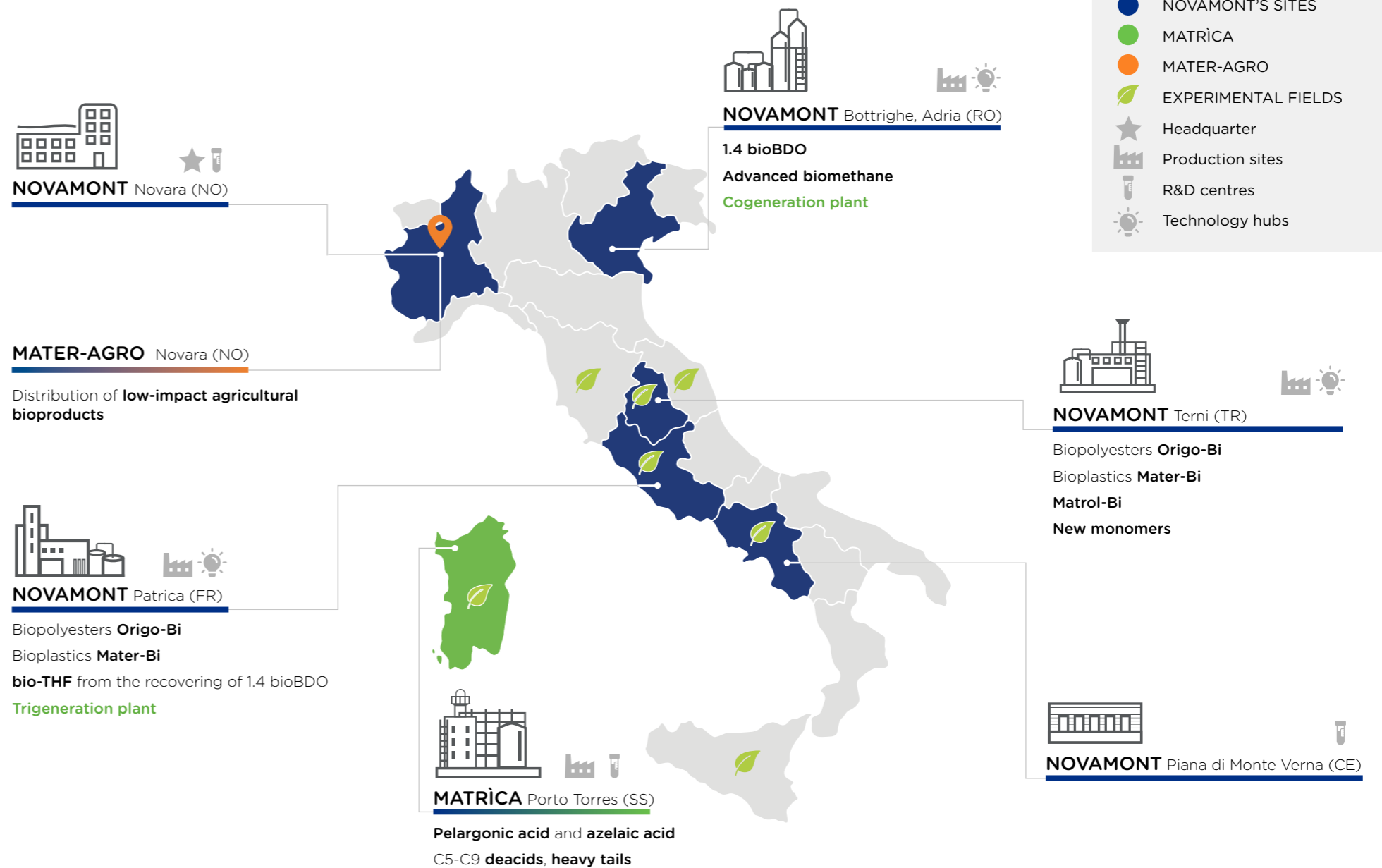
The foreign market is served through offices in France, Germany, Spain and North America and through an extensive network of distributors in more than 40 countries worldwide.

Novamont has built two joint ventures. Matrìca S.p.A. is the joint venture with Versalis in the Porto Torres petrochemical plant for the production of chemical intermediates from fully or partly renewable sources - through a proprietary technology brought to full industrialisation. In Matrìca there is also

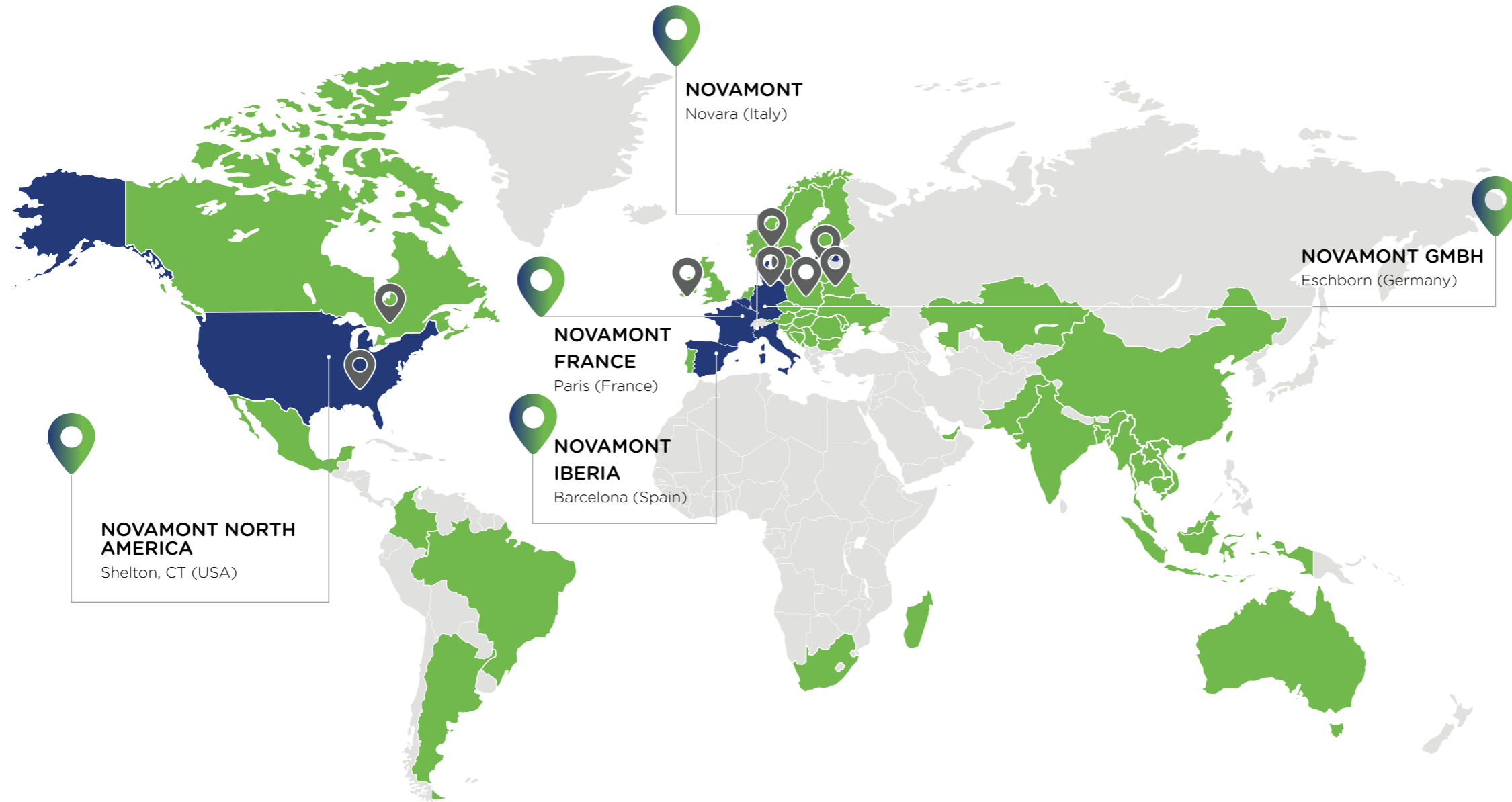
a research centre. Mater-Agro S.r.l. (85% Novamont, 10% Coldiretti and 5% Consorzi Agrari d'Italia) funded with the aim to promote a new model of participatory innovation between agriculture and industry, helping farmers to maintain good crop yields through the use of low-impact bioproducts and biodegradable in the soil with a reduced impact.

In 2021 Novamont also purchased the group BioBag, a Norwegian company active in the field of development, production and sale of certified compostable and biodegradable applications for the **PACKAGING** and **ORGANIC WASTE COLLECTION** sectors. The group has branches in north-eastern Europe, Scandinavia, North America as well as a production site in Estonia.

Novamont Group in Italy

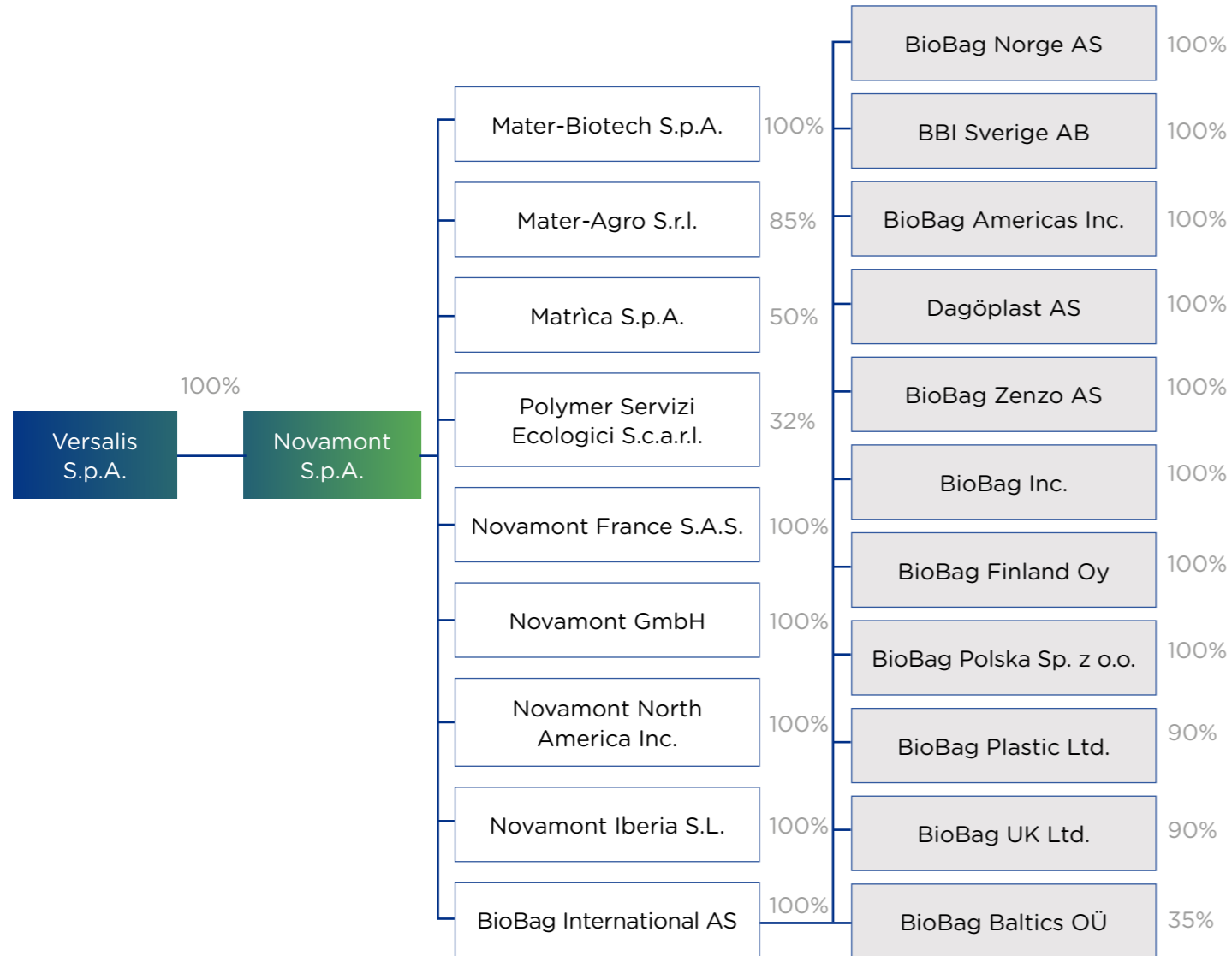


The Novamont Group worldwide



- NOVAMONT'S OFFICES
- COMMERCIAL NETWORK
- **BioBag International**
Oslo, Askim (Norway)
- Dagöplast**
Hiiumaa (Estonia)
- BioBag Sverige**
Torsby (Sweden)
- BioBag Americas**
Dunedin, FL (USA)
- BioBag Norge**
Askim (Norway)
- BioBag Zenzo**
Hilleroed (Denmark)
- BioBag Inc**
Toronto (Canada)
- BioBag Finland**
Vantaa (Finland)
- BioBag UK**
Belfast (United Kingdom)
- BioBag Plastics**
Co Wicklow (Ireland)
- BioBag Polska**
Wroclaw (Poland)

Structure of the Group as of 31 December 2023⁵



5 - This structure lists subsidiaries and associated companies pursuant to Article 2359 of the Italian Civil Code. 4. This document does not contain information or data about the companies Matrica S.p.A. Polymer Servizi Ecologici S.c.a.r.l and BioBag Baltics OÜ. These companies are excluded from the reporting scope since they are not fully consolidated in the Novamont's scope



The geographical context is a fundamental aspect of the economic and social value of each company. This is particularly true for Novamont, because the concept of sustainability means a two-way exchange with the local area: on the one hand, the local area is a direct source of raw materials, resources and human skills; on the other, it is a partner that can benefit from the value creation, job opportunities offered by the company.

As a result of continual investment and the application of technologies derived from the Group's research activities, Novamont has been able to convert the sites that are no longer competitive or that are disused, transforming them into innovative research centres and flagship plants. These plants are intended not as white elephants, but as **BIOECONOMIC** infrastructure, interconnected biorefineries for bioproducts that are integrated within the local area; a real starting point for new value chains, partnerships and alliances. In addition, the revitalisation of disused industrial sites allows not only to reduce the environmental

impacts associated with the protection of virgin land from land take, but to have a positive impact on employment and the local economy. This is the principle behind the locally integrated **BIOREFINERY FOR BIOPRODUCTS** project, which is environmentally, economically and socially more sustainable.

As a result of the technologies derived from the Group's research activities, Novamont has been able to convert sites that are no longer competitive or that are disused, transforming them into innovative research centres and industrial plants.



NOVARA

Novamont's Administration and Research Centre is located in the chemical facility in Novara. It was formerly the offices and guest quarters of the Donegani Institute, which underwent a full restoration. The old buildings were redesigned so that all the research activities, management and business activities could coexist in a single building.



TERNI

The production site in Terni was created in 1990 within the Polymer Site, in a building adjacent to the Moplen granulation facility, which had been closed due to a de-industrialisation process.



PIANA DI MONTE VERNA

The Research Centre for the Development of Industrial Biotechnology is the result of the reconversion of a pharmaceutical research centre, established in 1992 (such as Tecnogen S.p.A) for the production of experimental drugs and then decommissioned.



PATRICA

The factory was converted from a plant previously used to manufacture PET; the various sections of the plant were renovated, modified and, in some cases, completely rebuilt, applying the innovative technologies developed by Novamont on a continuous scale.



BOTTRIGHE

The factory in Adria is the result of the industrial conversion of the previous site, Biotalia (formerly Ajinomoto), which was used to manufacture lysine. In the process of converting the site, Novamont retained 60 per cent of the facilities and all existing buildings were preserved and refurbished while maintaining the characteristic elements of industrial buildings of the time.



PORTO TORRES

Matrica is the joint-venture between Versalis S.p.A. and Novamont. The research and expertise of the two companies enabled the realisation of a project for the industrial reconversion of the Porto Torres site, creating an integrated platform for chemistry from renewable sources.

[GRI 2- 6]

Products and application sectors

Mater-Bi

Mater-Bi is the family of biodegradable and compostable **BIO-PLASTICS** developed wholly or in part from **RENEWABLE** raw materials of plant origin.

The Mater-Bi product family includes a wide range of **GRADES**, with different technical characteristics and different plant-derived **BIOMASS** content (bio-based content)⁶, depending on the intended application area.

Novamont's goal in producing Mater-Bi is to maximise the use of renewable raw materials of plant origin⁷ and at the same time reduce the **CARBON FOOTPRINT** of its materials while maintaining their

BIODEGRADABILITY and **COMPOSTABILITY** characteristics. For this reason, Novamont tirelessly carries out research and development activities to decrease the use of fossil resources, which are destined to be depleted, and to favour renewable resources.

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

Mater-Bi products have a third-party **verified environmental profile**⁸, are recyclable through organic **RECYCLING** (in addition to other forms of chemical and mechanical recycling), do not accumulate in the environment, avoiding the creation of persistent microplastics, and allow for the redesign of different applications to decouple development and resource use.

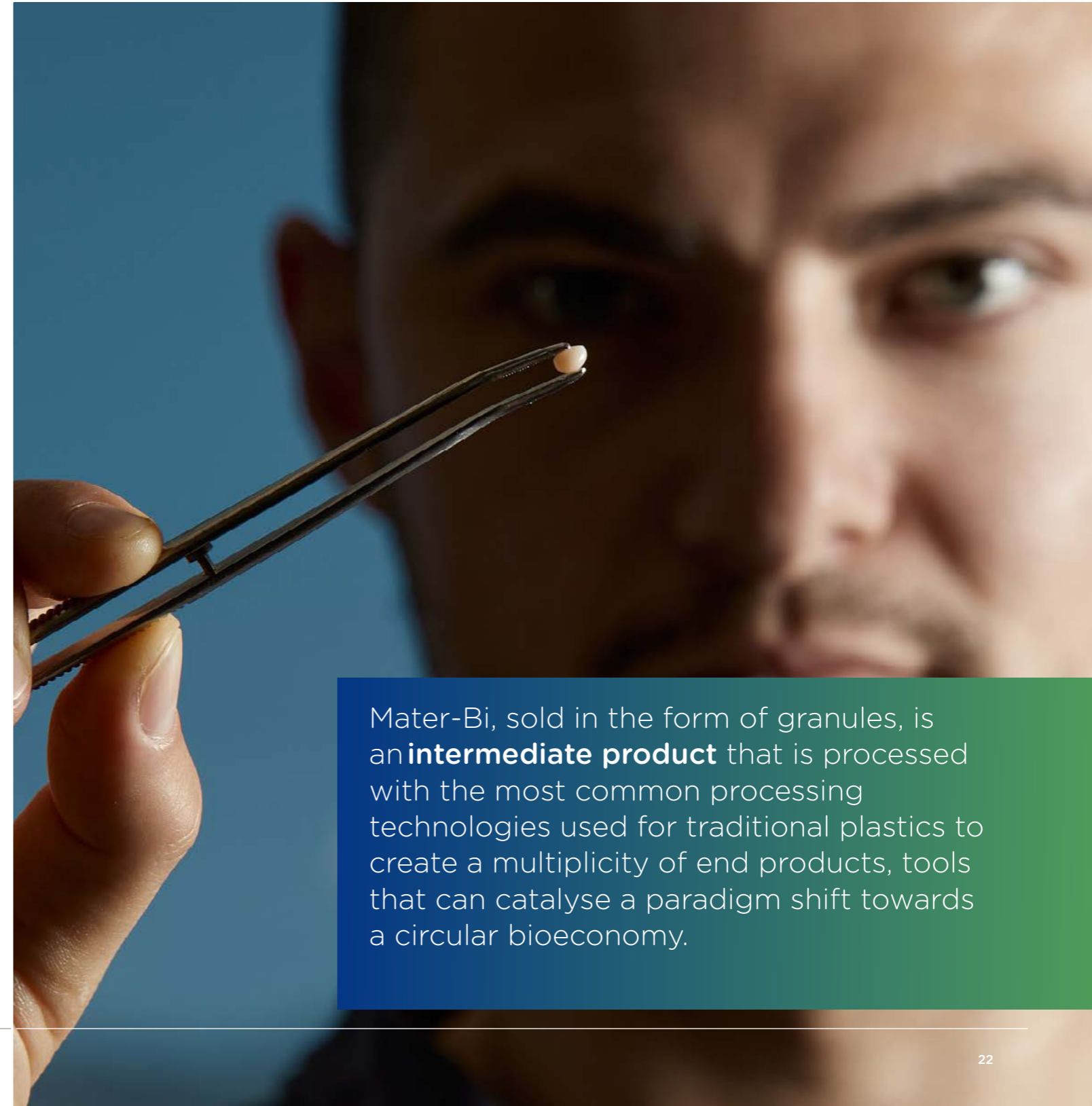
According to Novamont's circular **BIOECONOMY**, Mater-Bi is a product that is continually evolving towards greater sustainability and circularity, thanks to the development of technologies for a greater and more efficient use of renewable raw materials of plant origin⁹.

6 - Novamont expresses the bio-based content of its Mater-Bi grades as a percentage of biogenic carbon out of total carbon. This quantity is directly measurable by radiocarbon analysis, which is standardised by EN 16640. Currently, the bio-based content in Mater-Bi averages 40% for materials dedicated to filming. In Italy, for the application 'bags for food, such as fruit and vegetables' Novamont is able to offer solutions with a bio-based content of more than 60%. In materials intended for moulding, the bio-based content in most cases exceeds 60 percent with the possibility of reaching even 100 percent for some specific applications

7 - Some constituents of Mater-Bi, which are indispensable for obtaining functional properties suitable for the various uses, are currently not commercially available in the renewable version. Only the conventional version, i.e. from fossil fuels, is available

8 - More information is available on page 115 in Chapter 3 - Value chain and product sustainability and in Chapter 4 - Compliance and quality of the products and customer care

9 - More information is available on pages 67 - 71 in Chapter 1 - Research and Innovation



Mater-Bi, sold in the form of granules, is an **intermediate product** that is processed with the most common processing technologies used for traditional plastics to create a multiplicity of end products, tools that can catalyse a paradigm shift towards a circular bioeconomy.

Conversion technologies



BLOWN FILM

Biodegradable and compostable film for specific applications



EXTRUSION

Woven nets for foodstuffs, threads and ropes for agricultural purposes, nets for protecting trees and rigid or semi-rigid containers and others



THERMO-FORMING

Tubs, coffee pots and other rigid containers



EXTRUSION AND LAMINATION COATING

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



INJECTION MOULDING

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

Application sectors



AGRICULTURE

Mulching films
Clips, twines,
Pheromones



PACKAGING

Packaging for food and the pharmaceutical sector



LARGE SCALE DISTRIBUTION

Carrier bags
Bags for fruit and vegetables



SEPARATE COLLECTION

Bags for organic waste collection



FOOD SERVICE

Cutlery
Plates
Cups



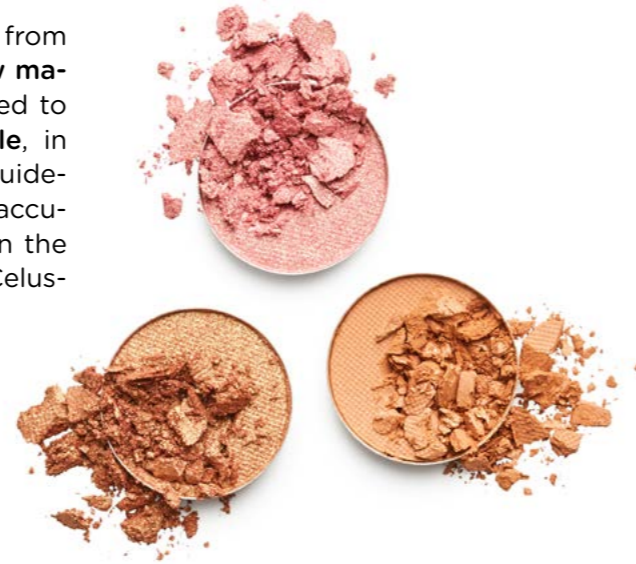
OTHER APPLICATIONS

Coffee capsules
Labels

Celus-Bi

Celus-Bi is the **family of ingredients for the cosmetic and personal care sector**. It is the result of a collaboration between Novamont and ROELMI HPC, an Italian company that operates in the health and personal care market. The products in the Celus-Bi line are obtained

primarily (>50 percent) from **plant based renewable raw materials**. They were developed to be promptly **biodegradable**, in accordance with OECD guidelines, and thus prevent the accumulation of microplastics in the ground and in water. The Celus-Bi family includes:



CELUS-BI POWDERS

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



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

Matrol-Bi

Matrol-Bi is our **family of rapidly biodegradable biolubricants**¹⁰. They have been formulated with special oils of natural plant or synthetic origin, and are characterised by their **high resistance to oxidation**. Thanks to these properties, Matrol-Bi fluids are a safer choice for any systems used in ecologically sensitive areas and which might break or leak, releasing fluid into the environment and causing pollution. Matrol-Bi fluids

are also characterised by low volatility and flammability, which mean healthier working environments that are safer in terms of fire hazard. The product portfolio also includes a formulation that carry the EU Ecolabel¹¹. The Matrol-Bi line mainly consists in:

HYDRAULIC FLUIDS

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

DIELECTRIC FLUIDS

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

¹⁰ - In accordance with OECD Guideline 301B

¹¹ - Further details on the Ecolabel brand can be found on pages XX in Chapter 4 - "Compliance and quality of the products and customer care".



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

Ager-Bi

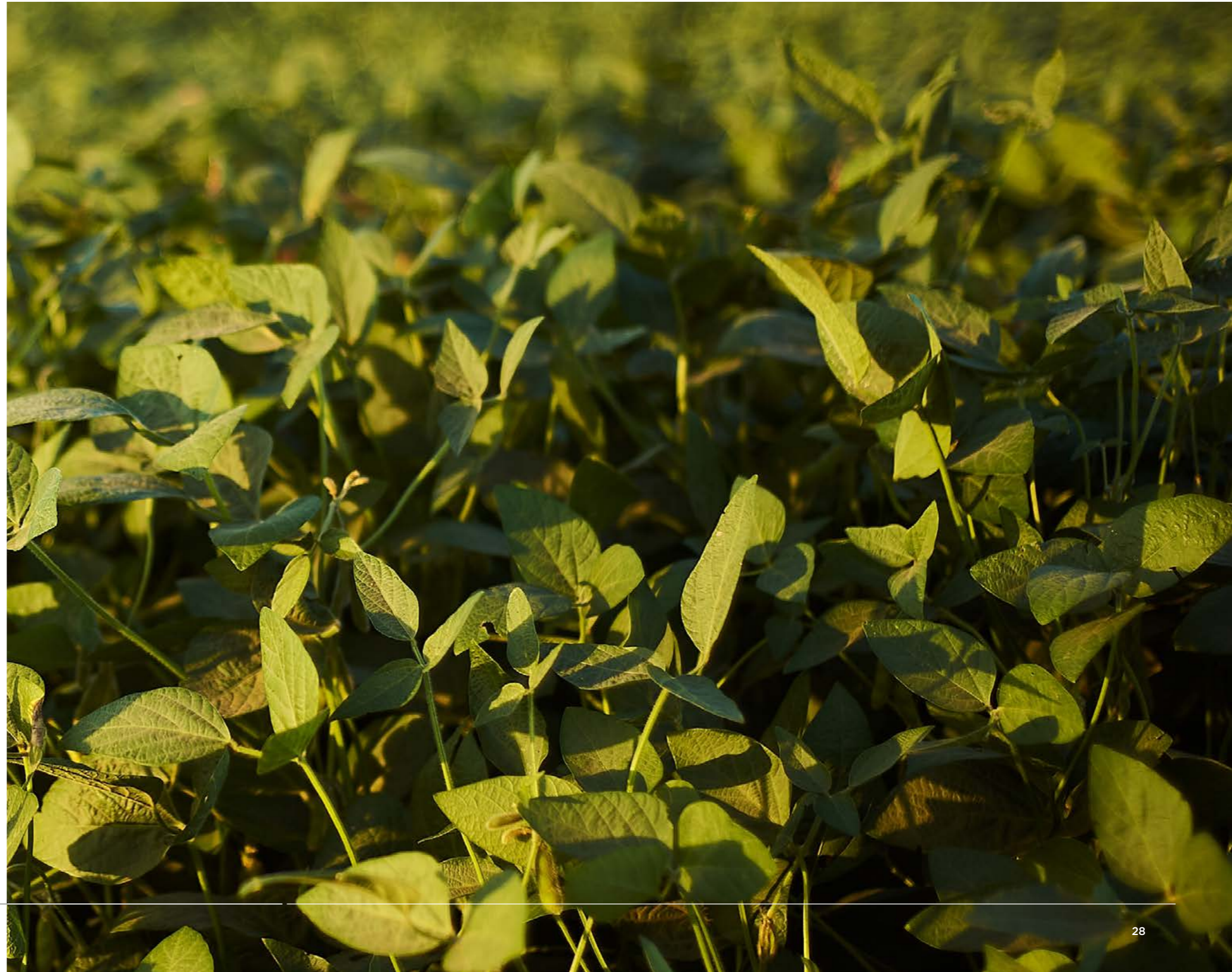
Ager-Bi is the brand name representing a **family of contact-acting PHYTOSANITARY PRODUCTS based on plant-derived pelargon-ic acid**, used to control annual and perennial weed growth in public areas, vineyards, orchards, to phytoregulate tobacco and in the pre-harvest drying of potatoes, medicinal herbs and grain legumes, representing a possible alternative in integration strategies to traditional solutions increasingly at the centre of the debate on whether their use is appropriate. Ager-Bi is readily biodegradable (according to OECD Guideline 301B), does not generate residues (according to EC Regulation 396/2005) in the soil or treated plants, does not affect weed roots nor does it affect the germination of seeds in the soil, leaving soil fertility unaffected and preserving soil biodiversity and resistance to erosion.

Awaiting authorisation for the formulation developed for tobacco suckering, suckering and

under-canopy weeding of grapevine, pome fruit, olive, hazelnut, pre-harvest drying of alfalfa, peanut, potato and non-agricultural weed control, also in 2023, thanks to the positive results of experiments carried out in previous years, it was possible to obtain authorisation for emergency use under Art. 53 of EU Regulation 1107/2009.

The licence was for the product **Ager-Bi Disseccante Plus**, a pre-harvest desiccant for peanuts and alfalfa. The product has achieved excellent results when used on peanuts, providing farmers with a valid support tool to ensure optimal harvest quality. Coldiretti, Noberasco and Società Italiana Sementi are behind an initiative to develop the Italian peanut sector in order to produce healthy, more sustainable¹² nuts that are 100% Italian in origin.

¹² - For further information visit the following link:
www.divulgastudi.it/prodotti/biochimica-acido-pelargonico/



BIODEGRADABILITY

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



NEW ORGANIC MATTER



DEAD ORGANIC MATTER



ORGANIC DETRITUS



DETERIORATION



FERTILE HUMUS

COMPOSTABILITY

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

RENEWABILITY

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

[GRI 2-1]

Sustainability management

The great uncertainty of the current macroeconomic and geopolitical context is an opportunity to strongly emphasise the primary importance of **SUSTAINABLE**

DEVELOPMENT, which in business translates into the creation of long-term value in the interests of the Novamont Group's shareholders and **STAKEHOLDERS**.

It is necessary to harmonise economic growth, social inclusion and greater environmental protection through:



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



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

These aspects, together with the innovative business vision that has made Novamont a pioneer for over 30 years, are at the heart of a **corporate strategy that sees sustainability as its guiding principle**, that defines all business activities

and that permeates the whole value chain. Since the outset, Novamont has turned our attention to building a development model that integrates chemistry, the environment and agriculture and that facilitates the transition from

a product-based economy to a system-based economy - themes that still characterise the Group's vision and mission to this day.

Led by these principles, Novamont promotes a **circular approach to BIOECONOMY** that is based on the efficient use of **RENEWABLE** resources and on territorial regeneration. The Group develops and manufactures products of plant origin that are biodegradable and compostable, conceived as solutions to specific problems closely connected to soil and water quality, pursuing the continuous innovation of our products, facilities and processes to achieve greater sustainability.

Over the years, thanks in part to the application of proprietary technologies and the redevelopment of industrial sites that are no longer competitive or decommissioned, Novamont has created new supply chains, new products and new jobs, developing relationships with processors, composters, farmers, large retailers, municipalities and other key stakeholders in the area.

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



Novamont is a certified B Corp Benefit Company

Mindful of what can still be done to promote a truly sustainable, inclusive economic model, in 2020 Novamont adopted the **legal form of Benefit Corporation**, formalising in the articles of association its commitment to **five common benefit purposes** for society, the local community and the environment it is included.

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



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



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



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

(Extract from Novamont’s articles of association)

At the same time as becoming a Benefit Corporation, Novamont managed to achieve the **B Corp** certification, becoming part of a global movement set up with the aim of promoting and disseminating a business model that goes beyond generating a profit for shareholders and that seeks to innovate and maximise the positive impact on society and on the environment, for all **STAKEHOLDERS**. **To obtain the 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)** devel-

oped by B Lab, a US independent non-profit organisation. Once the company obtains a minimum score of 80 out of 200, it is awarded B Corp certification. This testifies that the company acts in a responsible, more sustainable and transparent way, pursuing an aim higher than mere profit. In its first year of assessment, Novamont achieved an excellent score of 104, thereby obtaining B Corp status and joining a global movement that by the 31st of December 2023 had more than 8000 companies in 100 countries and 162 industries, united by a single goal: to transform the global economy to benefit all people, communities and the

planet. B Corps meet the highest **STANDARDS** of verified social and environmental performance, public transparency and accountability to balance profit and purpose. The B Corp Certification does not simply evaluate a product or service, but assesses the overall positive impact of the company that stands behind it. Using the B Impact Assessment, B Lab evaluates how a company’s operations and business model impact its workers, community, environment and customers.

13 - At the date of publication of this report, the median score of all companies evaluated with this standard is 50.9/200



More on Novamont’s Common Benefit and B Impact Score can be found in the Novamont Group’s Impact Report 2023 (p. 80-81).

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

In 2023, Novamont embarked on the recertification process, which also involved the BioBag group, acquired in 2021. The process involved several corporate teams in the different stages of the audit. In December 2023, a site visit by B

Lab auditors was also conducted at the Patrica plant, which was instrumental in allowing them to understand and to have a first hand experience of some of the specifics of Novamont’s circular **BIOECONOMY** model. The process was successfully concluded in April 2024 with a score of 128 for Novamont (+23% compared to 104 in 2020) and 86.3 for BioBag, with an overall score of 118.8.

By becoming part of the B Corp community, during 2023, Novamont attended dedicated meetings of the B Corp network. These enabled us to stay up to date on projects for the entire community, to share ideas and to learn more about newly certified companies.

In March, **‘B Corp month’**, Novamont helped to spread awareness of the community’s values and activities by joining the ‘Continuous Commitment’ social campaign

launched by B Corp Europe with the aim of illustrating the **community’s** ongoing commitment to promoting a new way of doing business that benefits everyone.

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

CERTIFYING SUSTAINABILITY: NOVAMONT AND CONFINDUSTRIA NOVARA CONFERENCE ON BENEFIT COMPANIES AND B CORP



On 4 April, the conference ‘Certificare la sostenibilità: diventare società benefit e B Corporation’ (Certifying Sustainability: Becoming a Benefit and B Corporation), organised by Novamont in collaboration with Confindustria Novara Vercelli Valsesia (CNVV), was held in the Conference Room of Novamont’s Novara headquarters and streamed live.

The event took an in-depth look at the B Corp certification process and the commitment of Benefit

Societies through the testimonies of Assobenefit, Recognita and Nativa, and case studies of leading local companies such as Ponti, Alessi and CEF Publishing.

The proceedings were opened by the institutional greetings of Catia Bastioli, CEO of Novamont, and Gianni Filippa, President of CNVV. The case studies also include Novamont’s experience as a certified B Corp Benefit Company, recount-

ed by Giulia Gregori, Head of Corporate Strategy Implementation & Engagement.

This initiative confirmed Novamont’s commitment to disseminating, in the territory and in the communities where it operates, a regenerative development model and values linked to responsibility towards the environment and society, working alongside local stakeholders - in this case the business community - to create important connections and synergies.

Sustainability Committee and Policies

The great attention paid to the impacts generated on territories, communities and the environment has also been realised through the formalisation of a **Sustainability Policy**. The Policy, which was approved by Novamont S.p.A.'s Board of Directors in June 2020, sets out the principles of the Group's corporate culture and the commitments made towards responsible management of the impacts generated by the business on the environment, communities and people.

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

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



EU Taxonomy

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

nies to report certain information in a standardised manner. The aim is to increase the transparency of reporting to investors, allowing them to direct their investments towards environmentally sustainable activities and protecting them from greenwashing. The taxonomy is structured according to objectives, activities and criteria. In particular, **six environmental objectives** have been defined; for each one, the economic activities that can make a substantial contribution to at least one of them

(“taxonomy-eligible” activities) have been identified. Clear technical screening criteria have been defined for each eligible activity to determine whether it is carried out in a manner aligned with the taxonomy (“taxonomy-aligned”). Environmentally sustainable economic activities are therefore defined as those activities **that contribute substantially to the achievement of at least one of the six environmental objectives**, provided that they do not cause significant harm (“**Do No Significant**

Harm” – DNSH) to any of the other environmental objectives and that they are carried out in compliance with minimum safeguards.

Also in 2024, the Group carried out an analysis of its activities, on the 2023 financial year figures, in order to identify those eligible. The findings showed that Mater-Bi products and Origo-Bi fall under sector 3.17 ‘Manufacture of plastics in primary forms’ of the **EU Regulation 2021/2139** (below Regulation 2021/2139), considered eligible in

relation to criteria defined by the EU Regulation 2020/852 and its interpretations in relation to the **climate change mitigation goals’ and ‘climate change adaptation goals’**. The shares of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) attributable to these activities were then determined, according to criteria described in Reg. 2021/2139.

From 2024, plastic packaging products, the production of which takes place via the subsidiary Bi-

oBag, will also fall under the economic activities of the Taxonomy. Specifically, the economic activity ‘Manufacture of plastic raw material packaging’, to which the products with NACE code 22.22 correspond, was considered eligible with respect to the criteria defined by Regulation (EU) 2020/852 and its interpretative documents relating to the ‘transition to a circular economy’ objectives of Regulation (EU) 2023/2486.



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

Regulation (EU) 2023/2486, which will be applied from 1 January 2024, complements Regulation (EU) 2020/852 and sets out the criteria for technical screening to determine under which conditions an economic activity can be considered to contribute substantially to the sustainable use and protection of water and marine resources, the transition to a circular economy, the prevention and re-

duction of pollution or the protection and restoration of biodiversity and ecosystems, and whether it does not cause significant harm to any other environmental objective of the Taxonomy.

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

Products sold by Novamont S.p.A.'s, economic activity they belong to and their eligibility under Regulation (EU) 2021/2139:

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

Definition of turnover share, CapEx and OpEx of eligible activity

Share of turnover, CapEx and OpEx at 31 December 2023

[thousands of €]	Total	% of activities eligible for the taxonomy	% of activities non-eligible for the taxonomy
Turnover	270214	89.7%	10.3%
OpEx	16534	85.9%	14.1%
CapEx	2682	100%	0%

In calculating eligibility for three indicators (turnover, CapEx and OpEx) the items referred to in Delegated Regulation (EU) 2021/2178 were taken into account. The income statement and balance sheet data of the eligible activities of Novamont S.p.A. were extracted from the general accounting and cost accounting systems used to prepare the statu-

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

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

- **Turnover:** the proportion of economic activities eligible or eligible for the Taxonomy in terms of turnover was calculated as the portion of turnover derived from products and services associated with the economic activities eligible for the Taxonomy (numerator) divided by Novamont S.p.A.'s turnover for the year 2023 (denominator).
- **Capital expenditure (CapEx):** the proportion of taxonomy-eligible economic activities in terms of capital expenditure is defined as eligible investments (numerator) divided by total investments (denominator). The numerator consists of the tangible and intangible investments relating to activities or processes associated with taxonomy-eligible economic activities, while the denominator consists of the total investments made during the year.
- **Operating expenditure (OpEx):** the proportion of taxonomy-eligible economic activities in terms of operating costs is defined as eligible costs (numerator) of such activities divided by total eligible costs (denominator). These costs were determined on the basis of the fixed cost control model adopted by management.. These include non-capitalised direct costs associated with research and development, maintenance and repair, and any other direct costs associated with the day-to-day maintenance of property, plant and equipment by Novamont S.p.A. (Engineering Function) or third parties to whom these tasks are outsourced, while raw material purchases, industrial utilities and other direct costs of the production process are excluded.

Verification of the alignment of eligible activities against the Taxonomy criteria

The economic activity 3.17 ‘Manufacture of plastics in primary form’ is described in Regulation 2021/2139 as ‘manufacture of resins, plastics and non-vulcanisable thermoplastic elastomers, custom resin blending, as well as production of non-customised synthetic

resins’¹⁴. The 2021/2139 regulation specifies that the economic activities that belong to this category could be connected to the NACE C20.16 code, in accordance with statistic ranking of the economic activities defined by 1893/2006 Regulation (CE)

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



Production of **resins**, in particular biodegradable and compostable **POLYESTERS** and co-polyesters wholly or partially derived from plant-based **RENEWABLE** raw materials, under the proprietary brand name Origo-Bi;



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

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

Significant contribution to climate change mitigation

For what concerns ‘significant contribution to climate change mitigation’ see below c) for the applicable criterion¹⁵.

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

The analysis identified biodegradable plastic materials wholly derived from fossil fuels, that we had to tackle. In order to ensure the impartiality of this assessment, Novamont commissioned an external

consultancy company to develop an **LCA** model and related calculation of the **CARBON FOOTPRINT** of equivalent plastics in primary form in accordance with ISO 14067:2018 Greenhouse gases - Carbon footprint of products - Requirements and guidelines for quantification. The results of this analysis are the basis for the carbon footprint value against which Novamont has determined the alignment of its plastics in primary form¹⁶, in accordance with ISO 14067:2018¹⁷ international standard.

Agricultural **BIOMASS** used for the manufacture of renewable component used in the production of Origo-Bi and Mater-Bi meets the criteria of Article 29, (2) to (5) of Directive (EU) 2018/2001. The

verification of the fulfilment of the criteria set out in Article 29(2)-(5) of Directive (EU) 2018/2001 is carried out during the validation of renewable raw materials and updated annually by means of a special questionnaire, as set out in the Valuation of Raw materials Procedure



15 - derived wholly or partly from renewable raw materials and their life cycle greenhouse gas emissions are lower than the life cycle greenhouse gas emissions of equivalent plastics in primary form manufactured from fossil fuels. Life cycle greenhouse gas emissions are calculated using Recommendation 2013/179/EU or, alternatively, ISO 14067- 2018 or ISO 140641- 2018. Greenhouse gasses emissions quantified during the lifetime cycle are verified by an independent third party. Agricultural biomass used for the manufacture of plastics in primary form meets the criteria of Article 29, (2) to (5) of Directive (EU) 2018/2001. Forestry biomass used for the manufacture of plastics in primary form meets the criteria of Article 29, (6) to (7) of the above-mentioned Directive

16 - More information on the main features of the LCA model and sources used is available on request

17 - In April 2023, Novamont obtained ISO 14067:2018 Systematic Approach certification. ISO 14067:2018 defines principles, requirements and guidelines for qualification and reporting of product carbon footprint based on international reference standards for LCA studies. According to ISO 14067 standard it is possible to acquire the Systematic Approach certification (Annex C) in relation to all the procedures and the methods of calculation to determine the company products’ carbon footprint.

therefore, the carbon footprint values determined by Novamont are third-party verified as required by the Taxonomy criterion

Don't do significant harm (DNSH)

Please find below the results of the analysis of the alignment with DNSH criteria, in relation to the sector 'manufacture of plastics in primary form', described in regulation 2021/2139¹⁸:

- (2) Climate change adaptation: The activity meets the criteria set in appendix A of this attachment.

Physical (severe and chronic) risks related to climate change listed in Appendix A (non-exhaustive list) of Reg. 2021/2139 have been included in FMEA analysis - Failure Modes and Effects Analysis, which is updated once a year. FMEA analysis is used by Novamont for the systematic analysis of risk in complex systems or processes (special attention is paid to production

processes) and is managed by the QASS Function. The aim of the application is to recognise, understand, limit and remedy potential weaknesses and risks and thus avoid errors or the stopping of the production process. This analysis was then extended to direct and indirect risks related to climate change in order to identify and qualify relevant risks and derive appropriate preventive measures to avoid/control them. In particular, the most significant physical risks for Novamont concern:

CHRONIC RISKS:	ACUTE RISKS:
<ul style="list-style-type: none"> • change in air and water temperature • temperature variability • soil degradation and erosion • sea level rise and water stress 	<ul style="list-style-type: none"> • drought • river flood risk

For the drought risk, Novamont has already implemented adaptation actions such as the supply of renewable raw materials of diverse plant origin and the definition of specific instructions to plant personnel in the event of major weather events such as an increase in air temperature.

As far as river flood risk is concerned, the Group's production sites are subject to the Piano Stralcio per l'Assetto Idrogeologico (PAI - Hydrogeological Structure Plan). The PAI is a planning document that identifies risk scenarios connected to present and/or

expected landslide and flood phenomena in the territory and associates them with regulations, limitations in land use and types of interventions, structural and otherwise, that are aimed at mitigating the expected damage. Specifically, it contains the identification and delimitation of hydrogeological risk areas, as well as the relevant safeguard measures. The PAI is drawn up by the competent basin authorities in the region and, as required by Law 183/1989, is not limited to being a simple study accompanied by proposals for action, but constitutes a continuous update of problems and solutions. In fact, the territory and the hydroge-

ological risk conditions that insist on it evolve over time, due to both natural and anthropic causes, and, consequently, the planning process must be characterised by a continuous updating of risk scenarios. The process of updating the PAI has been underway for some years now in different ways for the various Basin Authorities, some of which adopt variants for individual municipalities or groups of municipalities, while others provide for the general revision of the PAI for their entire territory. In any case, regardless of the way in which the PAI is updated, new interventions or structural variations of production sites are subject to the indications and prescriptions related

- (3) The sustainable use and protection of water and marine resources The activity meets the criteria set in appendix B of this attachment. Risks related to the water resource were addressed and assessed within the VIA (EIA) screening (similar to a simplified EIA) conducted for the Novamont sites
- (4) The transition to a circular economy Non-applicable
- (5) Pollution prevention and control The activity meets the criteria set in appendix C of this attachment.
- (6) Protection and Restoration of Biodiversity and Ecosystems: The activity meets the criteria set out in Appendix D of this Annex. For the Novamont production site in Terni, impacts on biodiversity have been addressed within the EIA screening process, with respect to which no further assessment such as the Environmental Impact Assessment (Valutazione incidenza ambientale VIInCA) was required. For the Nova-

to the severity of the risk in order to mitigate acute physical risks that could in some way directly impact the site's production activities. This aspect was also formalised within the FMEA analysis for maintenance/installation processes. Emergency plans have also been developed at the various sites, which contain instructions on how to behave and what to do in the event of adverse weather conditions.

In 2023, the risks associated with climate change described were also integrated into the context analysis (ISO 14001) in order to manage the most relevant internal and external factors for Novamont's business model in a structured and proactive manner.

in Terni and Patrica The competent bodies did not request any further action to assess the impacts. In addition, the sites where Mater-Bi and Origo-Bi are produced are subject to the AIA (Integral Environmental Authorisation) where the water resource is a subject of assessment and monitoring.

The sites where Mater-Bi and Origo-Bi are produced have the AIA. This implies the mandatory adoption of Best Available Technologies (BAT) where applicable.

mont site in Patrica, on the other hand, the plant's emissions in the various environmental compartments were assessed as part of the AIA, but even here a VIInCA was not necessary, as the production facilities are not in the vicinity of Sites of Community Importance (SIC) and Special Protection Areas (ZPS). As of the financial year 2023, the monitoring of potential direct and indirect impacts on biodiversity, determined by means of an organisation life cycle analysis (ReCiPe method), was also introduced.

18 - Reference to page 62 of the Regulation

Compliance with minimum safeguards

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

rights, Chapter 3 - Supply Chain and Product Sustainability, Chapter 6 - Responsibility to Employees and Chapter 9 - Partnerships and Collaborations for the Regeneration of Territories). All supporting documentation is filed in the Human Resources and Legal Affairs functions. Please find below

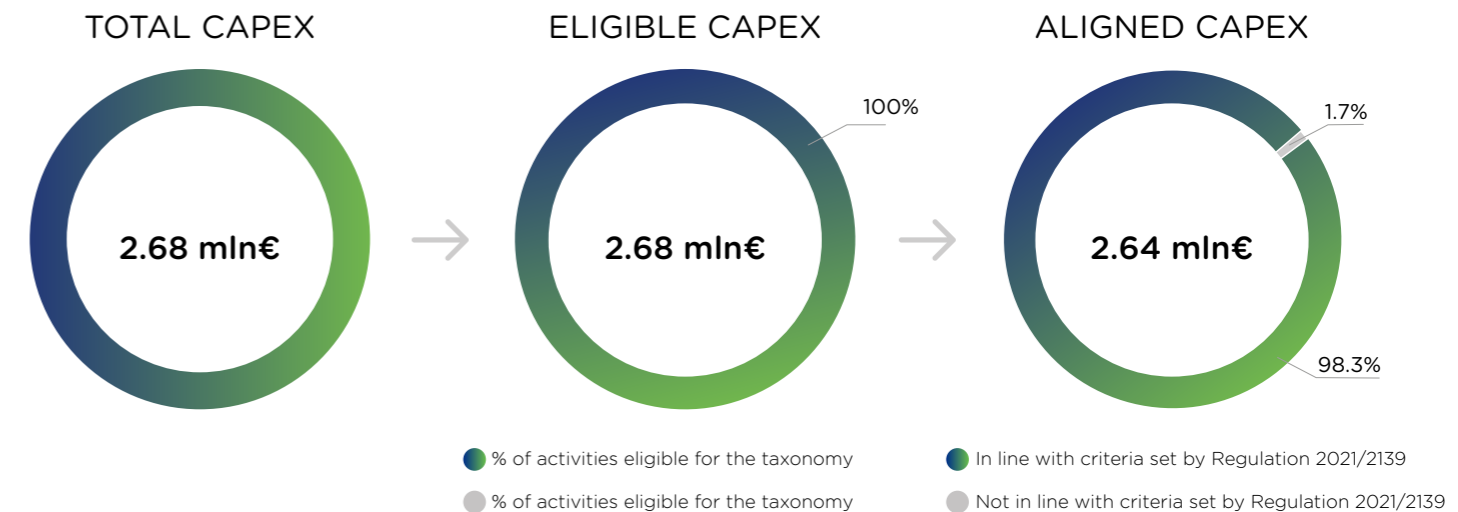
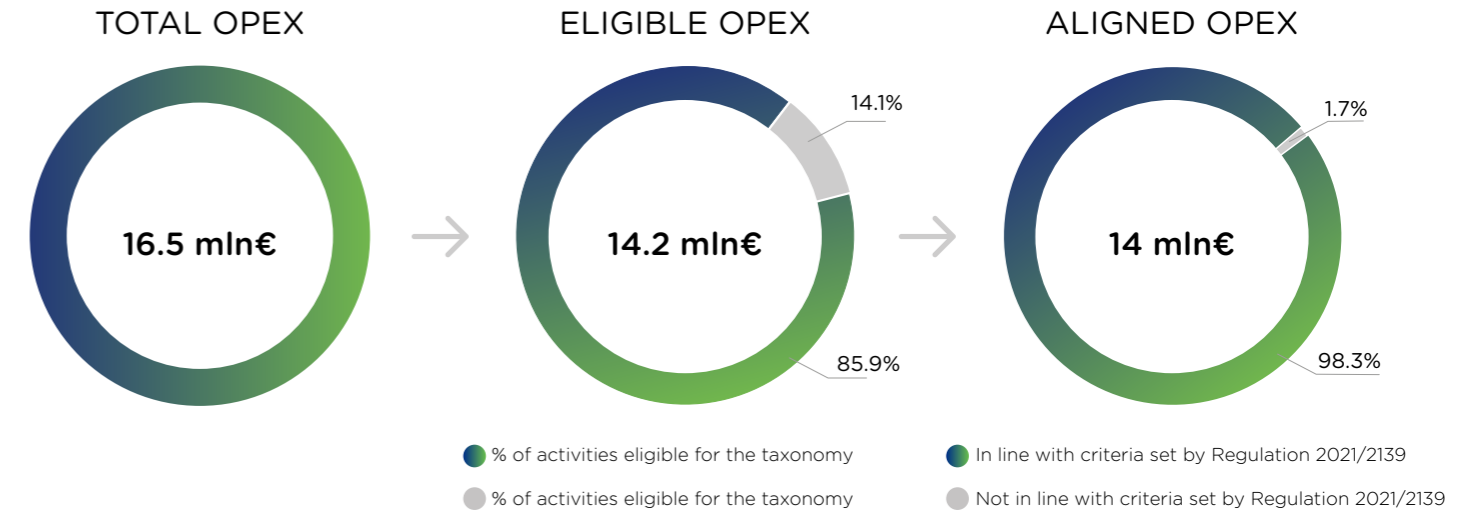
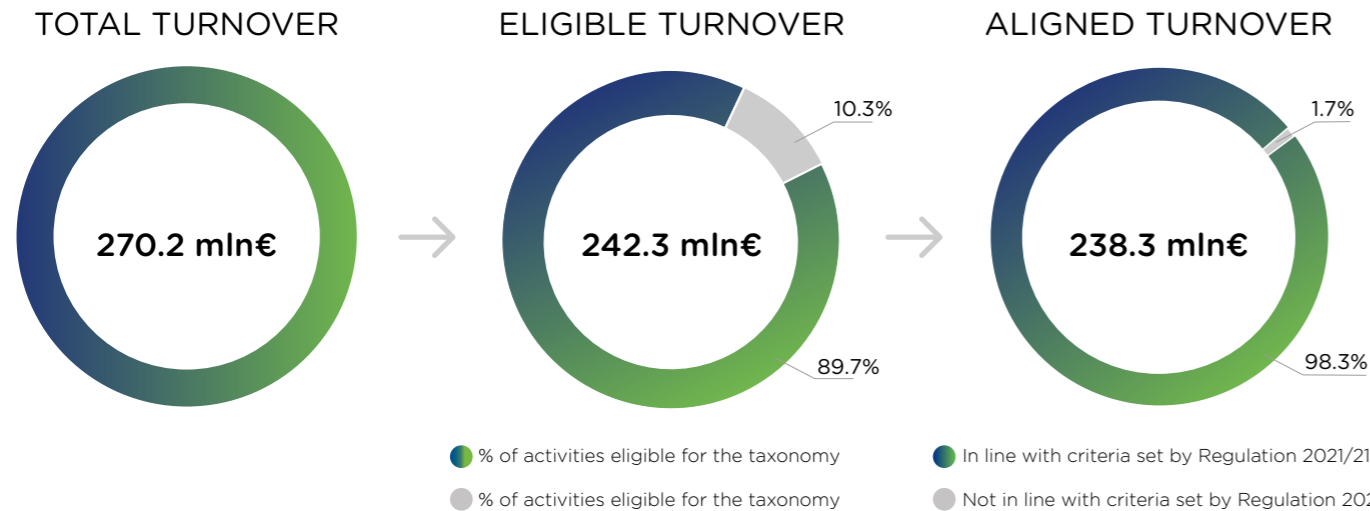
the alignment for the manufacture of plastics in primary forms for the substantive criterion, DNSH criteria, and minimum safeguards related to climate change mitigation for the three indicators in the Taxonomy.

Results of the alignment

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

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

found to be aligned, and the alignment shares for the three indicators required by the Taxonomy are shown below.



For the determination of turnover alignment, a numerator given by the sum of the turnovers generated by Mater-Bi and Origo-Bi grades that meet all of the required criteria, i.e., the substantive criterion, DNSH criteria, and minimum safeguard guarantees, and a denominator given by Novamont S.p.A. 2023 turnover was defined. A numerator given by the sum of the CapEx and OpEx (allowable) associated with the Mater-Bi and Origo-Bi grades meeting all criteria and a denominator given by the total CapEx and OpEx (allowable) values were used to determine the aligned CapEx and OpEx ratios. The numerator CapEx and OpEx quantities associated with the manufacture of plastics in primary forms were allocated on the basis of the corresponding Mater-Bi and Origo-Bi turnovers that met all the criteria. This is because the production facilities for the manufacture of plastics in primary forms are the same for all Mater-Bi and Origo-Bi technical grades, and there are also no differences with respect to specific energy consumption, utilities and process yields between aligned versus non-aligned grades. The high revenue alignment reflects the high environmental performance of Novamont S.p.A.'s biomass-derived, biodegradable and compostable primary form

plastics compared to biodegradable plastics made entirely from fossil fuels. Specifically, Mater-Bi and Origo-Bi compostable resins are produced through integrated processes powered by energy obtained from very high-efficiency co-generative plants and employ 100% renewable electricity certified through GOs issued by the GSE (for the portion purchased externally) as well as renewable monomers that perform better than fossil fuels in terms of carbon footprint. An in-depth discussion of Novamont's decarbonization potential that would be achieved by taking full advantage of its proprietary technologies (bioBDO and azelaic acid), integrated processes, cogeneration and trigeneration plants, use of renewable electricity as well as maximizing production capacities is provided in the box below. A similarly high alignment is observed for CapEx and OpEx. This is due to two main factors such as: the manufacture of plastics in primary forms is the core business of Novamont S.p.A. and as noted above the alignment of these plastics with the applicable criteria is very high. The unaligned share of turnover (amounting to 1.7 percent) relates to Mater-Bi and Origo-Bi grades that do not meet criterion (c) of substantial contribution to climate change mitigation.

DECARBONIZATION POTENTIAL

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

The analysis identified biodegradable plastic materials wholly derived from fossil fuels, that we had to tackle. The comparison showed that the decarbonization potential associated with 2023 volumes of Mater-Bi and Origo-Bi, aligned with the Taxonomy criteria and verified by a third party, is estimated to be about 240 kt CO₂e.

The potential 2023 saving of 240 kt CO₂e¹⁹ would be increased by about 80 kt CO₂e by assuming maximizing the current production capacity of the existing 1.4 bioBDO and azelaic acid (JV Matrìca) plants, the result of many years of investment in technology, research, process scale-up, construction of first plants and their continuous efficiency upgrading.

However, the investments made and production capacities available to date would result in potential savings over the fossil benchmark of about 900 kt CO₂e²⁰.

¹⁹ -The figure was determined as the difference between the carbon footprint of the renewable monomers produced by Novamont compared to that of the equivalent fossil monomers substituted. Secondary data from various sources were used for the latter

²⁰ - The figure was calculated considering V-generation Mater-Bi produced using Novamont's current production capacity of 170 kt

**Model for KPIs for non-financial enterprises
According to Delegated Regulation 2021/2178
(values referred to Novamont S.p.A.)**

Economic Activity	NACE codes	Total turnover [mln €]	Share of turnover	Criteria for substantial contribution		Criteria not to do significant harm						Minimum safeguard guarantees	Revenue share aligned with taxonomy, year 2023	Category (enabling activity)	Category (transitioning activity)
				Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular Economy	Pollution	Biodiversity and ecosystem				
A. Taxonomy-eligible activities															
A.1 Environmentally sustainable activities (aligned with Taxonomy).															
Manufacture of plastics in primary form	C20.16	238.3	88.2%	100%		100%	100%	100%		100%	100%	100%	88.2%	No	Yes
Sustainable activities turnover (aligned with Taxonomy) (A.1)		238.3	88.2%	100%									88.2%		
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)															
Manufacture of plastics in primary form	C20.16	4.0	1.5%	0%										No	Yes
Turnover of activities eligible for the taxonomy but not environmentally sustainable (A.2)		4.0	1.5%	0%									0%		
Total (A.1+A.2)		242.3	89.7%												
B. Taxonomy non-eligible activities															
Taxonomy non-eligible activities turnover		27.9	10.3%												
Total (A+B)		270.2	100%												

Economic Activity	NACE codes	Absolute OpEx [mln €]	OpEx share	Criteria for substantial contribution		Criteria not to do significant harm						Minimum safeguard guarantees	OpEx share aligned with taxonomy, year 2023	Category (enabling activity)	Category (transitioning activity)	
				Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular Economy	Pollution	Biodiversity and ecosystem					
A. Taxonomy-eligible activities																
A.1 Environmentally sustainable activities (aligned with Taxonomy).																
Manufacture of plastics in primary form	C20.16	14.0	84.5%	100%		100%	100%	100%			100%	100%	100%	84.5%	No	Yes
Sustainable activities OpEx (aligned with Taxonomy) (A.1)		14.0	84.5%	100%										84.5%		
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)																
Manufacture of plastics in primary form	C20.16	0.24	1.4%	0%										0%	No	Yes
OpEx of activities eligible for the taxonomy but not environmentally sustainable (A.2)		0.24	1.4%	0%												
Total (A.1+A.2)		14.2	85.9%													
B. Taxonomy non-eligible activities																
Taxonomy non-eligible activities OpEx		2.33	14.1%											0%		
Total (A+B)		16.5	100%													

Economic Activity	NACE codes	Absolute CapEx [mln €]	CapEx share	Criteria for substantial contribution		Criteria not to do significant harm						Minimum safeguard guarantees	CapEx aligned with taxonomy, year 2023	Category (enabling activity)	Category (transitioning activity)
				Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular Economy	Pollution	Biodiversity and ecosystem				
A. Taxonomy-eligible activities															
A.1 Environmentally sustainable activities (aligned with Taxonomy).															
Manufacture of plastics in primary form	C20.16	2.64	98.3%	100%	100%	100%	100%	100%		100%	100%	100%	98.3%	No	Yes
Sustainable activities CapEx (aligned with Taxonomy) (A.1)		2.64	98.3%	100%									98.3%		
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)															
Manufacture of plastics in primary form	C20.16	0.04	1.7%	0%									0%	No	Yes
CapEx of activities eligible for the taxonomy but not environmentally sustainable (A.2)		0.04	1.7%	0%									0%		
Total (A.1+A.2)		2.68	100%												
B. Taxonomy non-eligible activities															
Taxonomy non-eligible activities CapEx		0	0%												
Total (A+B)		2.68	100%												

[GRI 3-3]

Research and Innovation



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



Research projects



Partnerships with universities and research centres



Start-ups



Intellectual property

[GRI 2-25, 3-3]

Disclosure on Management Approach

Management approach

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

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

- Promoting research and innovation, for turning waste and by-products from the value chain into new products;

- Adopting a management approach based on the principle of Life Cycle Thinking (LCT). Pursuing actions to mitigate and improve the environmental and social profile of its activities and products, by: (i) choosing or developing processes and systems that make it possible to reduce the consumption of energy and materials, (ii) using renewable energy sources, (iii) carefully designing products from an eco-design perspective throughout the life cycle, and (iv) purchasing the most eco-friendly products and raw materials (green purchasing);
- Fostering integrated knowledge networks through broad partnerships with companies, research centres, universities, associations, authorities and society, to accelerate the transition to more sustainable production and consumption models.

Every product formulation is created in pursuit of precise goals: to respond to market needs, to comply with the norms that regulate the bio-mass derived plastic

sector, but above all, to safeguard and regenerate the water and soil ecosystems. This translates into also improving performance in terms of the quality and sustainability of the final applications. The resulting products are important not only because they are bio-based, biodegradable or compostable, but because they constitute the driving force of an integrated system that offers a wide range of opportunities for the community.

Novamont actively participates in **national and international research and development projects** in the area of the bioeconomy, establishing partnerships with businesses, associations, universities and research centres. This stimulates new knowledge flows, in synergy with other innovators, in a system of open innovation. Over the years, all these investments have enabled us to develop a series of proprietary technologies to produce and improve the technical performance of bioplastics and biochemicals, by creating synergies among the various research areas (bioplastics, biotechnologies, agronomy, organic chemistry) and by developing ex-



periments on various oleaginous dry land crops and on the use of scraps (i.e. organic waste, exhaust oils, agro-food waste, etc.).

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

As part of its organisation system, the Group has established a set of procedures intended to regulate how corporate R&D activities are carried out. These include the **Patent Box Management Process**, that defines how the R&D activities that converge to create intellectual property (a strategic asset for the Group) are traced. Finally, the **Funded Project Management procedure** regulates the way in which the Group manages funded projects in which it participates at local, regional, national, European and international levels.

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:

- Research & Innovation
- Development of Bioplastics
- Product Ecology and Environmental Communication
- Products & Markets Development
- Intellectual Property and Legal Affairs
- Corporate Strategy Implementation & Engagement
- External Communication

These functions interface with the Group's subsidiaries, by actively collaborating with the CEO, with specific functions and the respective site management. In 2022, in a bid to strengthen and maximise innovation capacity within and outside the Group, the **Innovation Committee** was established. The Committee, chaired by the CEO, was created to support the innovation process, from initial brainstorming to the research and development of processes and applications, right through to the pre-commercial phase. It is responsible for stimulating ideas,

choosing which projects to implement, deciding which paths to follow, accelerating the transition between the various steps and contributing to the assessment of risks and opportunities. The Committee therefore manages the innovation process with the fundamental support of three functions, which were reorganised following the redesign of the Group's organisational structure that started in 2022: Research & Innovation, Development of Bio-plastics and ECOPEC. Moreover, the Mater-Agro company plays a crucial role not only in the development and dissemination of innovative products for the agricultural sector, but also in the promotion of a new model of participatory innovation between agriculture and industry to protocols to regenerate contaminated, unstable soils at risk of desertification.

Complaint, consultation and discussion mechanisms

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

Putting innovation first

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



15.7 million

Of investments in Research and Development

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

>25%

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



Bioplastics



Scouting technologies for special materials projects



Agronomy



Biotechnologies



Organic chemistry



Transversal services (including process engineering)

2 Novamont research centres, in Novara and Piana di Monte Verna

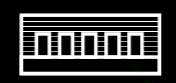
1 Matrica research centre in Porto Torres

3 Technology hubs in Novara, Terni, Patrica and Bottrighe, with pilot and demo plants



NOVARA

The research centre where all research areas work in synergy: bioplastics, agronomy, biotechnology, organic chemistry and product ecology.



PIANA DI MONTE VERNA

Research centre for the development of industrial biotechnologies



PORTO TORRES

The research centre equipped with a chemical synthesis laboratory, a chemical-physical analysis laboratory and 7 pilot plants

~1600
active patents and patent applications

and **135** patent families
in the field of natural and synthetic polymers, of transformation processes of renewable raw materials of plant origin and for products in multiple application areas (e.g. packaging, agriculture, lubricants, herbicides, cosmetics)

7500 m²
of areas dedicated to the labs
housing equipment and facilities ranging from laboratory-scale to innovative pilot plants

13 Industrialised proprietary technologies, of which 4 are world firsts

The technical expertise



Plastics conversion technologies



Agronomy



Engineering



Materials sciences



Chemical-physical characterisation



Physical chemistry



Rheology



Mechanical characterisation of materials



Analytical chemistry



Industrial biotechnology



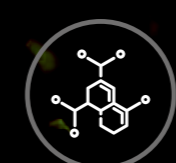
Polymer synthesis



Contact with food



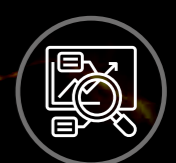
Modification of micro-organisms



Enzymatic transformations



Experimental design



Multivariate statistical analysis

Research, Development and Innovation projects and partnerships

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



Novamont is an active member of the **Circular Bio-based Europe Joint Undertaking (CBE JU)**, one of the ten institutionalised partnerships proposed by the Commission for areas where public-private collaboration is necessary to achieve the objectives and impacts of the Horizon Europe framework programme. Specifically, CBE-JU is focused on technological challenges, policies and on the **BIO-BASED** industry. Giulia Gregori, Group Head of Corporate Strategy Implementation & Engagement, is a member of the Governing Board. The implementation of innovation activities along the entire supply chain is the driving force behind the development of the Novamont model, aimed, on the one hand at the construction of new plants and demonstrators of innovative technologies, and on the other hand at the constant improvement of the performance and environmental profile of the products and applications developed. Through proprietary and integrated technologies, the Group develops products entirely or partially derived from **RENEWABLE**, plant based, biodegradable and compostable raw materials, for innovative applica-

tions that can always offer new solutions to specific environmental problems. In this sense, the synergies established with brand partners, transformers and brand owners are essential to make product innovation more sustainable and to help disseminate best practices.

Various collaborations are under way to explore the optimal management of product end-of-life¹. Collaborations with **public administrations, multi-utility companies** and the waste treatment sector in general have been essential for the Group to define best practice in organic waste management, setting an example for the rest of Europe and giving rise to important research and innovation projects. Of particular importance will be the joint initiatives to promote the use of compost, a by-product from the **ORGANIC FRACTION RECYCLING** process, and initiate a **COMPOSTING** culture in association with the Re Soil Foundation². Novamont is involved in numerous R&D projects funded by European, national and regional institutions. Below are some of the ongoing collaborations in this area in figures.

¹ - more information about collaborations can be found on pages 223-226 in Chapter 9, Partnership and collaboration for territorial regeneration

² - more information about the Foundation can be found on pages 161-162 in Chapter 5, Soil protection and revitalisation.

In 2023, Novamont was involved in projects focused on the following topics:



Agricultural value chain



Products from renewable sources



Soil



Biopolymer research



By-product valorisation



Circular bioeconomy

As part of over **510 partnerships** with leading Italian and international companies in the field of the circular bioeconomy:



45%
businesses



17%
Research centres



17%
Universities



11%
Organizations



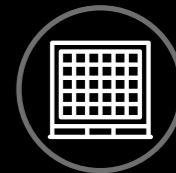
3%
Government agencies
Local authorities



3%
Farming world



1%
Multiutility



2%
Foundations



71%
Abroad



29%
Italy

Some of the projects carried out in 2023:

Centro Nazionale Biodiversità

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



CIRCULAR BIOCARBON

To recover the **ORGANIC FRACTION** of municipal solid waste and sewage sludge in final products with high added value for the industrial sector and final consumers.



TELLUS

to study, develop and demonstrate advanced processes of more sustainable chemistry and biotechnology, investigating the transformation of **RENEWABLE** raw materials, such as low-input crops - produced in marginalised areas - into bioproducts, with comparable or improved functional properties compared to existing ones on the market.



VEHICLE

To develop processes to create second-generation sugars that can be used in the manufacture of **BIO-BASED** products from lignocellulose **BIOMASS**.



VITALITY

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

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

us, these collaborations ensure constant updating on technological innovations, facilitate the exchange of experience and knowledge, and the use of the most advanced technologies, attracting young talent interested in the No-

vamont world. In particular, in the context of funded projects, the Group works with a broad network of stakeholders, please find some key examples below.

NOVAMONT AND THE SCIENTIFIC COMMUNITY

INSTITUTO TECNOLÓGICO DEL EMBALAJE, TRANSPORTE Y LOGÍSTICA	POLITECNICO DI TORINO	UNITELMA SAPIENZA
UNIVERSITÀ DEGLI STUDI DI BOLOGNA	UNIVERSITÀ DEGLI STUDI DI PERUGIA	UNIVERSITÀ DEL PIEMONTE ORIENTALE
UNIVERSITÀ DI PADOVA	UNIVERSITÀ DI SALERNO	UNIVERSITÀ DI SASSARI
UNIVERSITÀ DI TRIESTE	UNIVERSITÀ DI TORINO	UNIVERSITÀ DEGLI STUDI DI NAPOLI FEDERICO II
UNIVERSITÀ DEGLI STUDI DI SIENA	UNIVERSITÀ POLITECNICA DELLE MARCHE	BIO BASE EUROPE PILOT PLANT
UNIVERSITAT CENTRAL DE CATALUNYA	UNIVERSITAT DE VIC	AIMPLAS
CNR	CREA	CRES - CENTER FOR RENEWABLE ENERGY SOURCES
CRF - FIAT RESEARCH CENTRE	ENEA	UNIVERSITÀ DEGLI STUDI DELL'AQUILA
FUNDACIÓN AITIIP	FUNDACION CARTIF	FUNDACIÓN CIRCE
NATIONAL TECHNICAL UNIVERSITY OF ATHENS	UNIVERSITY OF WAGENINGEN	

THE TELLUS PROJECT



TELLUS - Innovative TECnologies for the agrifood sector through the Use of eStremoFil enzymes for a circular economy - is a research and experimental development programme funded by the Ministry of Enterprise and Made in Italy.

Launched in August 2023, the project is coordinated by Novamont and involves the Institute of Biosciences and Bioresources (IBBR) of the National Research Council (CNR) and the Departments of Biology and Veterinary Medicine and Animal Production of the University of Naples Federico II, research organisations with many years' experience in the

study and biotechnological applications of extremophilic enzymes and agri-food chains.

By developing more environmentally sustainable technologies for the production of bio-based products for industrial applications, TELLUS aims to study, develop and demonstrate advanced green chemistry and biotechnology processes. The focus of the project is the transformation of renewable raw materials of plant origin, such as low-input crops - produced in marginalised areas - into bioproducts, with functional properties comparable to or improved over existing ones on the market.

In particular, the project investigates the transformation of macromolecules under challenging operating conditions by enzymes. The processes developed and the bioproducts obtained will be validated on a large scale and in experimental fields, demonstrating the greater environmental, economic and social sustainability of the new supply chains with significant spin-offs in strategic sectors for national economic development such as agriculture and packaging.

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

Novamont became involved in the **Terra Next** initiative, the business accelerator programme for innovative start-ups and SMEs operating in the **BIOECONOMY** sector promoted by CDP Venture Capital and Intesa Sanpaolo Innovation Center in collaboration with Cariplo Factory. The programme, launched in 2022 and still running, is designed to promote bioeconomy and is aimed at developing entrepreneurial skills, while creating synergy with relevant companies that work in our country in views of open innovation. Novamont is involved as a tech partner offering our know-how to develop selected projects, contributing at the creation of a regional eco-system on topics related to soil health and more sustainable use of biomasses.



[GRI 3-3]

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.



Code of Ethics



Governance model



Anti-corruption



Non-financial risks



Economic value generated and distributed

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

Disclosure on Management Approach

Management approach

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

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

In addition, Novamont in 2023 updated its **Quality, Environment Health and Safety Policy (QEHS)**, which requires the Company and its subsidiaries to, among other things, commit to:

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

QEHS Policy requirements, 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 the continuous improvement of QEHS performance.

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

In order to ensure conditions of fairness and transparency in the conduct of business activi-

ties, as early as 2008 Novamont S.p.A. and in 2017 Mater-Biotech S.p.A. adopted an **Organisation, Management and Control Model (OMM)** aimed at preventing and combating the risk of committing the offences set out in Legislative Decree no. 231/01. In particular, for each category of offence identified, and following a risk assessment, the OMM provides a description of the respective types of offence, the business activities that may be at risk, the principles of conduct to be respected, the protocols for monitoring those activities and the flow of information to the Supervisory Board. The offences to which Novamont S.p.A. and Mater-Biotech S.p.A. are potentially exposed mainly include infringements of the rules on health and safety at work, environmental offences, tax offences, offences against the Public Administration and corruption. In particular, various activities were identified as being exposed to corruption-related risks. As part of its organisation system, the Group therefore developed a set of procedures aimed at regulating how company activities are carried out and minimising the risk

of committing the offences identified in the analysis of the risk assessment.

In order to supervise the observance, functioning and updating of the OMM and the Code of Ethics, the companies appointed a **Supervisory Board (SB)** in December 2022. Each SB will remain in office for the three-year period 2023-2025.

With a view to integration and as part of the management and coordination exercised by the Eni Group, a number of policies were adopted by Eni S.p.A. in 2023, including:

- **Regulatory System:** its objective is to implement and disseminate the Basic Guidelines of the Eni Group's Regulatory System;
- **Privacy e Data Protection:** defines a compliance system to privacy regulations.

Also in 2023, the Board of Directors of Novamont S.p.A. approved, among others, the following regulatory instruments of Eni S.p.A.:

- **Anti-corruption MSG:** aims to provide principles and rules to be followed to ensure full compliance with anti-corruption laws;
- **Antitrust MSG:** aims to (i) ensure full compliance with antitrust law in the various countries in which the Group operates; (ii) spread awareness of the relevance of antitrust law in business activities; (iii) provide practical guidance on actions, behaviours and omissions that comply or conflict with antitrust law; (iv) increase the commitment not to engage in activities or behaviours that may restrict or limit competition in the market;
- **Economic and Financial Sanctions MSG:** defines the rules and incontrols to mitigate the risk of certain corporate activities being carried out contrary to any applicable national and international sanction programmes.
- **The Annex 'Reference Lists':** aims to (i) regulate the steps to be taken to mitigate 'counterparty risk' through checks on specific lists of names held in internal and external data-

bases and lists; (ii) define the roles and responsibilities of the units involved in the aforementioned verification process; (iii) regulate actions, methods of transferring information and traceability of the activities carried out.

Furthermore, in accordance with the legal provisions on compliance with Italian Legislative Decree 231 Novamont has set up a system allowing employees to make **reports - including anonymous ones - of unlawful conduct** or conduct that may constitute a breach of the Code of Ethics and the OMMs adopted by the companies, guaranteeing the confidentiality of the identity of the reporter and other protected persons and protecting them from retaliatory consequences. Please find the relevant implementation documentation in the Annex 'Reports, including anonymous ones, received by Eni S.p.A. and its subsidiaries in Italy and abroad': this regulatory instrument therefore regulates the process of receipt, analysis and processing of reports.

Furthermore, to monitor, supervise and assess the internal financial control system, Novamont in

2022 had already introduced a **Tax Control Framework**, aimed at improving a virtuous company culture in relation to financial management, by assessing the financial risk, monitoring financial relevant controls and adopting a governance model that guarantees the separation of roles and responsibilities.

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:

- Operations
- Intellectual Property and Legal Affairs
- Human Resources
- Corporate Strategy Implementation & Engagement
- Planning and Control

These functions interface with the Group’s subsidiaries, actively collaborating with the CEO, with the different functions and with site management. In 2022, the **Operational Management Committee** was established. The Committee, chaired by the CEO, was set up to follow the implementation of Novamont’s Strategic Document, to share the economic results and analyse the causes of any deviations, and to decide on any consequent actions.

Reporting, consultation and discussion tools

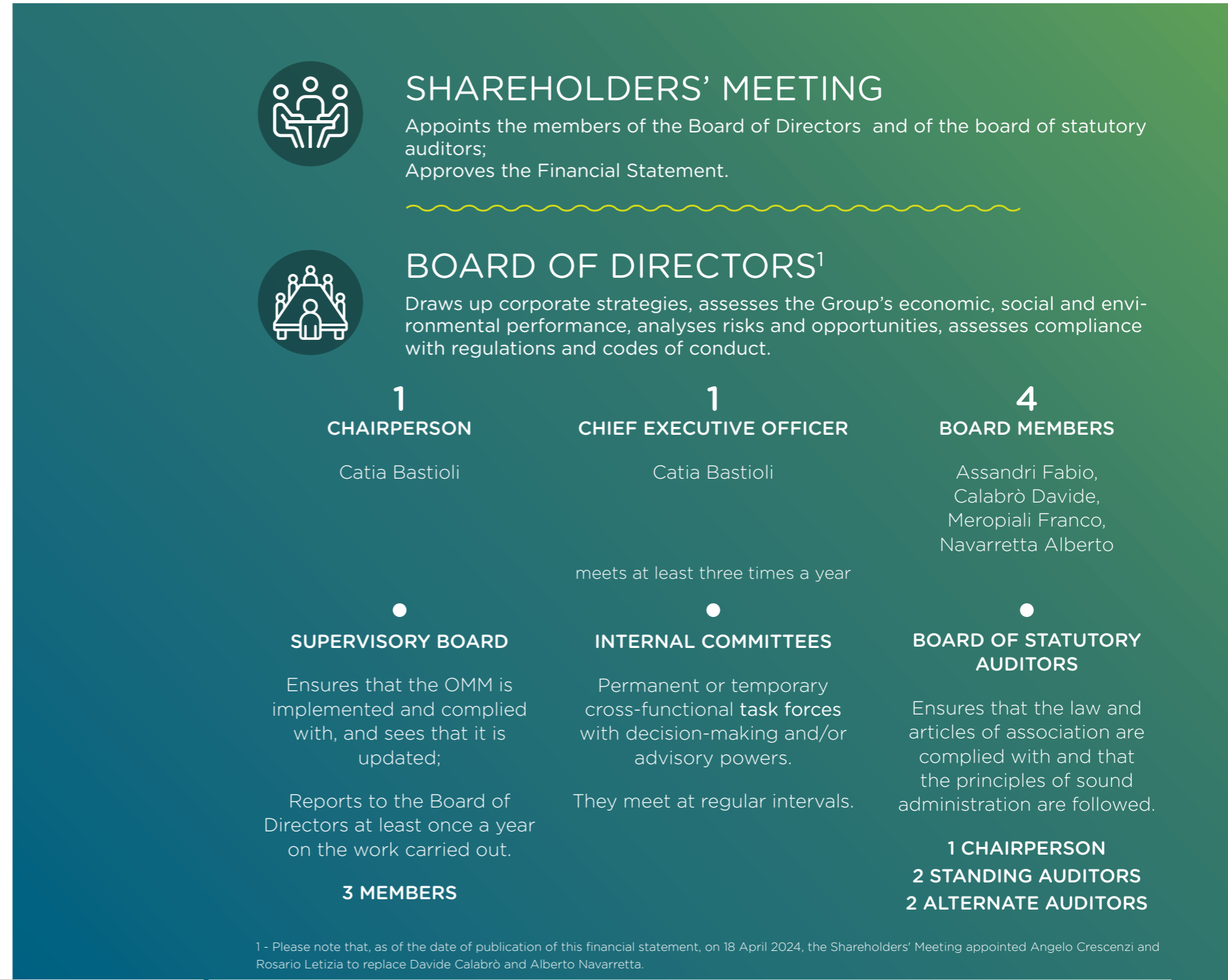
For advice or to raise doubts about unethical or illegal behaviour and business integrity (including possible violations of the Organisation, Management and Control Model and/or the Code of Ethics), each employee can contact the Supervisory Board via the dedicated email address or Group Legal Affairs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



[GRI 2-9, 405-1]

The governance model

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



Composition of the Board of Directors of Novamont S.p.A. as of 31 December 2023

5 members

including:

1 executive



0 independent



0 aged 30- 50



1 woman



5 Italian nationals



4 non-executive



5 non-independent



5 over 50



4 men



0 foreign nationals



Non-financial risks

Novamont has adopted the appropriate risk management model, which allows the group, through their identification and classification, to produce a detailed map of the non-financial risks to which it could be exposed.

Starting in 2019, a process of mapping non-financial risks with respect to Novamont's material issues was initiated through analysis of internal and external sources, including analysis of specialised reports, current regulations and best practices, identifying potential impacts related to the Group's activities and products along the value chain and towards its customers. This activity is updated on an annual basis² in order to have a proactive approach in identifying any new emerging risks and reducing the potential impact on the business in the short, medium and long term.



² - Please note that this activity for Novamont is conducted exclusively for the purposes of the Sustainability Report with the support of Studio Fieschi & Soci

The table below summarises the results of the 2023 analysis, carried out in light of the Group's operational context developments and following the

re-evaluation of the material topics. The methods to manage material topics and consequently the potential risks related to them are described in the section 'Dislo-

sure on Management Approach' (Management Methods) in the introduction to each chapter.

POTENTIAL RISKS	POTENTIAL IMPACTS	MANAGEMENT APPROACH
MATERIAL TOPIC		
RESEARCH AND INNOVATION		
Poor investment management and inability to innovate for business development	<ul style="list-style-type: none"> • Damage to the reputation of the Group and the brand • Reduction in the Group's competitiveness and future ability to innovate • Compromised customer relations and reduced profits 	Page 59-62
Development of products that are not in line with market expectations and needs		
Incorrect management of intellectual property and technological skills		
Reduced ability to compete in the biomass-derived plastics sector		
BUSINESS INTEGRITY AND STABILITY		
Non-compliance with regulations on corruption, money laundering, competition and labour law as well as corporate ethical principles	<ul style="list-style-type: none"> • Limitations to carrying out the activities • Damage to the reputation of the Group and the brand • Reduction in the Group's competitiveness and future ability to innovate • Prohibitory sanctions and fines • Impacts on the achievement of corporate objectives 	Page 77-79
Failure to achieve the expected economic/financial performance		
Underestimation of economic, environmental and social impacts related to the business		
Increase in other operators' competitive skills		

POTENTIAL RISKS	POTENTIAL IMPACTS	MANAGEMENT APPROACH
MATERIAL TOPIC		
VALUE CHAIN AND PRODUCT SUSTAINABILITY		
Non-compliance with local, regional and national environmental regulations	<ul style="list-style-type: none"> • Increase in the environmental impacts of the activities • Limitations to carrying out the activities • Damage to the reputation of the Group and the brand also in relation to increased customer awareness of environmental and social issues • Compromised relations with local communities • Increase in operating costs • Fines and sanctions • Reduction in the Group's competitiveness and future ability to innovate 	Page 97-102
Lack of availability or reduced quality of raw materials for supplies		
Poor monitoring of suppliers' ESG performance		
Creation of products that are not in line with good environmental practices and with customers' expectations.		
Inefficiency in resource management and poor monitoring of direct and indirect environmental impacts		
Limited application of eco-design principles		
COMPLIANCE AND QUALITY OF THE PRODUCTS AND CUSTOMER CARE		
Lack of strategies that can withstand legislative changes in the sector	<ul style="list-style-type: none"> • Sanctions • Loss of product quality and business opportunities • Increased environmental impacts of products during their life cycle • Damage to the reputation of the Group and the brand • Impacts on the health of the final consumer • Compromised customer relations and reduced profits 	Page 131-134
Failure to intercept regulatory developments in the field of plastics/bio-based products, biodegradable and compostable products and the chemicals sector.		
Non-compliance with product biodegradability and compostability standards, regulations for food contact materials and chemical industry regulations for raw materials and finished products		
Failure to meet customers' expectations and expressed needs		

POTENTIAL RISKS	POTENTIAL IMPACTS	MANAGEMENT APPROACH
MATERIAL TOPIC		
SOIL PROTECTION AND REVITALISATION		
Non-efficient management of the soil as a resource, and degradation risk	<ul style="list-style-type: none"> Negative impacts on the soil Damage to the reputation of the Group and the brand 	Page 153-154
Loss of biodiversity and of the natural value of the ecosystems		
RESPONSIBILITY TOWARDS WORKERS		
High level of work-related stress, conflict and related labour law risks	<ul style="list-style-type: none"> Lack of suitably trained and qualified personnel Loss of skills due to employees leaving the company Litigations Impacts on the health of the workers Dissatisfaction of employees with repercussions on productivity Damage to the reputation of the Group and the brand Reduction in the Group's competitiveness, in the quality of the products and in future ability to innovate Impacts on the achievement of corporate objectives 	Page 165-168
Limited appreciation of the values of diversity and inclusion and the presence of forms of discrimination		
Loss of and failure to attract talent due to inadequate focus and valorisation of human capital		
Inadequate structuring of training and professional development paths		
Lack of representation of workers and their rights due to inadequate trade union relations		
Failure to understand or misinterpretation of labour rights regulations		
Failure to comply with laws and/or regulations on workers' health and safety and inadequate workplace conditions		

POTENTIAL RISKS	POTENTIAL IMPACTS	MANAGEMENT APPROACH
MATERIAL TOPIC		
COMMUNICATION AND PROMOTION OF SUSTAINABILITY		
Inadequate communication or conveying of incorrect messages in social or marketing campaigns	<ul style="list-style-type: none"> Damage to the reputation of the Group and the brand Loss of competitive advantage 	Page 187-188
Lack of communication with stakeholders not meeting their expectations		
Unfavourable perception of the sustainability of biodegradable and compostable products and the Group's approach to sustainability		
EDUCATION AND TRAINING OF NEW GENERATIONS		
Failure to identify suitable and effective ways to raise awareness of environmental and social issues among the younger generations	<ul style="list-style-type: none"> Lack of civic responsibility Failure to develop professionals who are up to the challenges of sustainability and the circular bio-economy Reduction in the Group's competitiveness and future ability to innovate 	Page 203-204
Insufficient contribution to the connection between theoretical training and the practical application of knowledge (connection between universities and companies, dialogue with the industry)		
PARTNERSHIPS AND COLLABORATION FOR TERRITORIAL REGENERATION		
Participation in partnerships or associations that are not in line with the Group's objectives and vision as well as the applicable regulations	<ul style="list-style-type: none"> Damage to the reputation of the Group and the brand Missed competitive opportunities Missed business and research opportunities Decline in regional employment Fewer positive economic impacts for the region Compromised relations with local communities Complex or conflicting relationships with institutions 	Page 213-214
Inability to find or to participate in national and international research calls, or to seize business opportunities arising from partnerships and collaborations		
Lack of synergies, collaborations and specific skills along the value chain		
Inadequate management of relations with institutions and the occurrence of actions/behaviour that may generate conflict		

The Code of Ethics

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

In 2023 Novamont S.p.A. And Mater-Biotech S.p.A. Have adopted **Eni S.p.A.’s code of Ethics**. This document represents a true Charter of Values, understood as the essence and corporate culture elaborated to motivate and guide all the Group’s People towards the achievement of corporate objectives, in compliance with the principles of integrity and transparency.

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**.

Throughout 2023 training sessions about legislative decree 231/2001 have been organised. This training concerned first and foremost the newly recruited employees, who were taught the basics on the subject, but also senior management. In this second case, the training focused not only on the subject of Legislative Decree 231/2001, but also on the management and responsibilities relating

to contracts and subcontracts. In addition, with a view to training with respect to the new regulatory system, introduced following Novamont’s entry into the Eni Group, training sessions were organised on the new MSG adopted by Novamont. In particular, these training sessions initially focused on the Anti-Corruption MSG and its annexes.

The values defined in the Code of Ethics



Integrity



Respect and protection of Human Rights



Transparency



Promotion of development



Operational Excellence



Innovation



Teamwork and Collaboration

For the BioBag Group, before Ver-salis S.p.A.'s acquisition, BioBag International AS has produced a **Code of Conduct**, formulated to protect human rights and the freedom of each individual. The document, which applies to all BioBag Group subsidiaries, sets out the system of social norms and values (regarding child labour, discrimination, working conditions, health

and safety, freedom of association and voluntary work) that must be respected by all employees and partners of the BioBag Group. In addition, BioBag International AS, BioBag Norge AS, Dagöplast AS, Inc. and BioBag Americas Inc. have adopted their own **employee handbook**, containing the objectives, values and standards of conduct that employees must

follow, in line with the values and commitments expressed in the Code of Ethics and Code of Conduct. Lastly, BioBag Sverige AB, BioBag Finland Oy, BioBag Zenzo A/S and operate in compliance with the regulations contained in the Working Environment Act (law that governs relations between employers and employees in Norway).



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

Sanctions and legal actions

In 2023, 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-compliance with regulations and/or voluntary codes concerning the **information and labelling requirements of products and services.**



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



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



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

This Sustainability Report only mentions sanctions considered to be significant, i.e. amounts that exceed €50,000³.

3 - The amount refers to a cut-off rule applied consistently in previous Budgets.

[GRI 201- 1]

Economic value generated and distributed

The Economic Value Generated and Distributed (Added Value) expresses in monetary terms the economic impact that Novamont’s activities have generated and redistributed to the main stakeholder categories. It therefore provides a complete picture of the relationships between Novamont and the socioeconomic system it interacts with.



The economic value generated and distributed to stakeholders is calculated on the basis of a reclassification of items in the profit and loss statement used in Novamont

S.p.A.’s Financial Statements as of 31 December 2023. In 2023, the economic value generated by our Novamont S.p.A. was €270 million,

while the economic value distributed, equal to €313 million, was as follows:

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

Economic value generated and distributed by the Novamont Group. (To the 31st of December)

[thousands of €]	2023
Economic value generated	270,240
Economic value distributed	313,563
Operating costs	256,132
Employee remuneration	45,792
Remuneration of lenders	10,486
Remuneration of the Public Administration ⁴	0
Remuneration of the community	1,153
Economic value withheld	-43,323

The negative net result of the retained economic value was strongly influenced by the costs of production utilities, specifically natural gas, and non-recurring personnel expenses related to the acquisition by Versalis S.p.A..

4 - The figure, which differs from the calculation methodology used in Eni’s non-financial statement refers only to current taxes from the income statement

[GRI 3-3]

Value chain and product sustainability

3



The development of a more responsible and environmentally and socially sustainable production chain through the use - in whole or in part - of renewable raw materials of plant origin produced in a more sustainable way, careful selection and management of suppliers (promoting respect for human rights along the entire value chain and in relations with the suppliers themselves), and careful management of energy resources, water, greenhouse gas emissions and respecting the biodiversity of the territories in which the Group operates.



Raw materials



Renewable energy sources



Waste recovery and recycling



Responsible value chain

[GRI 2-25, 3-3, 303-2, 306-1]

Disclosure on Management Approach

Management approach

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

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

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

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

Furthermore, in 2023 Novamont updated its **Policy for Quality, Environment and Health and Safety (QEHS)**. This states that the Company and its subsidiaries must undertake, among other things, to adhere to the principles of sustainable resource management, pollution prevention, environmental management, product safety and sustainability, if necessary

by joining international voluntary programmes that champion those principles.

For the BioBag Group, BioBag International has issued its **Policy for Quality and the Environment**, which formalises its commitment to comply with the regulatory, legislative and other relevant requirements applicable to the Group's environmental matters.

In pursuing the commitments stated, the Group's Italian companies decided to adopt an Integrated Management System (IMS) for Quality, the Environment, Health and Safety¹.

Regarding the material topic, the IMS provides for the control, monitoring and, if necessary, mitigation of environmental impacts. As part of its organisation system, the Group has therefore developed a set of procedures aimed at regulating how company activities are carried out and minimising the risk of committing the offences identified in the analysis of the risk assessment, including environmental offences.

Procedures related to the material topic include:

- **Purchase Management:** this describes the methods, subjects and areas of responsibility related to purchases;
- **Identification of mandatory and voluntary regulatory requirements and assessment of their compliance in the areas of quality, environment, and safety.**
- **Supplier Qualification, Evaluation and Monitoring :** updated by Novamont in 2023, this defines the general criteria, responsibilities and operating methods adopted by the Group to manage and control the supplier qualification, evaluation and monitoring process.
- **Incident management during freight transport:** this provides instructions for managing accidents during the transportation and/or delivery of finished products;
- **Raw materials validation:** this defines the raw materials validation process with the aim of reducing health and envi-

ronment risks related to the conformity of Mater-Bi with the certification requirements;

- **Determination and monitoring of greenhouse gas emissions related to energy production and wastewater combustion (Scope 1):** governs the application for hazard classification of certain chemical products (substances, mixtures, polymers) output and the drafting of related product safety documentation;
- **Acquisition, monitoring and control of environmental data:** this describes the method of acquisition, processing and use of environmental data from the Group's sites;
- **Import-export customs practice management:** issued in January 2023, regulates customs activities related to the import of raw materials, tools and machinery, and the export of finished goods;

To achieve increasingly high performance levels, the Group also adopts the B Impact Assessment

(BIA)² framework as the main tool for managing sustainability, including environmental topics.

With regard to management of the **supply chain** – mainly composed of suppliers of raw materials, goods and services (consultancy and logistics services, supply of commercial goods and maintenance equipment, and provision of labour) and plant, machinery and industrial equipment – Novamont aims to develop lasting and trust-based relationships with suppliers who share the Group's values and who demonstrate the same commitment to acting responsibly and ethically in all aspects of the business. In particular, commercial relations are promoted exclusively with suppliers that can provide guarantees that they respect the fundamental human rights of their employees. As part of this commitment, Novamont requires its suppliers to sign the **Code of Conduct**, issued by Novamont in 2023 along with the updated version of the **Supplier Qualification, Evaluation and Monitoring Procedure**. This procedure, in connection with Novamont's obtaining the legal status of a Benefit Company and B Corp certification, aims to eval-

1 - Further details on the IMS can be found on pages 135-136 in Chapter 4 - Compliance and quality of the products and customer care.

2 - More information on the framework can be found on page 34

uate suppliers not only on aspects related to quality and safety of supplies, but also on the basis of sustainability criteria grouped into four macro areas: Environment, Ethics, Work Practices, Human Rights and Sustainable Purchases. In line with what is done at Eni, the activity consists of specific assessments carried out on each supplier (according to principles, criteria and evaluation methodologies based on international standards, such as the Global Reporting Initiative, ISO 26000 and Global Compact principles) and the output is a score on a scale of 0 to 100. The score achieved determines the frequency of re-assessment (annual, biennial or triennial) or the request for an optional or mandatory Corrective Action Plan. The most virtuous suppliers in terms of CSR practices are placed within a list of 'preferred suppliers'.

Also in 2023, the project to **assess and monitor the sustainability performance of the Group's raw material** suppliers continued with the EcoVadis platform. For the third year of the project, the group managed to achieve positive results, increasing the coverage of overall evaluated suppliers.

The Group's **energy consumption** is mainly attributable to production processes and, to a less-

er extent, to the lighting and air conditioning of buildings and the operation of pilot plants. Energy management – or the set of strategies, actions, procedures and instructions planned and implemented with the aim of saving energy in managing the business – is coordinated by the Energy Manager, a dedicated member of staff from Engineering.

In order to comply with the requirements of the Ministerial Decree of 11/05/21, as a matter of fact, in 2021 Novara and Terni offices appointed a **Mobility Manager**, a new role, specialised in management and promotion of sustainable mobility for what concerns employees' commute.

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

The management of **greenhouse gas emissions**, whose end goal is achieving the complete decarbonisation of the business by 2050, is applied to all three categories of emissions from industrial activi-

ties: Scope 1, Scope 2 and Scope 3. The main sources of **Scope 1** greenhouse gas emissions (or direct emissions) are those associated with the production of electricity and heat in the plants owned by the Group. Monitoring and reducing those emissions is a key objective. Novamont's target for the future is for its direct emissions from energy production to be as close to zero as possible. The solutions for achieving this goal include modernising and replacing plants with new high-efficiency plants that consume less energy and run on biofuel (where this can be supplied continuously in sufficient quantities and on acceptable technical and financial terms), based on best available techniques and actions to offset the residual emission allowances that cannot be reduced further (carbon offset), by purchasing high-quality certified carbon credits. In this regard, an internal working group on energy decarbonisation coordinated by the Chief Operating Officer was set up in 2023.

Scope 2 emissions (indirect emissions) include emissions from the use of the electricity, heating and steam purchased. Since 2010, Novamont has purchased and used electricity from renewable sources, prioritising wind and solar power whose origin is traced

and certified through Guarantees of Origin (GOs). This contributes to reducing the Group's indirect greenhouse gas emissions and, at the same time, supports the development of the market for renewable sources. For this reason, Scope 2 emissions are quantified and reported with the **location-based** and **market-based**³ calculation methods.

Lastly, **Scope 3 emissions** (indirect emissions) include emission sources that are not under the direct control of the company, but whose emissions are indirectly due to the company's activity. These emissions make up the largest⁴ share and managing them is one of the key aspects of the business model. Specifically, Novamont is constantly engaged in the development of innovative and integrated agro-industrial supply chains, based on agricultural raw materials capable of enhancing local specificities and cultivated with regenerative agriculture protocols capable of generating greenhouse gas removals through the increase

of Soil Organic Carbon (SOC), but also in the development of new integrated processes to valorize waste from other supply chains (e.g., cellulose from sludge, sugars present in process water, spent vegetable oils and biogenic CO₂). The use of alternative feedstocks, the efficiency of recovery processes, and the maximization of the use of renewable monomers will contribute in the future to reducing the greenhouse gas emissions of the Group's business model while increasing the circularity of economic systems.

To supplement this, where available and of similar quality to conventional products, Novamont purchases raw materials that have lower GHG emissions throughout their life cycle or that are carbon neutral, i.e. compensated in compliance with PAS 2060⁵. It is also stepping up advocacy with its customers and suppliers on the importance of greenhouse gas management.

In this regards, through the adoption of blockchain technology and artificial intelligence systems, Novamont is studying and validating the implementation of a traceability and certification system, from the raw material leaving its plants to the finished product, which can be used to validate and certify the products made from Mater-Bi by its brand partners. The aim is to create a system that can be implemented directly on board extrusion facilities, allowing real-time monitoring of production to report and certify them in order to demonstrate sustainability levels with objective data and systems. Finally, in 2023, Novamont carried out a carbon footprint analysis of the entire Group (in accordance with GHG Protocol guidelines). It followed this with a feasibility analysis of the possible decarbonisation scenarios that will feature in the company's strategic plan, in a way that is compatible with its economic sustainability.

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

4 - Work continued in 2023 to refine and consolidate the Scope 3 emission estimates.

5 - PAS 2060 certifies the correct offsetting of greenhouse gas emissions associated with a process, event, product, etc. In our case, the Cradle to Gate emissions of the raw material were offset by the supplier through the purchase of certified carbon credits. ISO 14068, actually deals with the same contents as PAS 2060

When it comes to **water resources**, Novamont continually obtains and analyses consumption data from industrial plants and supply networks. This enables it to identify any anomalies in consumption and to ensure compliance with the various existing regulations. For the Terni and Patrica plants and the Piana di Monte Verna research centre, water used in the production plants, laboratories and pilot plants is abstracted from the groundwater near the production areas. Water used for sanitation is taken directly from the water mains. At the Bottrighe plant, water is essentially used in cooling and is mainly abstracted from the river. Lastly, at the Dagöplast production site, water is used to cool the processing plants. At all production sites in Italy, periodic analyses are carried out to assess the quality of wastewater according to specific tabulated values (referred to in Legislative Decree No. 152/06, Annex 5, Table 3, discharge into surface water). These set out the statutory limits on discharging waste water into the receiving body of water, which cannot be exceeded. The characterisation of waste water is done through chemical analyses carried out by external laboratories and internal controls.

The Group mainly produces **waste** in its production activities and in the management of its warehouses and offices. Non-hazardous waste accounts for the largest share of total waste. It primarily consists of packaging of the raw materials used in the production processes and sludge from the biodigester at the Bottrighe plant. Waste that is classified as hazardous is due to water containing solvents from the Patrica plant. Waste disposal is subject to the control and traceability requirements laid down by the relevant legislation.

Novamont recognises the importance of safeguarding the natural value and **biodiversity** of the areas surrounding the Group's plants. Therefore, to protect those sites, specific precautions are taken in accordance with local, national and international legislation. The only exception is Bottrighe, whose industrial facilities are located within the Po Regional Park, part of the Natura 2000 network. For the Bottrighe site, Novamont carried out an integrated risk assessment for biodiversity in 2019 using the Biodiversity Impact Risk (BIR) methodology. By assessing the biodiversity status, the potential impacts generated by the company's activity and the degree of awareness of the value of biodiversi-

ty, this methodology has made it possible to identify areas for improvement for the most sensitive components directly controlled by the company (e.g. emissions to air and water, internal sensitivity to the issue, etc.).

Lastly, the Group adopts methodologies and practices to assess and **quantify the environmental loads and impacts, both direct and indirect**, associated with the activities of the organisation and the product life cycle - from the selection of raw materials to the final recycling - in a Life Cycle Thinking approach. These include the **LCA methodology (Life Cycle Assessment)**, an internationally standardised tool adopted by Novamont in 1998. This makes it possible to assess the flow sequence of environmental impacts and to mitigate them by improving the efficiency of the entire production process. In this regard, in April 2023 Novamont obtained **ISO 14067:2018 - Systematic Approach** certification, a standard that establishes principles, requirements and guidelines for quantifying and declaring the carbon footprint of products in accordance with international standards for LCA (ISO 14040 and ISO 14044).

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

Responsibilities

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

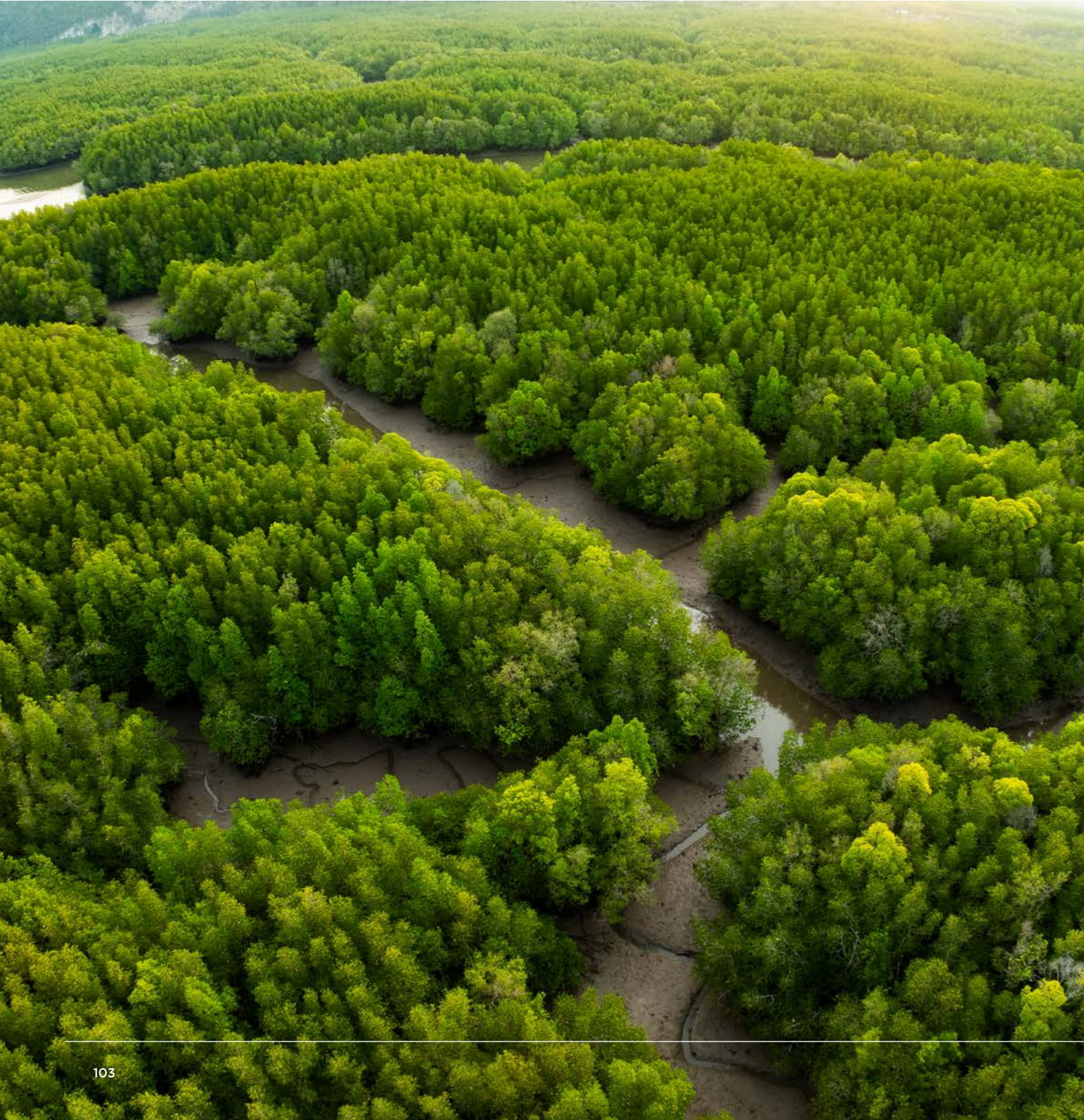
- Energy Management
- Product Ecology and Environmental Communication
- Corporate Strategy Implementation & Engagement
- Quality, Environment and Safety
- Logistics and Purchasing
- Engineering

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

Complaint, consultation and discussion mechanisms

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





In 2023, the phenomena triggered by the outbreak of the war in Ukraine in the previous year led to a further aggravation of the economic, geopolitical, and social situation, with high prices of renewable plant based raw materials and inflation weighing on purchasing power.

In this context, with the absence of measures that reward carbon footprint reduction, of bio-based products, the import of dumped fossil products from China was even more intense than in 2022.

This has prompted even virtuous market players to go back from their more sustainable choices, replacing products with a higher renewable raw material content with products with a higher fossil component.

For these reasons, 2023 saw a decline in some of Novamont's important circularity indicators, including the amount of renewable raw materials of plant origin and the circular flow index, which decreased by 10% compared to 2022 while remaining well above the target commitment (of 0.5). This is a tangible example of how the potential benefit of bio-based products is only partly expressed, also due to the failure to consolidate a European reference regulatory framework suited to the challenge, which does not yet allow the value of European bio-based products with a high renewability content to be differentiated and brought to the fore, the result of major investments in innovative biorefineries, in terms of environmental performance and territorial regeneration, compared to fossil fuels imported from South East Asia.

Regenerative turnover

In 2021, Novamont developed a metric that would allow them to measure their contribution to the circular **BIOECONOMY**. Specifically, the Group's circular (or re-

generative) material and energy flows have been connected to the economic value generated by Novamont through the implementation of an aggregated circular-

ity indicator called 'regenerative turnover'. Regenerative turnover is defined as the product of the Circular Flow Index (CFI) multiplied by turnover:

The Circular Flow Index (CFI) quantifies the organisation's input and output regenerative material and energy flows. Circular input flows are represented, for example, by **RENEWABLE** plant-based or recycled raw materials (in the IFC equation, the term describing these flows is $M_{Renewable}$) and energy from renewable sources or re-

covered from process waste (term $E_{renewable}$). Circular output streams, on the other hand, are represented by waste sent for **RECYCLING**, recovery or regeneration, by recovered by-products, but also by end products with certified **COMPOSTABILITY** and **BIODEGRADABILITY**, i.e. with at least one concrete recovery option (term

$O_{Valorised\ product}$ by-products and $O_{Recycled}$). Finally, the term $E_{Recovered}$ refers to energy recovered from process waste. By contrast, linear flows (understood as non-regenerative flows) are composed of energy from non-renewable sources, non-renewable raw materials and waste sent to landfills.

Regenerative turnover = CFI × Turnover

CFI is the function of three components:

$$IFC = f(C_M + C_E + C_O)$$

C_M = input of circular material flows

C_E = input of circular energy flows

C_O = output of material and energy flows

The CFI is calculated with the following equation:

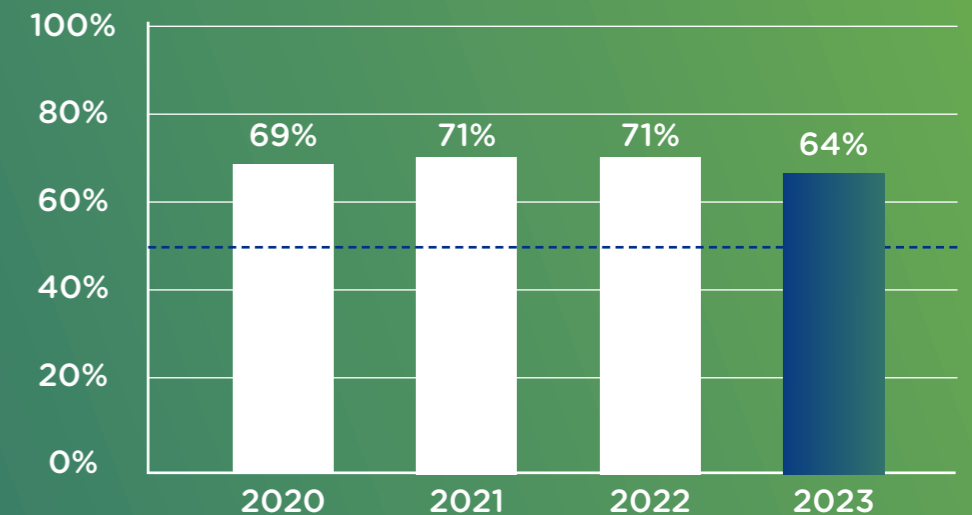
$$ICF = \frac{\sum M_{Renewable} + \sum E_{Renewable} + \sum E_{Recovered} + \sum O_{Valorised\ by-products} + \sum O_{Recycled\ products}}{M_{Total} + E_{Total} + O_{Total}}$$

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

In 2023, regenerative turnover (calculated considering only the Group's Italian sites) stood at 64% (IFC = 0.64), exceeding the target Novamont had set itself (at least 50% of turnover must be regenerative).

This metric was selected from among the KPIs that allow us to describe the Group's performance within the framework of the common benefit commitments signed in the corporate statute.

Group's regenerative turnover



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

Value chain management

Characteristics of the supply chain

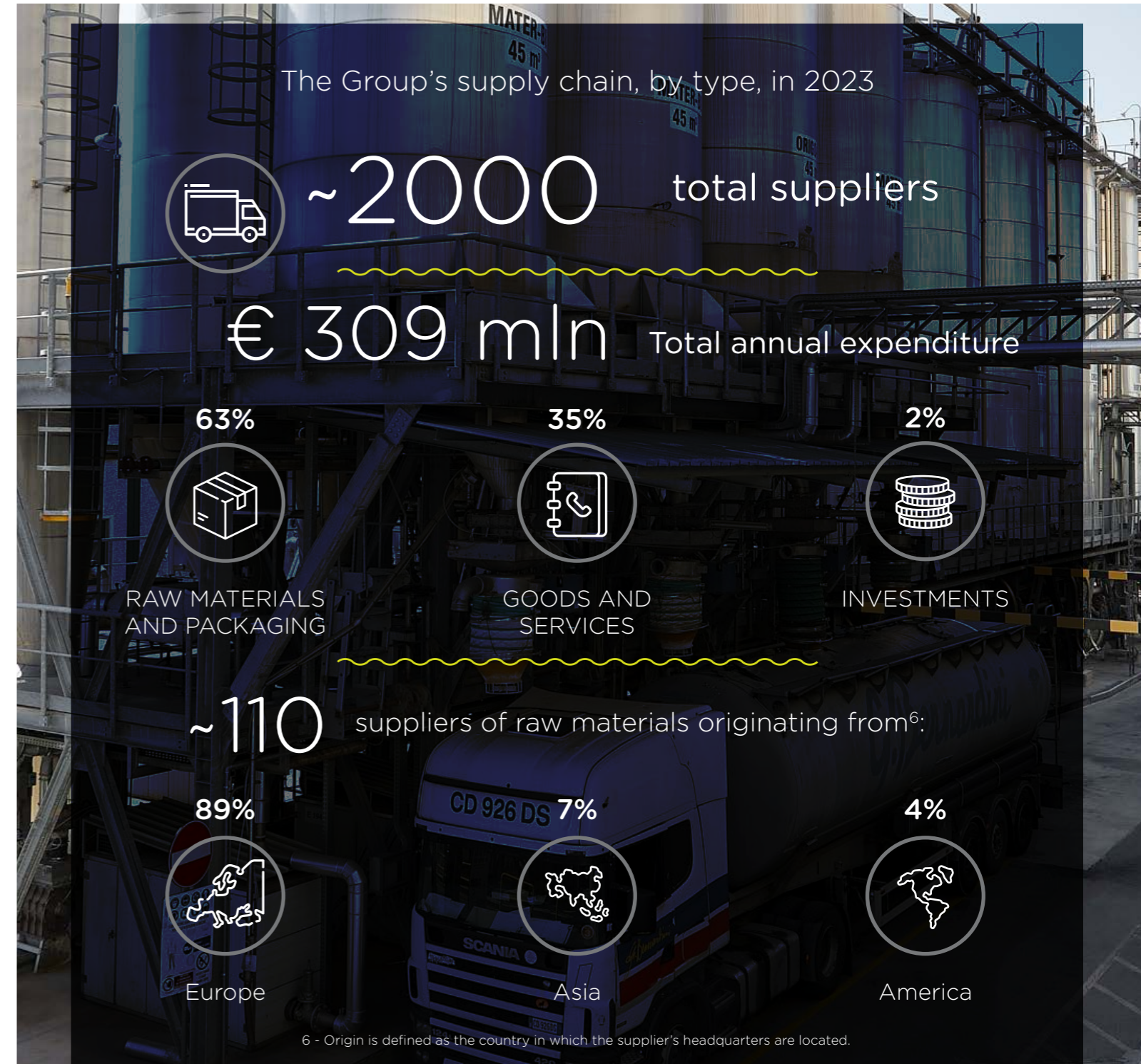
A more environmentally and socially responsible supply chain management is a key component of the Group's strategy. Thus, Novamont undertakes to guarantee the maximum quality of the products and services purchased, while respecting environmental and social criteria.

The climate upheaval and geopolitical crisis in 2023 caused major destabilisation of raw materials - both natural and oil - and significant fluctuations in European natural gas prices. All this favoured, for most of the year, an increase in prices of commodities, which in the latest years have resulted in increasing inflation and consequentially slowing down the global economy.

The group has been affected by this trend, as it becomes clear looking at the reduction of raw materials purchases that have decreased by 24 percent, despite a 30 percent reduction of the expenses since 2022.

At the same time, also due to the increase in natural gas costs, the percentage of expenditure associated with goods and services increased by 25 percent compared

to 2022. For the Group's Italian sites, in 2023 the purchase turnover from suppliers operating locally - i.e. those with headquarters in Italy - accounted for 56 percent of total purchases.



SUPPLIERS QUALIFICATION BASED ON SUSTAINABILITY CRITERION: MAIN RESULTS THREE YEARS ON FROM THE ECOVADIS PROJECT



With the aim of strengthening the oversight of the supply chain and establishing increasingly virtuous business relations with it, in 2021 Novamont launched an experimental project that saw the start of a structured process of evaluating and monitoring the CSR performance of the main suppliers, drawing on the support of EcoVadis, an independent international rating company that aims to improve the environmental and social practices of companies by leveraging the influence of global logistics chains. Since its founda-

tion in 2007, EcoVadis has created a global network of over 130,000 evaluated companies.

The main tool of EcoVadis consists of a collaborative platform that allows companies to monitor the sustainability practices of their suppliers, manage their risks and request the implementation of corrective actions where necessary. The assessment methodology incorporates different international sustainability standards (Global Reporting Initiative, UN Global Compact, ISO 26000) and is based on 21 CSR criteria

grouped into four categories: Ethics, Environment, Work Practices, Human Rights and Sustainable Purchases.

For 2023, Novamont decided to increase the number of suppliers to be evaluated, including suppliers of raw materials and packaging that were not involved in previous evaluation campaigns and extending the invitation to other categories. This allowed the Group to involve more than 80 suppliers of raw materials, pack-

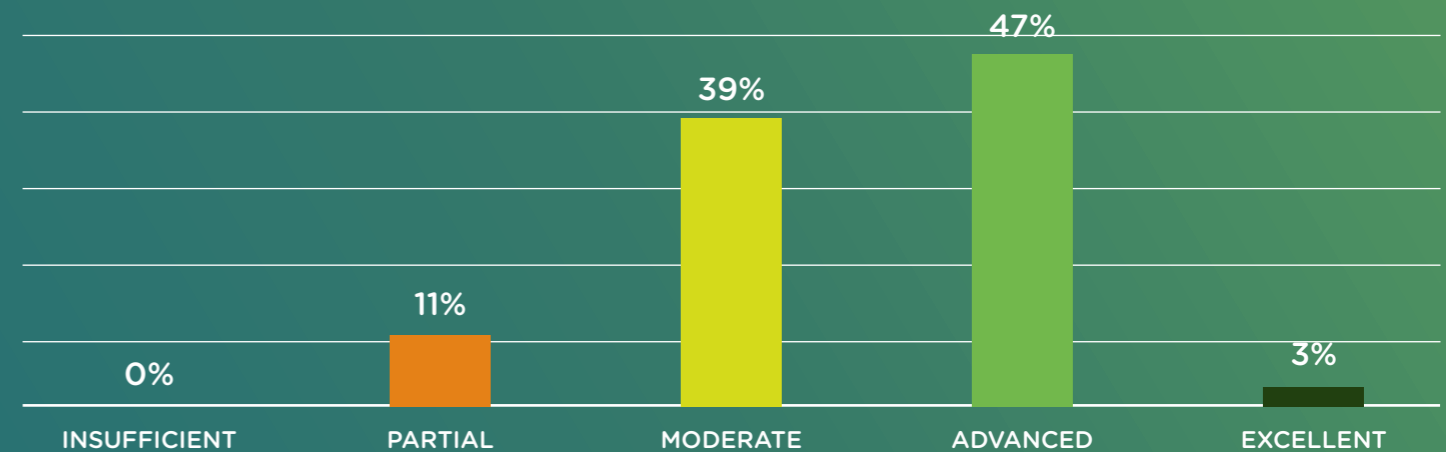
aging, transport and services and equipment (CapEx) during the three-year period.

Three years after the launch of the project results have been extremely positive, both for the ever growing level of suppliers' reactivity to the invitation campaign and for the achieved scores. In particular, the positive response rate (i.e. Suppliers that decided to undergo the EcoVadis assessment, sharing with Novamont their scorecard) has risen from 35 percent in 2014 (year in

which a similar experimental project was started with the support of EcoVadis) to 90% in 2023: this important result is connected, on one side to a higher sensitivity of suppliers in terms of sustainability, but also to Novamont's advocacy strategy. This result allowed Novamont to achieve an overall coverage of 84 percent in terms of Group expenditure on raw materials and 48 percent when considering total expenditure.

Moreover, the average score achieved by the suppliers who underwent the evaluation was 15.8 points higher than the average of all the companies evaluated by EcoVadis. Of the four pillars on which the EcoVadis assessment is based, the areas dedicated to work, human rights and environment were those in which suppliers performed best.

Distribution of CSR performance of Novamont Group suppliers



These excellent results are the fruit of continuous sustainability performance improvement work carried out by the companies, which have the possibility,

downstream of the assessment, to access a customised Corrective Actions Plan based on the performance achieved. As proof of this, the suppliers involved in the Eco-

Vadis campaign recorded a 15.6 point improvement in their score compared to their first evaluation.

Finally, in 2023 Novamont underwent its second Maturity Review, a process of reviewing the maturity of the Group's sustainable sourcing programme carried out by the EcoVadis team based on five key pillars: Vision&Goals, Governance&Resources, Policies, Procedures & Processes, Capacity Building & Continuous Improvement e Reporting. The insights generated through the Maturity Review draw on the best procurement practices shared by organisations in the EcoVadis network and help com-

panies define their current maturity level (according to a four-level scale: Just starting, Reactive, Responsive Proactive and Leading), to evaluate their progress and refine their approach by sharing a set of recommendations. The results of the Maturity Review 2023 showed a marked improvement in Novamont's sustainable procurement programme, which went from 'Reactive' to 'Responsive' just two years after the first review.

In addition to ensuring greater oversight in the management of more sustainable procurement, Novamont's approach also anticipates the future requirements of the Corporate Sustainability Due Diligence Directive (CSDD). The new rules will require companies to address the negative impacts of their actions with reference also to their value chains inside and outside Europe, so as to contribute to the future EU industrial policy based on more sustainable and resilient supply chains.

>80



Suppliers involved between 2021-2023

90%



Positive response rate achieved (+56 pp compared to 2014)

62.3/100



Average points obtained by Novamont's suppliers

+15.6 points



Average improvement achieved by companies between their first valuation and revaluation

The EcoVadis project also strengthened the Group's advocacy activities along the supply chain through the use of the EcoVadis Academy, the e-learning

platform designed to create and strengthen the skills of companies registered on the platform with more than 50 courses dedicated to various sustainability topics.

Ninety-five percent of the suppliers have accessed the Academy and 40 percent have completed at least one training course.

The most attended courses in the EcoVadis Academy:



Introduction to sustainability



Sustainable procurement policy



Environmental policy



Introduction to EcoVadis



Novamont has been using the EcoVadis platform since 2015, continually renewing the assessment of its sustainability practices at the request of its customers. In 2023, the EcoVadis evaluation was updated to include the BioBag group in the scope of the evaluation and achieved an overall score of **82/100**. The environment was the best performing area, with a score of 90/100.

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

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

[GRI 301- 1]

Purchasing goods and raw materials

Almost all materials purchases are raw materials, an essential resource for the Group's business. In 2023, the total weight of the materials used by Novamont was 145,596 t, of which 67,869 t was **RENEWABLE** and 77,727 t non-renewable.

With a view to a more sustainable procurement, also in 2023, we consolidated the purchasing of a share of carbon neutral-certified raw materials in accordance with

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

The purchase of this raw material offset the release into the atmosphere of about 6,087 t **CO₂E** through carbon credits coming from international energy efficiency projects and projects for the use of third-party-verified renewable sources.



Environmental impacts

ISO 14067 CERTIFICATION AND BLOCKCHAIN: INNOVATION AT THE SERVICE OF SUPPLY CHAIN SUSTAINABILITY

Novamont is among the first companies in the industry to have achieved ISO 14067 Systematic Approach certification. The standard sets out the principles, requirements and guidelines for quantifying and declaring the carbon footprint, in accordance with international standards for life cycle assessment LCA (ISO 14040 and ISO 14044). The declaration of the carbon footprint of products is therefore qualified in a standardised, third-party verified manner and is a rigorous tool for planning, verifying and quantifying progress on the decarbonisation pathway of products.

In 2023, Novamont has decided to give its Premium Partners a reporting system on the environmental impacts - in terms of carbon footprint - of the entire production carried out using the different grades of Mater-Bi that will be provided with ISO 14067 certification.

Furthermore, through the adoption of blockchain technology and artificial intelligence systems, Novamont is studying and validating the implementation of a traceability and verification system for products made from Mater-Bi along the value chain. The aim is to create a system that can

be implemented directly on board production facilities, allowing real-time monitoring of production to report and certify production in order to demonstrate sustainability levels with objective data and systems.

Novamont is the first company in the bioplastics sector that has introduced this third-party verified traceability system which, thanks to its patented BluDev technology, allows the company to maintain control of the raw material even during the processing phases and to have a complete carbon footprint, tracked and validated on the blockchain.

[GRI 302-1, 302-3]

Energy consumption

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

The various solutions adopted at the Bottrighe plant include a **co-generation plant** for the production of the electricity and thermal energy used in the manufacturing process. This has reached 90 percent overall efficiency, hence the energy efficiency certificates (white certificates) associated with it. The surplus electricity is sold to the national grid. In 2022 thanks to the cogeneration plant we were able to reduce the use of primary energy by 22 percent. The site is also equipped with a **BIO-DIGESTER**, a high-tech plant that generates biogas from the treatment of excess **BIOMASS** from the

fermentation process, production by-products and sewage plant sludge. As of July 2020, thanks to the upgrading work carried out on the biodigestion plant, the biogas produced is completely converted into biomethane, which is fed directly into the grid, allowing us to make a contribution to the spread of **RENEWABLE** energy sources. Also in 2023 the company passed the supervisory audit and confirmed its advanced biofuel certification for the biomethane produced in 2022, in accordance with the Italian Ministerial Decree of 14 November 2019. Regarding the purification unit of the bioBDO

plant, there is a **mechanical recompression system** for exploiting all the waste heat which would otherwise be lost. In 2023, the impellers inside the fermenters were also **replaced with impellers** with optimised geometry: for the same volume, the new blades result in lower power consumption. In addition, a low-pressure steam recovery project was launched, which uses thermocompression to bring **steam back to a** higher pressure, resulting in a reduction in natural gas consumption.



Lastly, a **combustor** used for the thermal oxidation of liquid and gaseous refluents from the polymerisation process is in operation at the Terni plant, which would otherwise be sent to external disposal plants. From the combustion process, thermal energy used in the production process and for space heating is recovered. The plant is also equipped with an automatic monitoring **software for the site energy consumption** (electricity, methane gas, steam). Thanks to this platform launched in 2022, it will be possible to detect the areas with the highest energy consumption, and to quantify their impact on the company consumption, identify energy inefficiencies, carry out a benchmarking analysis and to calculate the performance of technologies in place, provide support for the implementation of solutions to improve energy efficiency, and to guarantee the highest performance of the plants, leading to, as a direct consequence, a great economic saving in the management of the productive process. In 2023, the gearbox of a compounding line was replaced in order to increase the efficiency of the motor and decreasing the specific electrical power.

In the Patrica plant, in 2022 a **tri-generation plant** has been activated. This uses the methane combustion process for the production of electricity, steam and cooled water, and for heating diathermic oil, which are used in the plant production processes and for the heating in the offices. The plant was commissioned in 2022, starting with important energy and environmental optimisations, with a consumption reduction in 2023 of primary energy resources of approximately 11 percent. In 2023, the goal was also pursued to recover heat (at low and medium temperatures) through the installation of heat exchangers in the **POLYMERISATION** processes in order to bring the incoming fluid into thermal contact with the outgoing fluid, thus bringing about the pre-heating of the incoming 1.4 bioBDO and the pre-cooling of the outgoing 1.4 bioBDO, resulting in a reduction in the thermal energy requirement and the cooling contribution from tower water.

The Piana di Monte Verna research centre was equipped with a plant with new air-cooled refrigeration units equipped with inverters. Such action, does not only meet new European policies on Fluori-

nated greenhouse gases (F-gases), it also represents an highly energy-efficient solution, with an energy saving for 2023 estimated 30.000 kWh, equal to 4 percent of the overall 2023 consumption.

During 2023, there was a decrease in the energy intensity indicator of 18 percent compared to 2017 and 14 percent compared to 2022. This decrease is mainly due to two aspects:

- 1) A reduction in production volumes of bioBDO, whose energy intensity is significantly higher than that of Mater-Bi and Origo-Bi;
- 2) increased energy efficiency of the Patrica site associated with the trigeneration plant: in 2023, the volumes of Mater-Bi and Origo-Bi in Patrica were very similar to the volumes in 2022, however, a 20 percent increase in natural gas consumption was offset by an 85 percent reduction in electricity consumption.



The **energy intensity** indicator (which is obtained from the ratio between the total energy consumption of the Group's Italian sites⁸ and the total amount of Mater-Bi and other biochemicals produced by the Group in the reference year) recorded a decrease of 18 percent in relation to 2017.

Standardised energy intensity of the Group's Italian sites



Energy consumption can mainly be attributed to the use of methane (87 percent of total energy consumption) to feed the Patrica trigeneration plant, less for the Bottrighe cogeneration plant, and to generate heat (through boiler), in Terni production processes and to a lesser extent for space heating. A significant share of the Group's energy consumption (12 percent) is associated with electricity. This is predominantly used to power production plants, and to a lesser extent for the lighting and air conditioning of buildings. The Novara site purchases steam mainly for building heating purposes and to a lesser extent to ensure the operation of pilot plants.

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

In 2023 99.8% of **electricity** purchased by the Group comes from **renewable energy sources** certified with **Guarantees of origin (GO)**⁹. In this way, we saved emission of greenhouse gases and other pollutants.



9 - GO certificates cover the entire electricity needs of the Italian sites, while for Dagöplast's production site it is the electricity supplier that directly issues a certificate of origin of the sources

Total energy consumption within the Group, by geographical area

[GJ]	2023	2022	2021
TOTAL	1,100,283	1,325,323	1,383,401
Europe	1,100,106	1,325,136	1,383,155
Italy	1,080,281	1,304,371	1,361,299
Novara	0.9%	0.9%	1%
Terni	10.4%	9.7%	14.3%
PMV	0.5%	0.4%	0.5%
Bottrighe	34.6%	47%	46.3%
Patrica	53.6%	42%	37.9%
America	178	125	200
Oceania	-	63	47

Total fuel consumption of the Group, by type

[GJ]	2023	2022	2021
NON-RENEWABLE			
Methane	1,038,641	1,236,241	1,135,526
Liquid and gas refluents	-	4,494	6,678

Standards, assumptions and methods used for the calculation

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

Conversion factors

- LHV Methane (2020): 35.3 MJ/Sm³

Source

- LHV methane (2023): tables of national standard parameters for monitoring and reporting greenhouse gases - ISPRA 2023

Electrical energy, steam and heating of the Group

[GJ]	2023	2022	2021
ELECTRICITY			
Purchased	146,692	190,854	348,650
of which from renewable sources	99.8%	99.8%	99.8%
Sold (surplus electricity from the Bottrighe cogenerator)	61,673	53,587	44,108
HEATING			
Purchased	230	279	376
of which from renewable sources (wood chips and pellets)	100%	100%	100%
Sold (biomethane)	30,900	60,520	73,239
STEAM			
Purchased	7,294	7,563	9,518

Standards, assumptions and methods used for the calculation

- electricity consumption (Italian sites, Dagöplast and other BioBag sites): billed consumption
- electricity consumption (foreign sites and BioBag Ireland): estimated from the specific consumption per employee at the Novara site

- (2019), considering only the electricity consumption for lighting, space heating and the data centre
- consumption of wood chips and pellets: reading of consumption on the invoice
- steam consumption: direct measurements

Conversion factors

- Electricity: 3.6 MJ/kWh
- Steam (2023): 2.77 MJ/kg
- LHV biomethane (2023): 35.3 MJ/Sm³

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

Emissions

Emissions of greenhouse gases into the atmosphere are primarily associated with the Group’s energy consumption. They are divided into direct emissions (Scope 1) and indirect emissions (Scope 2). For Scope 1 emissions, in 2023 the Group emitted a total of 59,622 t CO₂e, of which 58,703 t CO₂e from methane combustion, 462 t CO₂e from liquid and gaseous waste combustion in the Terni Site, 7 t

CO₂e from diesel fuel for fire-fighting vehicles, and 444 t CO₂e from process gas in the Patrica site. The downward trend compared to 2022 (70,943 t CO₂e) is mainly due to the reduction of bioBDO volumes at the Bottrighe site, whose energy is self-produced by a cogeneration plant. However, we would like to point out that the trends in Scope 1 emissions are not strictly comparable over

the years, since they are linked to the variable supply of raw materials which may be internal or external to the Group. Thus, these emissions can be included in the calculations of Scope 1 and Scope 3 emissions (upstream phase), respectively. **BIOGENIC EMISSIONS of CO₂** from biotechnological processes also amounted to 11,493 t CO₂

Standards, assumptions and methods used for the calculation

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

Gases included for the calculation

CO₂

Base year

2018

Approach used to consolidate the data

Operational control

Emission factors

- Methane (2023): 2.004kg CO₂/Sm³

Source

- Methane (2023): tables of national standard parameters for monitoring and reporting greenhouse gases - ISPRA 2023

Scope 2 emissions of the Group, by method

[t CO ₂ e]	2023		2022		2022	
	Location-based	Market-based	Location-based	Market-based	Location-based	Market-based
TOTAL	13,638	415	18,173	838	33,274	1,044
Electricity	13,260	38	17,392	60	32,295	69
Heating	1.9	-	2.6	-	3	-
Steam	377	376	778	778	975	975

Standards, assumptions and methods used for the calculation

- location-based emissions from electricity, steam and heating: calculated by applying an emission factor
- market-based emissions: For electricity, since the Group uses 99.8 percent of its electricity from renewable sources, the emission factors of the national residual mix associated with the remaining share of non-renewable electricity (0.2percent) were used.

Gases included for the calculation

CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃

Base year

2018

Approach used to consolidate the data

Operational control

Emission factors

- Electricity (2023) [kg CO₂ e/kWh]

Country	Location based	Market based
Italy	0.268	0
France	0.057	0.125
Germany	0.472	0.684
Spain	0.246	0.275
USA	0.424	0.403
Estonia	0.708	0
Norway	0.0085	0
Sweden	0.024	0
Denmark	0.215	0
Ireland	0.342	0.475
Finland	0.202	0

- Steam (2023): 0.163 kg CO₂ e/kg
- Heating (2023): 0.01 kg CO₂ e/kg

Source

- Electricity (2023, Italian sites - Location based): ISPRA 2020 386/2023 report "Efficiency and decarbonization indicators in Italy and in the biggest European Countries. Edition 2023"
- Electricity (2023, Foreign sites - Location based): Tool GHG Protocol "electricity emission factors - Scope 2-3 in Ecoinvent v 3.8"
- Electricity (2023, Foreign sites - Market-based): AIB 2022 and SIMAP¹⁰ data
- Steam and heating (2023): Ecoinvent v 3.9.1
- GWP factors: (100 years): IPCC Sixth Assessment Report: Climate Change (2021).

10 - www.aib-net.org/sites/default/files/assets/facts/residual-mix/2022/AIB_2022_Residual_Mix_Results_.pdf e <https://unhsimap.org/cmap/resources/electricity2019>

NOx emissions of the Group, by geographical area

Other significant emissions monitored for the Group's Italian offices are NOx from the combustion of methane used in the Bottrighe cogeneration plant, in Patrica trigeneration plant and in boilers for steam production.

	2023	2022	2021
TOTAL	11,860 t	13,946 t	19,811 t
Novara	0%	0%	0%
Terni	8%	10%	6%
PMV	0%	0%	0%
Bottrighe	41%	52%	50%
Patrica	51%	38%	44%

Thanks to the use of electricity from renewable sources (99.8 percent of consumption from the grid), self-generated energy from the cogeneration and trigeneration plant and the production of biomethane, Novamont has achieved a total of

25,141 TONNES OF CO₂e SAVED IN 2023¹¹

All these actions enable us to support, in concrete terms:

1
The reduction in emissions of greenhouse gases and other pollutants

2
The improvement in the environmental performance of all their products

3
The development of the renewable sources market

In 2023, we continued the programme to offset Scope 1 emissions associated with the combustion of natural gas used in the Group's production plants and the combustion of Terni's process waste that cannot be reduced at the moment (residual emissions), through the purchase of certified

carbon credits that support international projects to reduce CO₂ emissions.

The purchase of the carbon credits certified in 2023, amounting to 70,943 tCO₂e and carried out to offset the Group's Scope 1 2022 emissions, made it possible to

support the following projects: "N₂O abatement in MP Nitric Acid plants at Rashtriya Chemicals & Fertilizers Limited, India" and the "Grouped Hydropower Plants in Chongqing, Yunnan, Sichuan and Guizhou Provinces, P.R. China".

¹¹ -This figure was calculated with respect to a theoretical scenario in which, in 2023, all the electricity and thermal energy were purchased externally from the national grid (Italy mix), the Bottrighe site did not have a cogeneration plant, and recovery of the biogas did not take place. The figure is divided thus: emissions avoided by using renewable electrical energy (wind power): 13,228 t CO₂e; emissions avoided by the cogeneration and trigeneration plant and the sale of electricity and biomethane: 11,913 t CO₂e.

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

Water resources

For this reason, Novamont is working to minimise our water consumption and encourage the reuse of this resource. At our production plants in Terni and Patrica, for example, a system is in operation that recovers purge water from the cooling towers, which is stored and then reused in the plants. The only exception is Bottrighe,

whose industrial facilities are located within the Po Regional Park, part of the Natura 2000 network. The plant is primarily responsible for the Group's water withdrawals and discharges, with cooling water constituting about 95 per cent of the total volume withdrawn. The water is abstracted from the water table and from the Po River:

in the latter case, the water is abstracted and returned to the same body of water, so as not to cause any impact in terms of scarcity of the water resource. During 2023, the Group's water consumption decreased mainly due to the reduction of bioBDO volumes. The total volume of water consumed in 2023 was 8,373 MI.

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

[Megalitres - MI]	2023	2022	2021
TOTAL WATER WITHDRAWAL	8,373	11,950	14,515
Surface water - Po River	5,848	8,473	11,083
Groundwater - Well	2,702	3,441	3,399
Water from third parties - Water mains	31	36	38
TOTAL WATER DISCHARGE	8,043	12,074	14,713
Surface water	7,951	12,060	14,697
Groundwater	11	14	15

Standards, assumptions and methods used for the calculation

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

stream. According to this indicator, the Novara site, the Bottrighe production site and Dagoplast are located in low water stress areas and account for 97 percent of the Group's water withdrawals. The remaining 3 per cent of withdrawals fall in areas of high water stress where the production sites of Terni, Patrica and the Piana di Monte Verna research centre are located.

- All of the waste water is freshwater, since the suspended matter content is less than 1000 mg/l.

Source
WRI Aqueduct 2014

[GRI 306-2, 306-3]

Waste

Novamont’s policy aims to reduce and correctly manage waste; for this reason it sets up initiatives that encourage, where possible, its recovery and a suitable disposal method for hazardous substances. For this reason, in 2023, an awareness-raising project on **SEPARATE WASTE COLLECTION** was launched, with the aim of promoting the values of responsibility and sustainability also in the behaviour and small daily gestures of Novamont people.

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”, the Group helps to maximise the amount of waste sent for **RECYCLING**. For the same reason procedures were also started to obtain authorisation for plastic waste recovery activities in the Terni site, issued in October 2023, which will allow this process to become an integral part of the industrial activity.

Furthermore, the Group tries to encourage the purchase of raw materials that are transported inside tankers, thereby avoiding the

use of packaging. Where possible, the same policy is also implemented to transport Mater-Bi.

The total amount of waste produced by the Group decreased by about 30 per cent compared to 2022 due to the reduction of bioBDO volumes. The percentage of waste sent for recovery, although at a very high level (71 percent), decreased compared to 2022 due to the outsourcing of a portion of liquid process waste no longer treated in the Terni consortium purification plant.

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

[t]	2023			2022			2021		
	Hazardous	Non-hazardous	TOTAL	Hazardous	Non-hazardous	TOTAL	Hazardous	Non-hazardous	TOTAL
TOTAL	1,000	9,071	10,056	1,602	13,154	14,756	2,073	14,614	16,687
Category R	675	6,494	7,169	1,435	12,344	13,779	1,887	13,641	15,527
Category D	326	2,577	2,887	166	810	976	186	975	1,161

Standards, assumptions and methods used for the calculation

- In calculating the waste, only the Group’s Italian sites and the Dagöplast plant were considered. With reference to the Group’s other sites, which mostly consist of offices, the waste produced is not significant.
- Waste is classified according to EWC codes in accordance with Annex D to Part IV of Legislative Decree 152/06

- The quantities disposed of or recovered are taken from the MUD - Modello Unico di Dichiarazione Ambientale (Single Environmental Declaration Form).
- Category D includes disposal types D8, D9, D13, D14, D15, while category R includes recovery types R3, R5, R12, R13, R14. • For specific details of each type, see Annexes B and C in Part IV of Italian Legislative Decree No. 152/06.

Novamont is constantly engaged the search for innovative industrial processes that are able to recover and transform the waste from its production, with a view to a **CIRCULAR ECONOMY**. At Patri-

ca plant, this waste recovery approach has enabled Novamont to create a process waste water separation and purification system for the recovery of **tetrahydrofuran (THF)**, a chemical intermediate

generated during the **POLYMERISATION** reaction. Once distilled, THF is used in the chemical and pharmaceutical industries.



More details on Novamont Workshops and the sorted recycling waste can be found in the Novamont Group 2023 Impact Report (page 75).

In order to optimise the use of raw materials and increase the circularity of production processes further, in 2023 Novamont launched a project aimed at testing the regeneration and valorisation of industrial processing by-products of partners that use Mater-Bi to produce bags.

[GRI 3-3]

Compliance and quality of the products and customer care



Compliance with national and international laws, standards and regulations that govern the use of renewable, biodegradable and compostable products and that can influence the industry in which the Group operates. Sharing circular bio-economy development models. Guarantee the satisfaction of the Group's customers by creating products that meet the highest quality and performance standards for the characteristic parameters and by offering active support to the customers themselves.



EN 13432



REACH



Legislative overview



Product safety



Customer satisfaction

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

Disclosure on Management Approach

Management approach

The regulatory environment and its evolution significantly shape the market in which a company operates. In order to analyse how changes in the context might affect the Group's operations and to keep up-to-date on this front, Novamont carefully monitors the evolution of the regional, national and international legislative framework of the sector. To this end, regulations and policies approved or under discussion or review are continuously mapped and the main impacts on the bio-economy sector are assessed for each. The group also defines, in the case of documents that have been approved and are under discussion, its point of view with respect to the changes introduced. As of 31 December 2023, there were several evolving regulations of potential interest to the circular bioeconomy. The European Union and national institutions are in fact developing extensive legislation, covering different aspects, with environmental protection and sustainability at the centre. In all these fields, the circular bio-economy, with its transversality and holistic approach,

can play a leading role, if properly recognised and identified as a key sector capable of ensuring an environmentally, economically and socially effective transition.

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

In addition, Novamont in 2023 updated its **Quality, Environment Health and Safety Policy (QEHS)**, which requires the Company and its subsidiaries to, among other things, commit to:

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

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

- Developing, implementing, measuring, monitoring, revising and continuously improving its processes, to ensure conformity to the standards ISO 9001, ISO 14001 and ISO 45001, and to Good Manufacturing Practices (GMP) in compliance with 2023/2006 European regulation;
- Ensuring that workers, service providers and contract employees have the appropriate resources, information and training they need to carry out their work in a competent and safe manner, in such a way that achieving the system goals in terms of conformity of the products and services is guaranteed;
- Regularly examining the effectiveness of the QEHS integrated system by means of verification and auditing processes.

With reference to the BioBag Group, BioBag International has issued a **Quality and Environment Policy** whose commitments are consistent with Novamont's policies.

In pursuing the commitments stated within the QEHS Policy, Novamont decided to adopt an **Integrated Management System (IMS) for Quality, the Environment, Health and Safety**. Regarding the material topic, the IMS provides for the control, monitoring and, if necessary, mitigation of impacts on the environment and on the health and safety of workers, customers and consumers. Monitoring begins with a preventive analysis, identifying the hazards, assessing the risks and subsequently defining preventive and protective measures.

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

- **Management of internal audits:** defines all the measures put in place to ascertain that the applicable elements of the QASS IMS have been effectively implemented to achieve the desired level of management

in accordance with the standards to which the organisation refers;

- **Non-Compliance and Recommendations Management:** defines the activities, responsibilities and key features that the non-compliance and recommendations management system must have;
- **Identification of mandatory and voluntary regulatory requirements and assessment of their compliance with quality, environment and safety:** defines how to identify requirements arising from applicable EU, national, regional and local laws and regulations and assess compliance with applicable legal requirements;
- **Raw Materials Validation:** this defines the validation process for a new raw material, taking into account its impact on the health of operators and the environment, as well as on the safety, conformity and quality of the finished product. The procedure refers to the assessments stipulated both by the regulations relating to chemical products (REACH (Regulation (EC) No 1907/2006)

and CLP (Regulation (EC) No 1272/2008)) and by those relating to food contact materials, and to the assessments required under any other industry regulation or applicable standard, according to the intended use of the product(s) to be produced from that raw material.

- **Hazard Classification Request and drafting of the safety data sheet for outgoing chemicals:** this requires verification of the hazard classification of outgoing manufactured products (including isolated intermediates) from the Novamont Group and the subsequent drafting of the associated hazard communication documents (information sheet, SDS, eSDS, label).
- **Information, education, training on Good Manufacturing Practices (GMP):** defines criteria and modalities for information, education, and training on the application of Good Manufacturing Practices (GMP) and the regulatory aspects of plastic materials intended for food contact.

- **Customer complaint and report Management**, which describes how the organisation implements the process of managing complaints from external customers.
- **Recall Plan**: defines the product recall plan, the purpose of which is to protect public health by removing products from the market that have been deemed unsafe.

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

- The evaluation of new raw materials in terms of **hazard classification and risk management**, as well as in terms of potential effects on biodegradation (where this is applicable), on certifications already obtained or to be applied for products in whose production process that specific raw material will be used, and on the environment in general;
- Verification of **compliance with the regulations** on materials intended to come into contact with food or other industry regulations, in accordance with the intended final use;

- An **assessment of the products** made with new raw materials, on the basis of the regulations concerning chemicals and the required performance characteristics: biodegradation and disintegration by composting, suitability for contact with food, etc.;
- The performance of **conversion tests** with customers, in order to optimise the operating conditions in the field to obtain the finished products.

The aforementioned design and development phases, for example in the development of a new grade of Mater-Bi, trigger a series of activities aimed at providing new products with the documentation necessary for them to be sold, including the drafting of the **safety data sheet or information sheet**, the **technical data sheet**, and the preparation of a **monitoring plan** designed to monitor the reproducibility of the characteristics of the product itself. For some products, the sharing of **information on sustainability** is also envisaged in accordance with international standards and best practice, including UNI EN 16848:2017 Bio-based products – Template for B2B reporting and communication of characteristics with a specific data sheet, and UNI EN 16935:2017 Bio-based

products – Requirements for Business-to-Consumer communication and claims.

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

- Conducting **preliminary tests** for fact-finding purposes on prototypes that represent the finished products, following legal protocols and industry standards (e.g. series UNI EN 1186:2003 Test methods for overall migration at high temperatures);
- Drafting and sending the **declaration of compliance** for supplies intended to come into contact with food;
- Preparing a **monitoring plan** (for parameters relevant for the purposes of suitability for contact with food) on fully operational industrial production lines;
- **Providing specific support** to customers in terms of training on the topic of contact with food, assisting with the drawing up of testing plans and examining the results of tests conducted by customers.

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

The quality of Novamont’s products and services is assessed annually using a **customer satisfaction survey**. The results of the analysis are used to identify improvements aimed at ensuring that customers are 100% satisfied.

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

Responsibilities

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

- Product Ecology and Environmental Communication
- Quality, Environment and Safety

- Corporate Relations and Associations
- Sales & Marketing
- Products & Markets Development
- Logistics and Purchasing
- Intellectual Property and Legal Affairs

These functions interface with the Group’s subsidiaries, by actively collaborating with the CEO, specific functions and the respective site management.

Complaint, consultation and discussion mechanisms

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



[GRI 403- 1]

Corporate management systems

Novamont is committed to managing all its processes diligently and responsibly. To that end, the Group's Italian companies have an Integrated Management System (IMS) for Quality, the Environment, Health and Safety.

The IMS, which applies to all employee categories, encompasses the set of procedures, processes and resources necessary to develop, implement, monitor and review goals and targets to mitigate possible risk factors linked to quality, the environment and safety, with a view to continuous improvement. To promote this commitment, the Group's Italian sites are for certified for the standards ISO 9001:2015, ISO 14001:2015 and ISO 45001:2023, which define the requirements for implementing a management system (for quality, the environment and the health and safety of workers, respectively) within an organisation.

In 2023, a process of harmonisation and integration of Versalis S.p.A.'s Quality, Environment, Health and Safety Management Systems was initiated, which led to the issuance of a shared plan of actions whose activities are carried out in coordination with Novamont's operations.

The infographic features a background image of a worker in a white lab coat and hard hat in an industrial setting. Overlaid on this are icons for various Novamont sites and three certification icons. A wavy line connects the site icons to the certification icons.

Novamont Novara **Novamont Piana di Monte Verna** **Novamont Patrica**

Novamont Terni **Mater-Biotech**

Triple certification

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

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

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

The audit activities to maintain the ISO 9001, ISO 14001 and ISO 45001 certification continued in 2023, both remotely and in presence.

BioBag Group companies, BioBag International, BioBag Norge, Dagöplast and BBI Sverige are certified for ISO 9001:2015 and ISO 14001:2015. The other companies in the Norwegian Group are working to obtain certification or to align themselves with the procedures established for BioBag International and certified for ISO 9001:2015 and ISO 14001:2015.

[GRI 3-3, 417-1]

Product conformity

Novamont pays the utmost attention to the conformity of the products during each design phase. For Novamont ‘conformity’ does not only mean meeting the requirements of applicable laws and the performance criteria of materials, but ensuring the maximum protection of the environment and consumers, in line with the Group’s circular **BIOECONOMY** model.

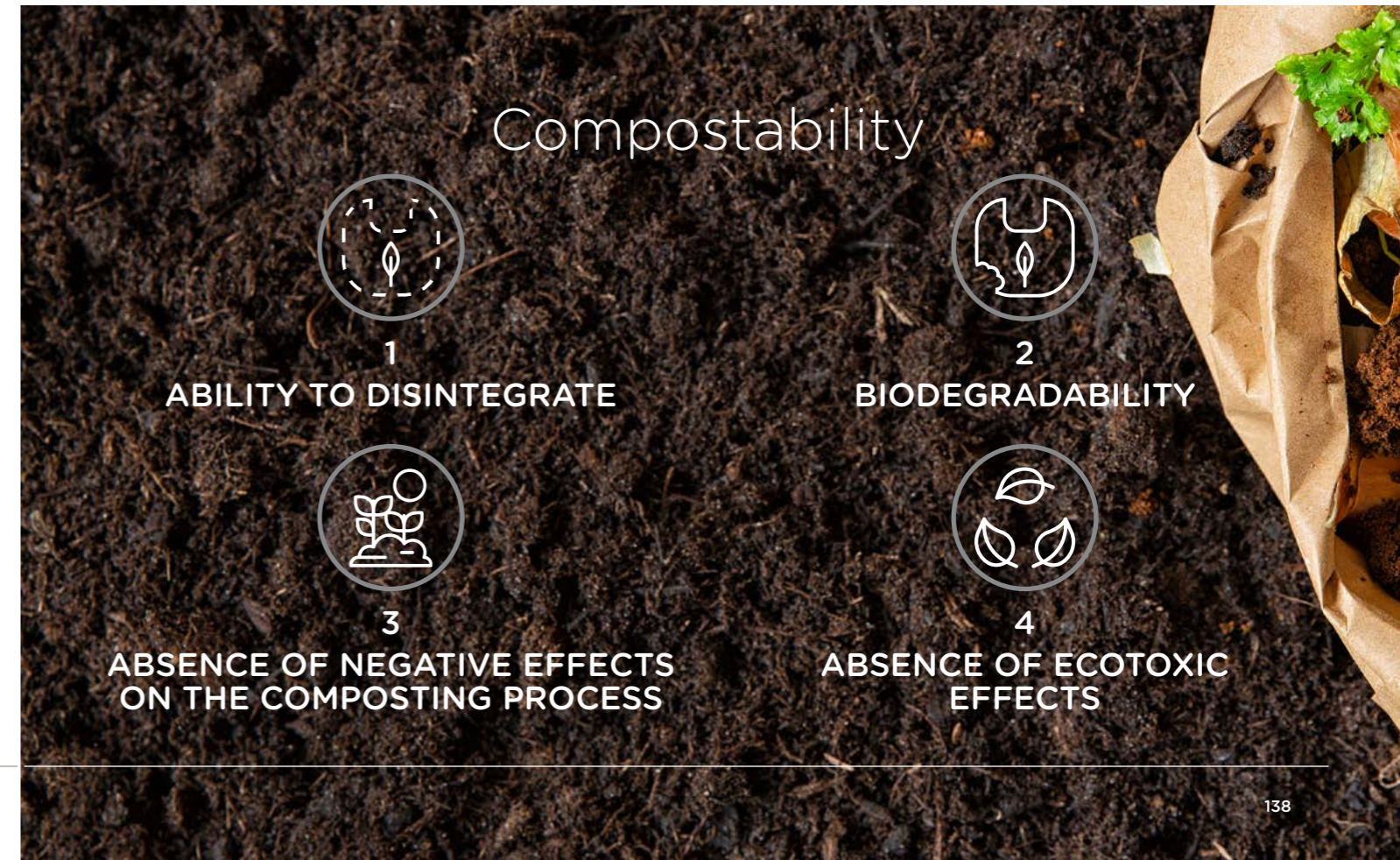


Conformity with compostability requirements

Mater-Bi represents the family of **BIO-BASED**, biodegradable and compostable bioplastics, essential properties that are tested in the Group’s laboratories using standardised methods. **BIODEGRADABILITY** is determined by exposing the material to the enzymatic activity of microbial populations and measuring its conversion into carbon dioxide and

water (mineralisation), compared with the conversion obtained in parallel with natural polymers that are definitely biodegradable (such as cellulose). However, to demonstrate the **COMPOSTABILITY** of the material, measuring the mineralisation is not sufficient; it is also necessary to demonstrate the absence of ecotoxic effects on plants, macroorganisms and mi-

croorganisms in the soil, as well as the ability of a product made from the material to disintegrate (break up physically) under **COMPOSTING** conditions. This allows us to determine the geometry of products compatible with the composting processes, and to guarantee the environmental safety of the **COMPOST** obtained.



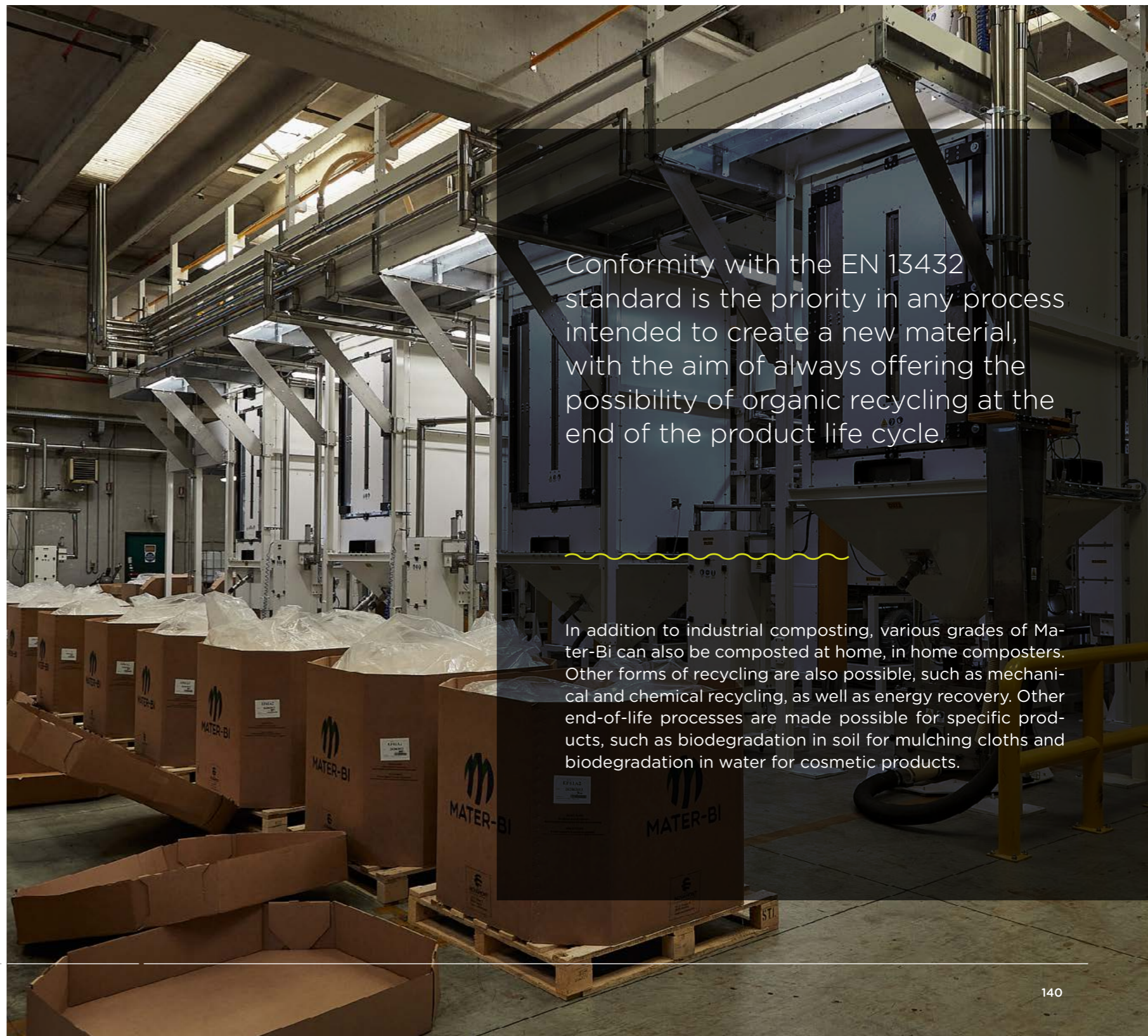


In Europe, the reference standard that determines the characteristics that a material must have for it to be defined as “compostable” is

EN 13432 - Requirements for Packaging Recoverable through Composting and Biodegradation - Test scheme and evaluation criteria for the final acceptance of packaging developed by CEN (Comité Européen de Normalisation) on behalf of the European Commission following the European Packaging and Packaging Waste Directive (94/62/EC): It incorporates the definitions of biodegradability, compostability and non-toxicity applied to compostable materials used in packaging



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



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

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

Conformity with product safety requirements

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

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



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

Some substances that are particularly critical because they are intrinsically dangerous, or because there is controversy over their safety, are not used in the production of Mater-Bi. These include: plasticisers from the phthalates family, chlorinated, brominated, fluorinated and perfluorinated substances, by-products of animal origin, substances described as allergens by the regulations on food labelling, including latex, such as endocrine disruptors like bisphenol A (BPA) and **SVHC (Substances of Very High Concern)** that weigh over 0.1 percent.

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

The **CLP Regulation (Classification, labelling and packaging, EC Reg. 1272/2008)** aligns previous EU legislation with the Global Harmonised System of classification and labelling of chemicals (GHS) and provides criteria for the classification and labelling of substances and mixtures to ensure a high level of protection for health and the environment as well as the free movement of substances and mixtures.

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

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



Development of a new product concept



Research and development



Certification



Manufacture and 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, Novamont undertakes to guarantee:



Operator safety



Conformity with Regulation (EU) No 1907/2006 (REACH)



Conformity with the laws that govern the sector of food contact materials



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

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

Compostability certification

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

The **COMPOSTABILITY** of Novamont's products is certified by several international third-party organisations, which periodically carry out tests and monitoring. In general, there is no obligation to certify conformity with **COM-**

POSTING standards. However, in some countries, for specific applications (for example, carrier bags and bags for fruit and vegetables), laws are in force that require the certification of conformity to those standards.

All **GRADES** intended for applications that entail disposal by industrial composting have at least one of the four certifications described in the following table¹.

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

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

EN 14995 Plastics - Evaluation of compostability - Test scheme and specifications

ASTM 6400 Standard Specification for Compostable Plastics

AS 4736 Biodegradable Plastic-Biodegradable Plastics Suitable for Composting and other Microbial Treatment

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

99.9 per cent of Mater-Bi and 99.8 per cent of the Origo-Bi grade sold in 2023 have compostability certification. The remainder consists of Mater-Bi or Origo-Bi grades that do not need to meet this requirement in order to be used.



The environmental certifications

Novamont is committed to growing the market for more sustainable products, using environmental certifications, which contain transparent, detailed and verified information about the sustainability performance of the products. In this way, the Group supports consumers make more informed choices.



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



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



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



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

Customer satisfaction

Product compliance with European regulations and laws is only the first, indispensable step towards the real goal of the work carried out by the Group: the trust and satisfaction of those who choose and support Novamont’s circular bioeconomy model.

Novamont has always seen the relationship with our Mater-Bi brand licensees as a dynamic partnership based on the mutual exchange of knowledge, on technological support, and on the transfer of innovation and the results of the massive investments made over the past 30 years. In a global scenario characterised by highly unpredictable geopolitical dynamics with potentially devastating effects - inflation and/or recession, overall impoverishment, environmental and climatic disasters, abrupt changes in consumption habits - Novamont thus supports its customer partners in

tackling these complexities and overcoming market challenges. The **Premium Partner** category, i.e. the companies that have signed the agreement for the exclusive use of Mater-Bi on all the compostable applications they produce, has access to process and product innovations, new certifications, environmental reporting systems including tools for calculating the carbon footprint of products along the supply chain, market survey results, trade fair events and communication and promotion activities. The **Partner** category, on the other hand, comprises the companies licensed un-

der the Mater-Bi brand name that undertake to use bioplastics for the majority of their turnover in the compostable segment.

The Group knows that the quality of its products and associated services is measured not only with respect to norms and standards, but by what the partners think. This is why the Group uses a **customer satisfaction** measurement system, which includes various monitoring tools covering three main areas.

1. Satisfaction

Survey of appreciation level

2. COMPLAINTS

Analysis of complaints and reports

3. CUSTOMER LOYALTY

Adherence to brand specifications

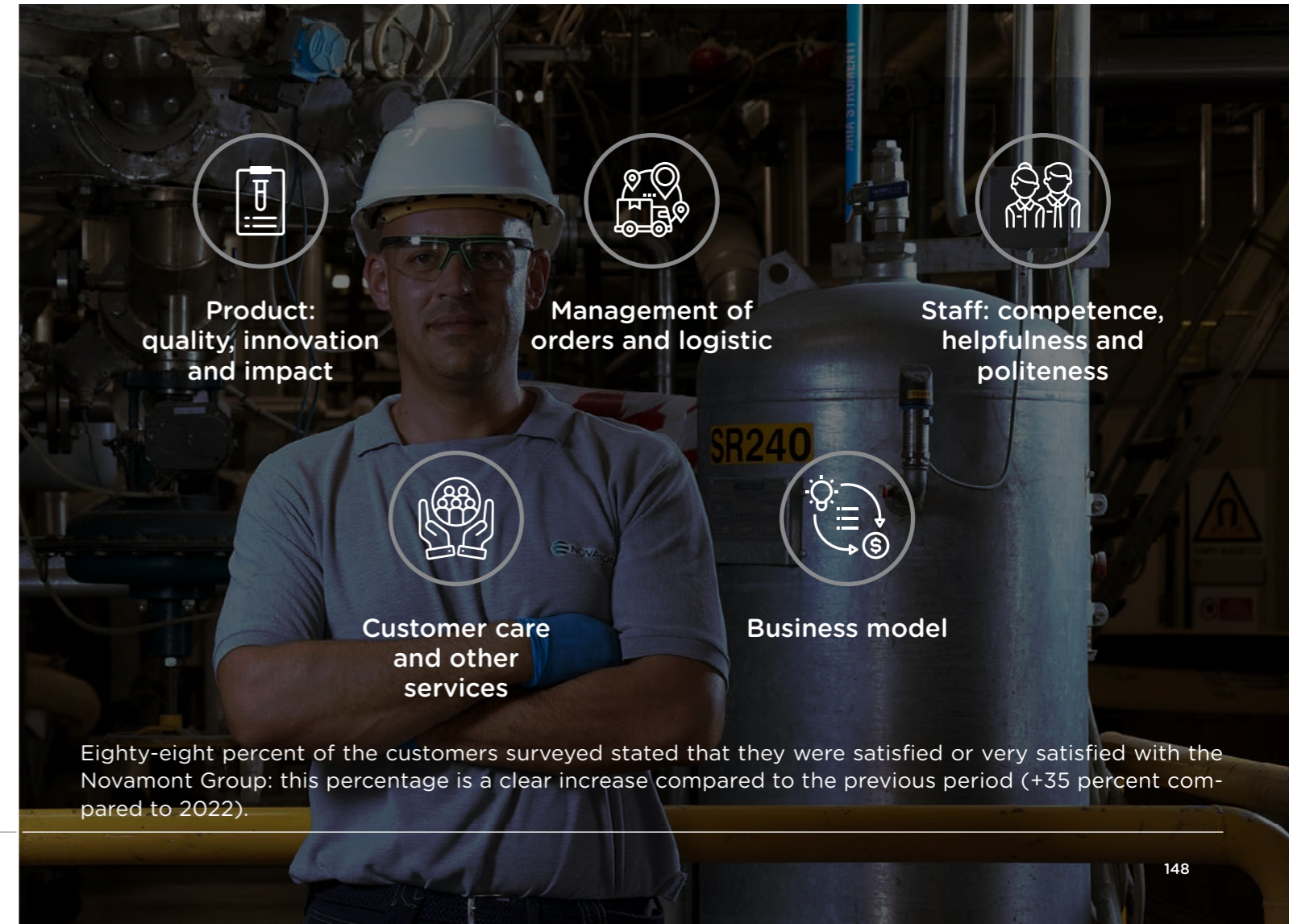
The results of these surveys will enable the Group to identify any areas in which to make improvements, and what actions to take.

Satisfaction

Also for 2023, Novamont has commissioned a third party to carry out the satisfaction survey of its Mater-Bi and THF custom-

ers level of satisfaction. Customers were able to choose the method (interview or a questionnaire they could complete themselves).

Satisfaction was measured by aggregating data against the specific areas the Group is most concerned with:

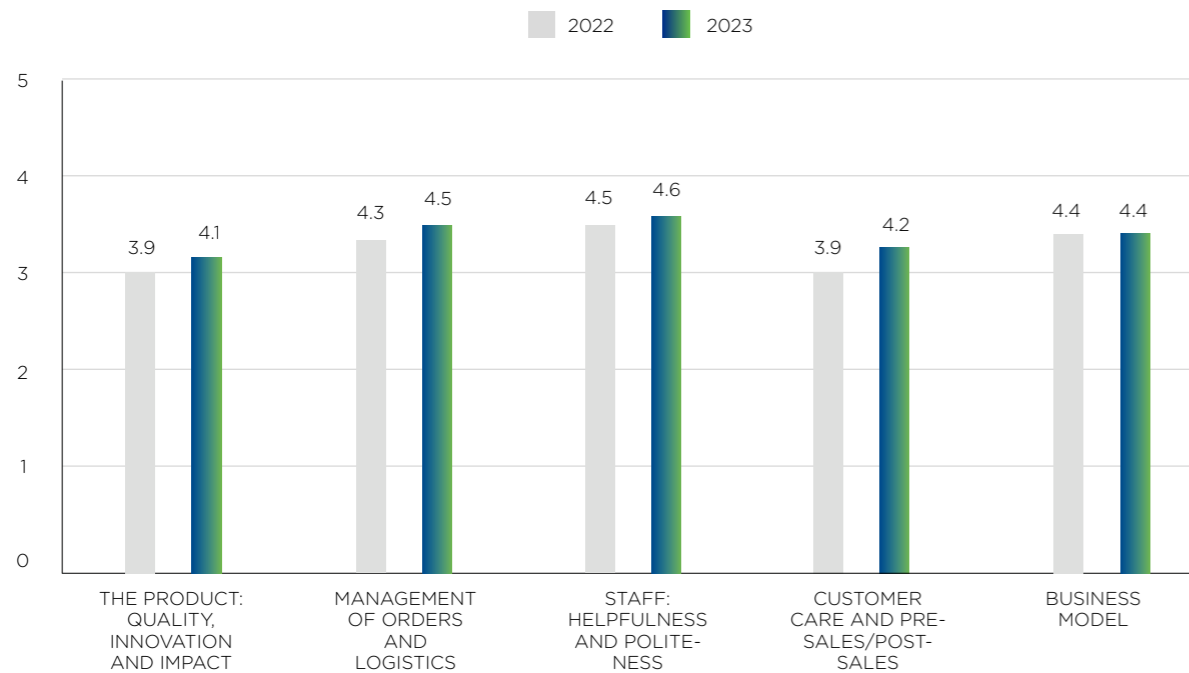


Eighty-eight percent of the customers surveyed stated that they were satisfied or very satisfied with the Novamont Group: this percentage is a clear increase compared to the previous period (+35 percent compared to 2022).

The response rate was 72 percent and the individual responses were aggregated into five main sectors, for which the average satisfaction was calculated.

The improvement was recorded in all sectors. The helpfulness and professionalism of the staff proved to be strengths as well as logistics and order management. Product quality and customer care are also perceived to be improving. The business model proposed by Novamont (Green Procurement, Soil Protection, Decarbonisation, Cultural Growth and Sustainability Report) continues to be perceived positively by customers, who are largely satisfied with it. The survey made it possible to rank areas in relation to the importance customers assigned to certain requirements and to establish corresponding improvement strategies.

Average satisfaction, by area²

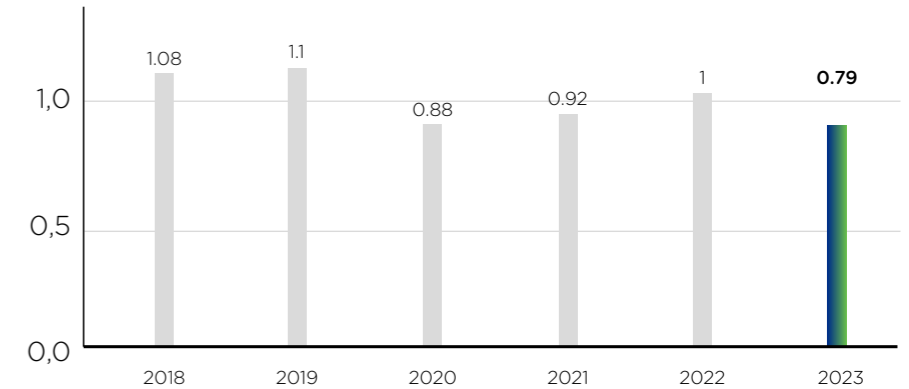


2 - In 2023, the satisfaction survey was conducted for both Mater-Bi and THF customers, while in 2022 it involved only Mater-Bi customers. However, considering that the representativeness of Mater-Bi customers in 2023 is more than 80 percent, the comparison of the 2022 data was retained. However, the results for 2021 are not shown, as they are unrepresentative since the survey only targeted customers of the THF business

Complaints

For years, the Group has used a synthetic indicator to measure the incidence of customers' complaints and reports, called the **Complaints Index (CI)**³. The graph below shows Novamont's IR performance over the period 2018-2023, from which a significant improvement over the past year can be seen.

Complaints Index



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

Customer loyalty

The relationship with many of Novamont's customers is governed by an agreement on compliance with product processing specifications, thus ensuring that the finished product meets the Group's high quality standards. In 2023, the number of brand partners was rationalised and reduced by 30 percent, while the number of applications covered by the brand remained constant.



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

[GRI 3-3]

Soil protection and revitalisation

5



The development of multidisciplinary projects with the world of agriculture and research, for the maintenance and strengthening of soil fertility, revitalising rural areas and creating products with a lower impact. The contribution to more awareness at the territorial and institutional level about the importance of healthy soil.



Soil fertility



More sustainable agriculture



Awareness of the importance of soil

[GRI 2-25, 3-3]

Disclosure on Management Approach

Management approach

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

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

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

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

promoting specific initiatives and events that aim to spread awareness and knowledge about soil.

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

Responsibilities

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

- Corporate Strategy Implementation & Engagement
- External Communication
- Product Ecology and Environmental Communication
- Research and Development
- Development of Bioplastics
- Quality, Environment and Safety

These functions interface with the Group's subsidiaries, by actively collaborating with the CEO, specific functions and the respective site management. In particular, the Mater-Agro company plays a crucial role not only in the development and dissemination of innovative products for the agricultural sector, but also in the promotion of a new model of participatory innovation between agriculture and industry.

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.



[GRI 2- 29]

Together for soil protection

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



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

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

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

First and foremost, **storing ORGANIC CARBON in the soil** by increasing its organic matter makes it possible to contribute to halting these phenomena. The **correct collection of the ORGANIC FRACTION** and use of **compostable solutions** help reduce the contam-

ination of organic waste and produce high-quality **COMPOST**, an essential element for preserving organic matter.





In its **research and development** activities, Novamont seeks to identify **native crops** that can be grown on non-irrigated land, to exploit local specific characteristics while maintaining biodiversity. In 2023, agronomic testing also continued on **OLEAGINOUS** dry land crops (such as trinaseed cardoon), which are of potential industrial interest and which can grow on **MARGINAL, DRY LAND**, at risk of erosion and/or desertification, as well as in contaminated soil.

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

By following this approach, the Group activates **innovative agro-industrial value chains** that reflect the local area, in collaboration with farmers and their associations, such as Coldiretti¹, the main farming entrepreneurs’ organisation in Italy and Europe.

Mater-Agro was launched in 2021, founded by Novamont, Coldiretti and Consorzi Agrari d’Italia (CAI) and it is entirely dedicated to farmers. The company aims to promote a new model of participatory innovation between agriculture and industry, helping farmers maintain good crop yields through more sustainable agronomic solutions: from pelargonic acid-based **PHYTOSANITARY PRODUCTS** to biolubricants, biodegradable **MULCHING FILM** and other applications in biodegradable **BIOPLASTIC**, and the development of dry land crops able to withstand the effects of climate change on temperatures and water availability. To promote and distribute its new products and services throughout the country, Mater-Agro relies on the widespread network of Consorzi Agrari d’Italia.

1 - More information on the collaboration with Coldiretti can be found on page 218 in Chapter 9 - Partnerships and collaboration for territorial regeneration

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



RINTERRA

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



AGER-BI ²

Rapidly biodegradable in soil and water, these pelargononic based acid phytosanitary products represent a sustainable alternative to traditional products for some specific applications⁶ In this field, Mater-Agro carried out several direct collaboration experiences with the companies in the national agri-food field, including Consorzio di Tutela Valdobbiadene Conegliano Prosecco Superiore D.O.C.G., Donnafugata, Ente Parco Nazionale dell'Isola di Pantelleria, Philip Morris, IBF servizi and Melinda.



MATROL-BI ³

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

2 - For more information, see page 27. It should be noted that, as at the date of publication of these financial statements, the product named AGER-BI Gold Supersecco was authorised in Italy for the following uses: total weed control and suckering for pome fruits, olive trees, hazelnuts and vines, pre-harvest drying of peanut, potato and seed alfalfa, contact-action phytoregulation for the selective control of axillary, primary and secondary shoots of tobacco

3. For more information, see page 96

COLLABORATION WITH TERRA FELIX AND THE GREEN OSCAR

Novamont promotes supply chain projects that are targeted at the different local areas according to their specificities. One example of these activities is the collaboration with the TerraFelix cooperative in the Campania region, where Novamont is involved in the valorisation of marginal lands confiscated from mafia organisations through aridocultures.

The Terra Felix Social Cooperative is an accelerator of activities and cultural and social projects with an environmental vocation, established in 2012 as a spin-off of Legambiente, with which Novamont has been collaborating since 2018.

Between 2018 and 2022, Novamont and Terra Felix have developed, within the COMETA, research project, a series of initiatives for the valorisation of dry crops in the Campania region. These include wild cardoon, which is a low input crop that can regenerate the land.

Its seeds can be used to produce vegetable oil, which can be used in the production of biodegradable and compostable bio-based products, while the stem can be used to make cardoncelli mushrooms.

On 17 February 2023, the Cooperativa Sociale Terra Felix won the prestigious award of Coldiretti Giovani 'Green Oscar' National Prize, in the section Fare Filiera (making a supply chain), which recognised the value of its activities. The prize was awarded for the SI FOOD (Social Innovation Food project) carried out in collaboration with Novamont, which focuses on an experimental cultivation of cardoncello mushroom (Pleurotus eryngii) on bales produced by recovering the biomass of cardoon grown in on land confiscated from the Schiavone Camorra clan Santa Maria la Fossa (CE).



More details on the projects carried out by the Group in this area, such as the sustainable strengthening of agricultural supply chains in Mozambique and the collaboration with Terra Felix, can be found in the Novamont Group's Impact Report 2023 (pages 27-29).

Re Soil Foundation

The Group actively collaborates with stakeholders, networks and platforms in order to promote moments of dissemination to spread a greater awareness of the value of soil, its problems and possible solutions at both territorial and institutional level.



In line with the goals of the Mission “A Soil Deal for Europe”⁴ in 2020, together with the University of Bologna, a Coldiretti and Politecnico di Torino, Novamont funded the **Re Soil Foundation**, the foun-

ation created to **safeguard soil** and to boost a real change starting from the key idea of local regeneration.

In 2023, the Foundation continued its consolidation, both in terms of governance and impact on society, through its participation in European projects, the strengthening of its relationship with schools, participation and organisation of relevant science outreach events.

These included the launch of the first edition of the Report ‘Il suolo italiano ai tempi della crisi climat-

ica’ (Italian Soil at the Time of the Climate Crisis) and the organization of the second edition of the States General for Soil Health, held on 9 November at Ecomondo, with the collaboration of the European Commission’s Joint Research Centre and the Ecomondo Scientific Committee. Promoted by the National Coordination Group for the Bioeconomy (CNBBSV) of the Presidency of the Council

of Ministers and Re Soil Foundation in collaboration with CREA and ISPRA, Ecomondo Scientific Technical Committee, European Mission A Soil Deal for Europe, put together the main actors, national and international experts sharing the latest updates on the European and Italian scenario and the main elements needed to support a successful soil strategy.

The goals of the Re Soil Foundation

- 

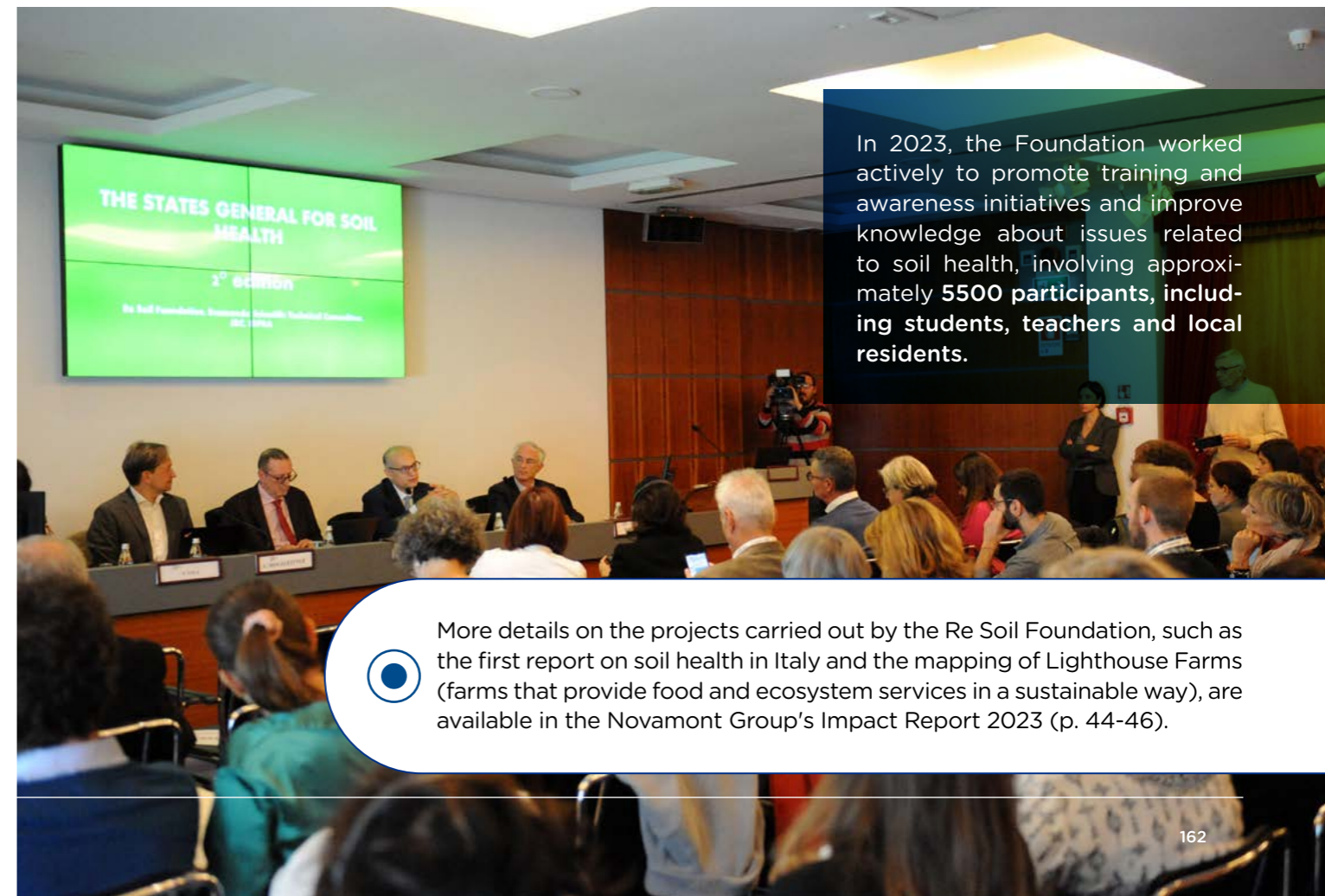
1
Promoting soil protection in Italy and in Europe
- 

2
Spreading knowledge, scientific content and information on the topic of soil health
- 

3
Creating the conditions for developing territorial case studies and increasing their number
- 

4
Promoting a policy-shaping process on the issue of soil protection

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



In 2023, the Foundation worked actively to promote training and awareness initiatives and improve knowledge about issues related to soil health, involving approximately **5500 participants, including students, teachers and local residents.**

More details on the projects carried out by the Re Soil Foundation, such as the first report on soil health in Italy and the mapping of Lighthouse Farms (farms that provide food and ecosystem services in a sustainable way), are available in the Novamont Group’s Impact Report 2023 (p. 44-46).

[GRI 3-3]

Responsibility towards employees



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



Equal opportunities



Non-discrimination



Training



Health and safety



Internal communication

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

Disclosure on Management Approach

Management approach

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

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

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

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

In addition, Novamont in 2023 updated its **Quality, Environment Health and Safety Policy (QEHS)**, which requires the Company and its subsidiaries to, among other things, commit to:

- Ensuring that workers, service providers and contract employees have the appropriate resources, information and training they need to carry out their work in a competent and safe manner, in such a way that achieving the system goals

in terms of conformity of the products and services is guaranteed;

- Ensuring that all workers take actions to prevent accidents and injuries by following the procedures for managing work-related risks;
- Identifying, reporting, recording and analysing accidents and unplanned events, in order to learn from them and to implement corrective and preventive actions.

With a view to integration and as part of the management and co-ordination exercised by the Eni Group, a number of policies were adopted by Eni S.p.A. in 2023, including:

- **Diversity & Inclusion:** aims to define a framework for the implementation of initiatives that encourage the free expression and enhancement of all individuals, integrating the principles of diversity and inclusion into business processes and promoting a work environment that prohibits any distinction, exclusion or preference based

on colour, gender, religion, ethnic origin, political opinion, social origin or national ancestry, disability, gender identity, sexual orientation, social status, age or any other condition of the individual that has the effect of nullifying or impairing equal opportunity or treatment in employment or occupation;

- **Zero tolerance against violence and harassment at work:** describes and defines, consistently with the provisions of the Code of Ethics, the general and unavoidable reference principles and prohibited conduct to ensure a work environment free from violence and harassment of any form or kind;

With reference to the BioBag Group, BioBag International has issued a **Quality and Environment Policy** whose commitments are consistent with Novamont's Policies. Harmonisation with Novamont's applicable quality, environment, health and safety requirements is under way. In pursuing the commitments stated in

the QEHS Policy, the Italian companies of the Novamont Group decided to adopt an **Integrated Management System (IMS) for Quality, the Environment, Health and Safety**¹.

The IMS provides for the control, monitoring and, if necessary, mitigation of negative impacts on the health and safety of workers. Monitoring begins with a preventive analysis, identifying the hazards, assessing the risks and subsequently defining preventive and protective measures. These activities are carried out throughout all manufacturing stages in accordance with the **precautionary principle**. The risks may be reassessed in the light of events, organisational changes, physical changes and whenever it is necessary to modify one of the variables involved. Particular attention is paid to working at height or in confined spaces, to the use of equipment, to exposure to noise, and to the use of chemicals. In the latter case, from the initial phase of selecting the raw materials, each new component is selected considering the risks linked to its processing and to its presence in the finished products, both for the environment and for

the health and safety of workers, as defined in the **Raw materials validation procedure**. However, the activities carried out in the company do not carry a high risk of occupational illness. Each year, the results of the risk assessment and monitoring are reviewed using **performance indicators** (e.g. rate of accidents at work, occupational diseases, etc.). System goals and preventive and/or corrective actions are then defined on the basis of the performance trend. For the retrieval of accident data, the Group operates a monitoring system for its performance indicators in line with the UNI ISO 45001 management system.

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

¹ - Further details on the IMS can be found on pages 135-136 in Chapter 4 - Compliance and quality of the products and customer care.

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

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

With particular reference to training on quality, the environment and safety, a specific staff **Training, Information and Education Procedure** has been defined. This describes the requirements to certify, educating and training personnel and ensure that all workers have the necessary quality, safety and technical know-how to

do their job efficiently and safely. The health and safety activities covered both compulsory training (in accordance with Italian Legislative Decree No. 81/08 and the State-Region Agreement of 21/12/2011), and training on operating procedures and instructions to develop or maintain workers' skills, resulting in more efficient risk management. In order to satisfy specific risk management needs, training is given to external personnel.

Every year, the Group draws up a **Training plan**: this is designed to identify both the company's training needs in terms of what is compulsory, and the specific needs that emerge from a discussion with the various company functions. For training activities, Novamont relies on external companies and highly qualified personnel, who have conducted targeted training sessions both in presence and on-line. Finally, in accordance with the provisions of Legislative Decree 81/08, each Italian site has a reference function for health and safety in the workplace (Prevention and Protection Service - SPP).

Developing constructive dialogue with the trade unions is essential for creating a calm, collaborative work environment, which enables us to have a better understand-

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

For the Group's Italian companies, all employees are covered by **collective bargaining agreements** in accordance with the national collective bargaining agreement for chemical industry employees, while all executives are covered by the national collective bargaining agreement for executives of manufacturing and service companies. In France, all employees are covered by the Convention collective nationale des commerces de gros. In Spain, all employees are covered by the Convenio Colectivo de la Industria Química. In Germany, employees are covered by non-collective bargaining agreements, since the size of this site does not warrant the application of collective bargaining laws. Finally, Novamont North America adheres to the Federal State Laws and to the laws of Connecticut, and the Fair Labour Standards Act (FLSA) is the federal reference law².

To achieve increasingly high performance levels, in 2020, the Group adopted the framework of the B Impact Assessment (BIA)³, as the main tool for managing sustainability topics, including those connected with employee well-being.

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

Responsibilities

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

- Human Resources
- Quality, Environment and Safety
- Corporate Strategy Implementation & Engagement

These functions interface with the Group's subsidiaries, by actively collaborating with the CEO, with specific functions and the respective site management. They have operate with the coordination and support of the Sustainability

Committee and internal working groups involved in the management of B Corp certification and pursuit of the common benefit. In 2023, a **Diversity, Equity & Inclusion Manager** was appointed to implement strategies and actions aimed at inclusion and diversity.

Complaint, consultation and discussion mechanisms

For aspects relating to workers' health and safety, reports can be made to the SB, while respecting the worker's privacy, through various communication channels (e.g. e-mail address or via the company intranet)⁴. Furthermore, occupational hazards or hazardous situations can be reported to the Prevention and Protection Service (verbally, on paper, or by email) directly by the workers themselves or by the relevant person in charge, or by RLSSA union representatives.



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

3 - More on the framework can be found on page 34

4 - More details are given on page 78 in Chapter 2 - Business Integrity and Stability

[GRI 2-4, 2-7, 2-8, 401-1, 405-1]

Workforce characteristics

Novamont Group employees are an indispensable resource without whom the Group's success would not be possible. For this reason it is important for to maintain relations with them that are based on loyalty and mutual trust.

As at 31 December 2023, the Novamont Group had 640 employees, a slight decrease of 0.3% compared to 2022 (with 642 employees).

At Novamont's Italian sites, there were also 17.6 (average) external workers consisting of Co.Co. and temporary workers employed mainly in research and development, production and administra-

tive activities. The yearly average data in 2022 was 31.0 and in 2021 32.8. Finally, there are no employees with contracts with no guaranteed hours.

The Group's workforce is characterised by a marked predominance of permanent employees (98.6%) and full-time contracts (97.2%). Diversity is also an essential element in ensuring a dynamic and

socially cohesive environment: as of 31 December 2023, 30% of employees are women. The significant number of employees under the age of 30 (8.8%) confirms the Group's desire to offer job opportunities to young people, in a corporate context characterised by dynamic partnerships with universities and institutions.



640 employees as of 31 December 2023



EUROPE

Italy: **490**
 Novara: 163
 Terni: 124
 Piana di Monte Verna: 15
 Patrica: 117
 Bottrighe: 71

Denmark: **5**
 Estonia: **98**
 Finland: **2**
 France: **3**
 Germany: **2**

AMERICA

Usa: **21**

Ireland: **2**
 Norway: **9**
 Spain: **3**
 Sweden: **5**

NOVAMONT FOR INCLUSION



Novamont in 2023 embarked on a path of improvement and increasing focus on **Diversity & Inclusion (D&I)** issues. As part of this commitment, a **Diversity, Equity & Inclusion Manager** has been appointed in 2023, to whom Novamont has entrusted the mapping of best practices in the field and the devising of improvement paths to be integrated into the company's processes and policies in the years to come. In this regard, the following actions have been planned:

- By 2024:
 - Participation in the Target Gender Equality acceleration programme promoted by UN Global Compact, aimed at providing par-
- Mapping best practices in the field;
- Organising an internal event, dedicated to all Novamont employees, to reflect on D&I issues;
- Creating an in-depth space dedicated to D&I issues within the company intranet, in Italian and English, to inform and raise awareness among employees;

icipating companies with knowledge, skills and tools on the topic of gender equality, with a view to increasing impact on SDG 5 - Gender Equality of the UN 2030 Agenda;

- Devising a newsletter dedicated to D&I issues, in Italian and English, to convey research, insights, reflections of key personalities within the organisation.
- By 2025:
 - Starting employee listening activities on D&I issues;
 - Creating a dedicated D&I working group and devising paths to be integrated into company processes and policies.

The Group's employees, by gender and geographical area

[No. of people]	as of 31 December 2023		as of 31 December 2022		as of 31 December 2021	
	Men	Women	Men	Women	Men	Women
GEOGRAPHIC AREA						
Europe	445	174	438	178	447	161
America	3	18	5	17	6	16
Oceania	-	-	1	3	1	2

The Group's employees, by employment contract, gender and geographical area

[No. of people]	as of 31 December 2023		as of 31 December 2022		as of 31 December 2021	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
GENDER						
Men	446	2	442	2	439	15
Women	185	7	191	7	175	4
GEOGRAPHIC AREA						
Europe	611	8	607	9	589	19
America	20	1	22	0	22	0
Oceania	-	-	4	0	3	0



The Group's employees, by employment type, gender and geographical area

[No. of people]	as of 31 December 2023		as of 31 December 2022		as of 31 December 2021	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
GENDER						
Men	443	5	439	5	450	4
Women	179	13	184	14	164	15
GEOGRAPHIC AREA						
Europe	603	16	599	17	591	17
America	19	2	21	1	21	1
Oceania	-	-	3	1	2	1

Employees in the Group by professional category, gender and age group⁵

	as of 31 December 2023					
	No. of people	%				
		Men	Women	< 30 years	30- 50 years	> 50 years
Directors	34	82.4	17.6	0.0	20.6	79.4
White collars	351	56.1	43.9	6.3	63.5	30.2
Blue collars	255	87.5	12.5	13.3	58.8	27.8
as of 31 December 2022						
Directors	35	82.9	17.1	0.0	25.7	74.3
White collars	352	56.5	43.5	8.0	63.6	28.4
Blue collars	255	84.7	15.3	13.3	60.8	25.9

5 - Following greater availability of data, for 2022 and 2023 it was possible to provide a breakdown of employees by professional category, gender and age group, also including the Novamont Group's foreign companies, while the data for 2021 refer exclusively to the Group's Italian sites

During 2023, 40 new recruitments were recorded against 37 terminations⁶. Therefore the ingoing/outgoing rate is respectively of 6.3% and 5.8%.

The Group's incoming and outgoing employee turnover rates, by gender, age group and geographical area⁷

	2023				2022			
	INCOMING		OUTGOING		INCOMING		OUTGOING	
	No. of people	Rate [%]	No. of people	Rate [%]	No. of people	Rate [%]	No. of people	Rate [%]
GENDER								
Men	30	6.7	24	5.4	22	5	32	7.2
Women	10	5.2	13	6.8	33	16.7	14	7.1
AGE GROUP								
< 30 years	10	16.1	3	4.8	19	30.6	20	32.3
30- 50 years	27	7.0	25	6.4	29	7.5	16	4.1
> 50 years	3	1.6	9	4.7	7	3.6	10	5.2
GEOGRAPHIC AREA								
Europe	36	5.8	32	5.2	52	8.4	44	7.1
America	4	19.0	5	23.8	2	9.1	2	9.1
Oceania	-	-	-	-	1	25.0	0	0

6 - The number of terminations does not take into account 5 employees of BioBag World Australia Pty Ltd and BioBag Polska Sp. z o.o., which were excluded from the scope of this Sustainability Report for the reasons described in the Methodological Note

7 - Incoming and outgoing turnover rates are calculated by dividing the number of hirings and terminations recorded during 2023 by the number of employees by gender, age group and geographical area as at 31.12.2023, respectively.

Following higher availability of data, in 2022 2023 it was possible to provide a breakdown data by gender and age group, also including the Novamont Group's foreign companies, while the comparison with 2021 only possible for the Group's Italian sites.

Ongoing and outgoing employees in Italy by gender and age group

	2023				2022				2021			
	INCOMING		OUTGOING		INCOMING		OUTGOING		INCOMING		OUTGOING	
	No. of people	Rate [%]	No. of people	Rate [%]	No. of people	Rate [%]	No. of people	Rate [%]	No. of people	Rate [%]	No. of people	Rate [%]
GENDER												
Men	18	4.8	15	4.0	11	3.0	18	4.9	28	7.4	10	2.7
Women	4	3.4	4	3.4	16	13.6	6	5.1	5	4.6	5	4.6
AGE GROUP												
< 30 years	4	9.8	2	4.9	9	18.8	9	18.8	15	26.3	4	7.0
30- 50 years	18	5.9	12	3.9	16	5.2	10	3.3	14	4.5	8	2.6
> 50 years	0	0.0	5	3.5	2	1.5	5	3.8	4	3.4	3	2.5

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

Health and safety at work

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



During 2023, there were no work-related injuries involving employees at Novamont sites, while there were five work-related injuries at the BioBag group, all of which occurred at the Dagöplast plant. The accidents involved both male personnel involved in production activities and female

personnel during production and maintenance activities, and none of them had serious consequences⁸. At the Dagöplast plant, however, work is in progress to align with the high safety standards according to ISO 45001:2023.

For the Group's Italian sites, the accident trend of the external workforce is also monitored, which recorded 2 work-related injuries during the year, none of which had high consequences. Lastly, as in the previous year, no cases of work-related ill health were recorded.

The Novamont Group's work-related injuries trend

[employees]	2023	2022	2021
No. of recordable work-related injuries	5	3	4
of which fatal	0	0	0
of which with high consequences	0	0	0
Hours worked	1,032,768	1,035,946	1,075,296
Rate of recordable work-related injuries ⁹	1.0	0.6	0.7
Rate of fatalities as a result of work-related injury ¹⁰	0.0	0.0	0.0
Rate of high-consequence work-related injuries ¹¹	0.0	0.0	0.0

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

In 2023, we provided the Group's employees with 3038 hours of health and safety training.

In the area of **employee health promotion**, the psychological counselling service continued in 2023: the service, available to all Group employees in Italy and usable remotely in a completely confidential and free manner, offers interested parties the opportunity to meet with psychotherapists to receive psychological support (emotional, cognitive and behavioural) in resolving psychological and social needs. A further organisational institution that was made

structural during the year was **remote working**, a tool that has now become important not only in the management of professional activities but also for people attraction&retention. Apart from a few operational positions, the majority of employees and managers in the company work remotely. In addition, a canteen service in cooperation with **'iColti in Tavola'** has been in operation at the Novara site since 2022. It is an innovative catering service, offering a wide

variety of healthy and balanced meals, prepared by specialised nutritionists and dieticians applying the main principles of the Mediterranean diet. Finally, in 2023 **projects were launched to improve the work experience and employee sentiment**, for example in the corporate environment, with the creation of an outdoor conviviality area at the Novara headquarters and the design of new common areas.

8 - An high-consequence injury results in an absence from the workplace of more than 180 days
 9 - The figure, which differs from the calculation methodology used in Eni's non-financial statement, was calculated using the following formula: (No. of injuries recorded in the year/hours worked in the year) *200,000
 10 - The figure, which differs from the calculation methodology used in Eni's non-financial statement, was calculated using the following formula: (No. of fatal injuries in the year / Hours worked in the year) *200,000
 11 - The figure, which differs from the calculation methodology used in Eni's non-financial statement, was calculated using the following formula (No. of high-consequence injuries in the year/Hours worked in the year) *200,000

[GRI 404-1]

Training and development

The Group's training is structured in such a way as to ensure a varied offer aimed at adapting the skills of its employees to company growth and the evolution of the national and international legislative land-

scape. In Italy, 60.6 per cent of the Group's employees have a high school diploma, while 34.5 per cent also hold a university degree. The year 2023 saw a training activity characterised by approxi-

mately 9,000¹² training hours and an average of 17.9 hours per employee, registering a 12 percent increase in training hours provided compared to 2022.



12. For this year, the data reported do not include the training hours provided at BioBag group sites



OFFICINE NOVAMONT

This important result is the fruit of the intense training activity launched by **Officine Novamont**: the Corporate Academy programme, launched in 2022, as a virtual and physical meeting place

for corporate values, knowledge, know-how and distinctive skills, with the aim of creating value, promoting the culture of doing and developing talent and the capacity for innovation. Officine

Novamont pursue a multidisciplinary and multifunctional approach around three fundamental objectives:



definition and dissemination of 'Novamont values and behaviour' and strengthening of corporate identity and culture



continuous training aimed at the growth of people's distinctive skills



realisation of innovative projects with shared value with strategic partners, to consolidate and enrich Novamont's know-how

Officine Novamont therefore represent a space for collaboration and creativity, which concretely promotes the development of the skills of the Group's employees and partners, through technical

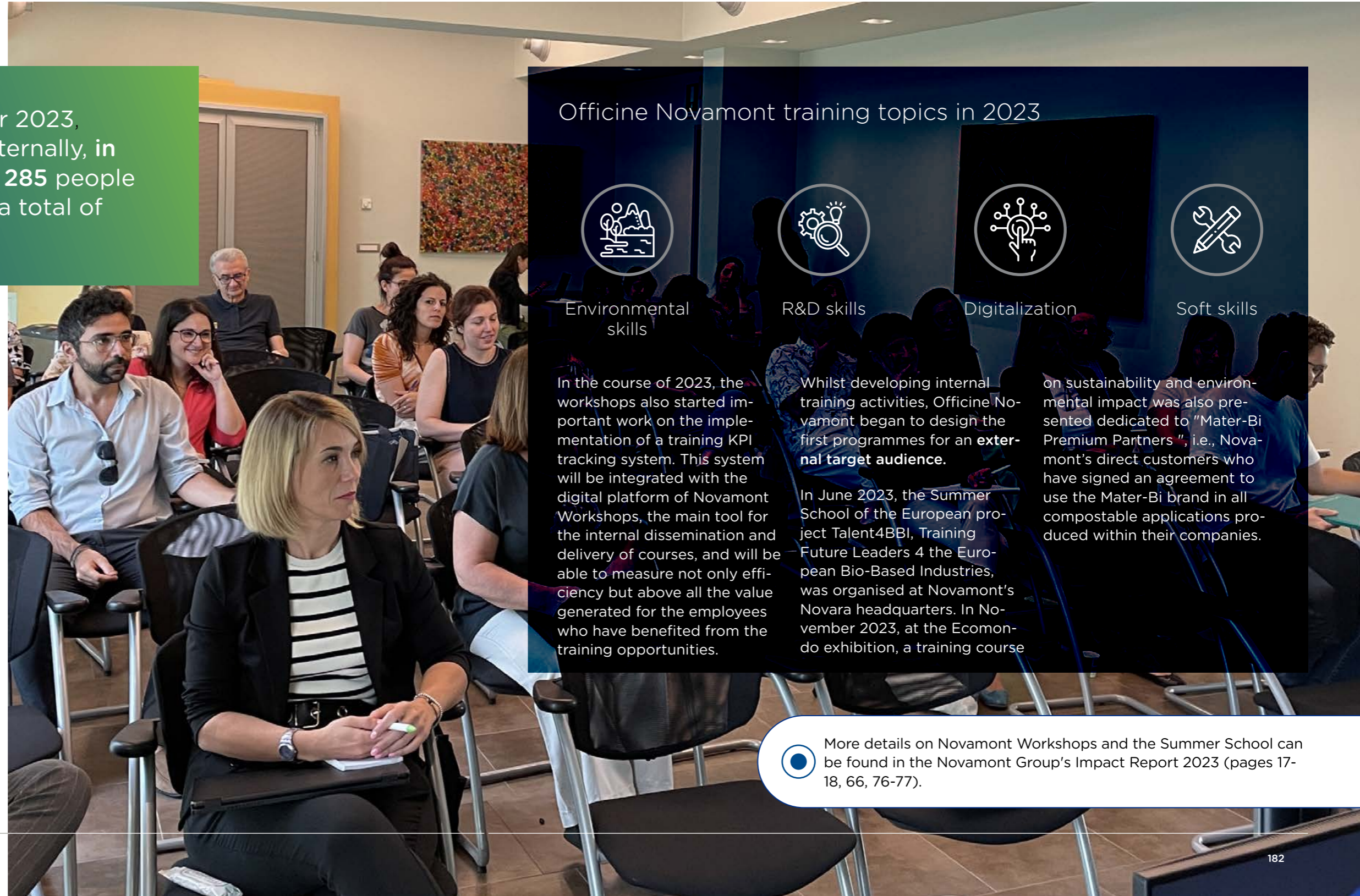
and non-technical contents, in a logic of a Benefit Company with a strong focus on all stakeholders. In 2023, the main focus of the academy was **the promotion of training courses within the organisa-**

tion and with selected partners, in person and on-line, using Novamont experts in the various fields and external teachers.

Between April and December 2023, **38 courses** were delivered internally, in **Italian and English**, reaching **285** people from all Group locations, for a total of **950 hours** of training used.

The main focus has been on consolidating the distinctive competencies that Novamont people already had, i.e. those skills that give the group value and also a competitive advantage in respect to other companies in the market, and which mainly concern environmental and sustainability issues.

In parallel, the academy also developed other courses, with differentiated targets, on the topics of digitalisation, R&D skills and soft skills, with a view not only to strengthening knowledge, but also to improve and update, to keep pace with a dynamic context and increase business complexity, as well as personal growth.



Officine Novamont training topics in 2023



Environmental skills

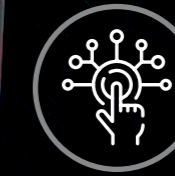
In the course of 2023, the workshops also started important work on the implementation of a training KPI tracking system. This system will be integrated with the digital platform of Novamont Workshops, the main tool for the internal dissemination and delivery of courses, and will be able to measure not only efficiency but above all the value generated for the employees who have benefited from the training opportunities.



R&D skills

Whilst developing internal training activities, Officine Novamont began to design the first programmes for an **external target audience**.

In June 2023, the Summer School of the European project Talent4BBI, Training Future Leaders 4 the European Bio-Based Industries, was organised at Novamont's Novara headquarters. In November 2023, at the Ecomondo exhibition, a training course



Digitalization

on sustainability and environmental impact was also presented dedicated to "Mater-Bi Premium Partners", i.e., Novamont's direct customers who have signed an agreement to use the Mater-Bi brand in all compostable applications produced within their companies.



Soft skills



More details on Novamont Workshops and the Summer School can be found in the Novamont Group's Impact Report 2023 (pages 17-18, 66, 76-77).

THE COURSE ON SUSTAINABILITY AND ENVIRONMENTAL IMPACT DEDICATED TO MATER-BI PREMIUM PARTNERS



Designed by Officine Novamont in collaboration with the Marketing and Sales functions, the course, presented at the 2023 edition of Ecomondo, envisages the involvement (during 2024) of representatives of the 'Premium Partner' companies in various frontal training meetings associated with vis-

its to plants, to deepen in the field and with concrete examples the skills acquired in the classroom.

The aim of the initiative is to create a common culture and language on sustainability and environmental impact issues and to share some useful tools to manage and communicate sustainability.

The programme will also be customised on the basis of the specific needs of the partners, thanks to structured interviews by the Human Resources function, aimed at identifying the training needs of each organisation involved, which will allow new courses and dedicated sessions to be structured.

Internal communication

In 2023 the B-People intranet network, has been again **the preferred channel** to ensure the dissemination, within the organisation, of information and materials of interest, with a view to digitisation, sharing, transparency and engagement.

During the year, the platform was enriched with new content and digital sections to create an increasingly inclusive and intuitive 'place', a digital ecosystem open to employees in Italy and abroad, which also hosts the **Knowledge Base**, an important space for shar-

ing and archiving company knowledge, and the site dedicated to the **Academy Officine Novamont**.



[GRI 3-3]

Communication and promotion of sustainability

7



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



Communication channels



Event promotion



Communication projects

[GRI 2-25, 3-3]

Disclosure on Management Approach

Management approach

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

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

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

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

Novamont recognises the importance of accurate, comprehensive communication, which enables stakeholders to make informed decisions conscious of the interests involved, the alternatives and the relevant consequences, as mentioned in the Code of Ethics. For this reason, Novamont has developed content for its communications which is intended to ensure that the messages are accurate and transparent. In the last few years, social media has emerged as one of the most important communication channels. We cannot overlook this if

we want to communicate quickly and easily with an ever wider and more varied group of users. Conscious of this trend, and in line with our **Social Media Strategy**, in 2023 the Group consolidated its presence and activities on the main social media sites.

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

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

Responsibilities

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

- Corporate Strategy Implementation & Engagement
- External Communication
- Product Ecology and Environmental Communication

Such functions interface with the Group’s subsidiaries, actively collaborating with the AD and the respective plant managements. With the aim to promote the uniqueness that distinguishes Novamont’s organisational model from that of other companies in the sector, the **Communication Committee** was set up in 2022. The Committee, chaired by the CEO, was set up to align messages with the company’s strategy, choose the best channels to communicate them and contribute to the development of Novamont’s business.

Complaint, consultation and discussion mechanisms

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

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



[GRI 2- 29]

Communication channels

Sustainability is valuable in itself and in the actions and results achieved along the way. Yet it is in the sharing of this that its full strength is realised: by communicating one's commitment to one's interlocutors, in fact, it is possible to open oneself up to everyone's contribution, to offer one's own viewpoint and to obtain theirs in return. Only by doing this is it possible to foster an alternative business culture that belongs to everyone.



NOVAMONT WINS THE SMAU INNOVATION AWARD



On 18 and 19 October, the new edition of SMAU, Italy's leading event dedicated to innovation, was held in Milan. The event was an opportunity to meet over 150 of the most innovative start-ups and companies on the national and international scene, together with organisations that promote and facilitate the realisation of open innovation projects.

Novamont was one of the winners of the SMAU 2023 Innovation Award for its project to trace and certify the carbon footprint

of Mater-Bi along the entire supply chain. The prize is an award given to companies that have made a concrete innovative contribution to their businesses and contributed to the growth of the country system as a whole. An award dedicated to realities from different sectors, from Agrifood to Manufacturing, from Chemical to Fashion, up to administrations and local authorities who, by submitting their candidature, wanted to share their innovation strategy so that other companies would take the same path.

Over 50 companies presented their projects in the areas of innovation in the organisational model, product or process, digital transformation or open innovation.

Receiving the award was Andrea Di Stefano, Novamont's Head of External Communication, who, as part of the live show 'Innovation, digitalisation and sustainability in the manufacturing sector', spoke about Novamont's approach to innovation and explored the traceability project.

Sustainability Report

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

Impact Report

Published annually since 2021, it is the tool with which Novamont, as a Benefit Company, transparently and responsibly communicates its commitment to pursuing its aims of common benefit. The Impact Report accompanies the annual report and also shows the results in terms of impact on society and the environment, measured through the B Impact Assessment (BIA).








Websites

The Novamont Group's values, model, activities and initiatives are also communicated through the following websites:

novamont.com	Novamont's corporate website is one of the main channels for corporate and product communications, in Italian and in English
uk.novamont.com france.novamont.com germany.novamont.com northamerica.novamont.com novamontiberia.es	These contain sections of the institutional website dedicated to communication and contact with the most relevant foreign stakeholders and markets
materbi.com	This website is all about Mater-Bi and its applications
agro.novamont.com	Site about Novamont's approach and solutions for a more sustainable and regenerative agriculture
allascopertadelmaterbi.it	The website of the integrated education project "Alla scoperta del Mater-Bi" ("Discovering Mater-Bi"), aimed at the general public (families, young people, children and schools)
materagro.com	A website dedicated to the company that was established by Novamont and Coldiretti to promote a model of participatory innovation between agriculture, research and industry.
biobagworld.com	The website of BioBag International, an international group committed in low-impact solutions for the packaging and organic waste recycling sectors.

Social media

In 2023, communication projects were launched to capitalise on the specificities of social channels.

 <p>Facebook 5509 followers facebook.com/novamont facebook.com/materbi facebook.com/scoprimerbi</p>	 <p>X 6400 followers x.com/Novamont x.com/materbi x.com/scoprimerbi x.com/novamont_iberia x.com/novamont_na</p>	 <p>Instagram 2400 followers instagram.com/novamont_group</p>
 <p>LinkedIn 37000 followers linkedin.com/company/Novamont linkedin.com/company/novamont-iberia</p>	 <p>YouTube 1700 followers youtube.com/user/novamontchannel</p>	

Communication projects

With the aim of highlighting the distinctive features of the Group's **BIOECONOMY** model and bio-products, Novamont launched the digital campaign 'Before & After' in January 2023. The concept of 'BEFORE' represents the linear economic approach, based on the use of new raw materials, mass consumption and waste generation, while 'AFTER' represents the circular paradigm, focused on the reduction of resource use and consumption, the **RECYCLING** of end-of-life products and the regeneration of resources.

The campaign involved the creation of a series of video clips in which two ambassadors became points of reference to promote and communicate the transformation from 'BEFORE' to

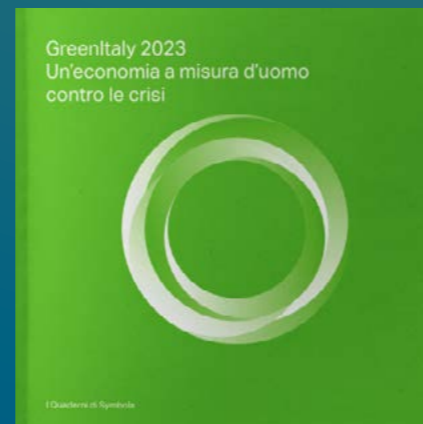
'AFTER' in all areas. These videos were designed to be disseminated through Novamont's social channels.

In addition, 2023 saw the launch of **#Bioplastics Focus - Novamont Business Talk**, a series of webinars aimed at LinkedIn and dedicated to exploring the characteristics and innovations of Mater-Bi in which Novamont experts delve into the main processing technologies and application sectors in which Mater-Bi offers unique and innovative solutions to address specific environmental problems, while guaranteeing product quality and performance.

Publications

Novamont is increasingly recognised as a key player in the field of the circular bio-economy and is therefore called upon to contribute to relevant discussions and publications. During the year, Novamont contributed to drafting various studies and reports. Among these is the participation

in the **Green Italy 2023 Report**, produced by the Symbola Foundation and Unioncamere: an authoritative research, now in its 15th edition, to learn about the numbers, territories, sectors and prospects of the Italian 'green' economy.



Events and exhibitions

Participating directly in national and international events, trade fairs and communication projects continued to be a valuable opportunity to strengthen dialogue with all the group's stakeholders, to build new partnerships, and above all, to promote the model of a circular bioeconomy with a view to raising awareness about sustainability.



During 2023, Novamont took part in more than **100 national and international initiatives**², some of which were organised together with the Group's key partners.

2 - More information about events can be found in the News & Media section of the website novamont.com.

Some of the most important events in 2023 that saw Novamont as the industry benchmark include, by way of example:



The Sustainable Development Festival ASviS

Milan, 17th of May

Italy's largest initiative to raise awareness and mobilise citizens, the younger generations, businesses, associations and institutions on the issues of economic, social and environmental sustainability. During the Festival, the conference 'Il salto da gigante: Una Terra per tutti (The Giant Leap: An Earth for All)' was held, which featured the presentation of the Club Of Rome's recent report 'Earth for All - A Survival Guide for Humanity'. The event included a debate between political figures, experts and business representatives on how to translate the report's proposals into concrete actions. Among the participants was also Giulia Gregori, Novamont Corporate Strategy Implementation & Engagement Director, who took part in the scientific panel 'Why the big leap' to talk about the Novamont **BIOECONOMY** model.

Global Forum on Technology

Paris 6th of June

The launch of the Global Forum on Technology was held together with the OECD (Organisation for Economic Co-operation and Development) Council ministerial meeting. Under the theme 'Shaping our future at the tech frontier', the initiative offered several panel discussions and interactive thematic sessions to explore the opportunities, challenges and perspectives associated with technological development. Giulia Gregori, Novamont Corporate Strategy Implementation & Engagement Director, took part in the panel 'Emerging technologies to address climate change and foster resilient societies' to show how new technologies, and the circular bio-economy in particular, can accelerate the ecological transition.



World Meeting on Human Fraternity

Vatican 10th of June

Organised by the Fratelli Foundation, the initiative saw thirty Nobel Peace Prize winners come together with environmental experts, associations, students, to draft and share the Declaration of Human Fraternity Sustainability being a key theme of the event. Novamont, together with Assocarta, Polycart, Consorzio Italiano Compostatori, Palm Spa SB, Ecocomunicazione, Palm W&P, Cooperativa Sociale Faliero and with the coordination of Sisifo Società Benefit, welcomed the participants in Piazza San Pietro with a symbolic gift, the Fraternity Seed: a case made of FSC-certified cardboard, with flower seeds and a biodegradable and compostable bag made of Mater-Bi with compost inside.

FACIM

Maputo, Mozambique, 26th of August - 1st of September

Now in its 58th edition, FACIM is Mozambique's most important multi-sectoral exhibition to showcase the country's production and export potential and promote business and investment opportunities in various domestic and foreign segments. During the event, Novamont welcomed the Ambassador of Italy in Maputo, Gianni Bardini, and the President of the Republic of Mozambique, Filipe Nyusi, to its stand to talk about its circular bio-economy model together with the project it operates in Mozambique. Novamont, as part of its collaboration with the Italian Agency for Development Cooperation, is promoting a more sustainable strengthening of the fruit and vegetable and rice supply chains in Mozambique through the use of biodegradable **MULCHING FILMS**.



50th anniversary of the Convention on the European Patent

Munich, 5th of October

To celebrate the 50th anniversary of the signing of the European Patent Convention, the European Patent Office (EPO) organised a year-long programme of events, culminating in a final conference at the EPO headquarters in Munich. Catia Bastioli, who was awarded the title 'European Inventor of the Year' in 2007, was among the guests at the event, taking part in the panel discussion 'Technologies for a sustainable future'. During her speech, Bastioli showed Novamont's commitment to promoting the circular **BIOECONOMY**, with more than 1600 patents and patent applications active in 2023, which attest to its contribution to innovation also at European level. Mater-Bi, recognised as one of the most important innovations of the last fifty years, was also the star of an exhibition in the Patent Office museum.

ECOMONDO

Rimini, 7th- 10th November

Europe's leading exhibition for industrial and technological innovation in the **CIRCULAR ECONOMY** and bio-economy, where visitors can learn more about the sector's most advanced and sustainable solutions. Novamont was among the protagonists of this edition, presenting its circular bio-economy model alongside its supply chain partners. Novamont also contributed to the rich programme of events by taking part in the 'Stati Generali della Green Economy', the event 'The EU Mission Restore our Ocean and Waters by 2030' organised by BlueMissionMed CSA, BlueMed GSOs, CNR and Ecorys, the Workshop 'Green Cities' and **SUSTAINABLE DEVELOPMENT** in Latin America, the event 'Biobased industry for circular bioeconomy: from regions to Europe' organised by the SPRING Cluster and at the event 'Packaging in compostable **BIOPLASTICS** and the FORSU collection system: a virtuous circle organised by As-sobioplastiche.' Finally, through the Re Soil Foundation, it contributed to the second edition of the States General for Soil Health.

CBE JU Stakeholder Forum

Brussels, 6th- 7th December

The Circular Bio-based Europe CBE-JU, a EUR 2 billion public-private partnership promoting Europe's **BIO-BASED** sector, hosted its first stakeholder forum with the aim of pushing the boundaries of innovation by promoting new business models to help shift Europe away from fossil-based production and consumption to **RE-NEWABLE** resources. The event brought together industry leaders, experts, researchers, policy makers and enthusiasts from Europe and beyond. CBE JU member Catia Bastioli opened the plenary session by emphasising why the bioeconomy should be a pillar of the Green Deal to rethink the production, use and end-of-life of organic products, without wasting anything and promoting participatory innovation.



[GRI 3-3]

Education and training of new generations



Promoting knowledge and a culture of systemic, multidisciplinary sustainability, involving new generations and organising training courses for young researchers and experts in association with schools and universities.



Future generations



Raising awareness about the environment



Edutainment

[GRI 2-25, 3-3]

Disclosure on Management Approach

Management approach

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

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

The educational materials produced take into account the level of awareness of those involved and include, for pupils of all ages, the project "Discovering Mater-Bi" Collaborations with universities and technical institutes also continued. Finally, also this year the Group made its experience available to university students, also giving them the opportunity to be hosted in the laboratories for thesis, research or internship projects.

With similar aims, the Alternanza Scuola Lavoro project also continued, a path that offers students the opportunity to come into contact in specific work contexts, helping to bring the school world closer to the world of work through on-the-job experiences lasting a few weeks.

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

Responsibilities

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

- Corporate Strategy Implementation & Engagement
- External Communication
- Human Resources

These functions interface with the Group's subsidiaries, by actively collaborating with the CEO, specific functions and the respective site management.

Complaint, consultation and discussion mechanisms

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

[GRI 2- 29]

Projects for the new generations

We will build a more sustainable world only when everyone knows and is aware of his or her responsibility. For this reason, Novamont is committed to accompanying the growth of the new generations, with training activities on the topics of environmental sustainability.



Discovering Mater-Bi

In order to engage children, young people and parents in the world of bioplastics, Novamont has developed an integrated education (or “edutainment”) project called “**Alla scoperta del Mater-Bi**” (“Discovering Mater-Bi”). The project consists of a new web

platform, a touring, interactive, multimedia exhibition, science and creative workshops, teaching materials, publications, games and comic strips. The character guiding the discovery is **Bia de Compostabilis**, the mascot created by the illustrator Paolo Mottura

of Mickey Mouse Magazine who takes the form of various packaging solutions and products made of Mater-Bi.



The aim of “Discovering Mater-Bi” is to raise awareness and offer an interactive experience of the world of bioplastics and their life cycle through workshops and games. It also endeavours to show children, young people and their families how, through our everyday actions, we can all make a valuable contribution to the environment we live in.



To find out more, visit our educational website allascopertadelmaterbi. This is updated with new games and content designed to raise awareness among younger generations of topics linked to environmental sustainability.



The promotion of the educational toolbox ‘A scuola di sostenibilità’ continued in 2023, dedicated to schools of all levels, which contains various tools to build your own educational path in the classroom including: interactive games, cartoon adventures, video tutorials and worksheets for creative workshops, a library of educational resources, infographics on biodegradability and compostability, and augmented reality on soil.

In 2023, Bia and the “Discovering Mater-Bi” games and workshops made a stop together with Re Soil Foundation at:

Casale Monferrato,
15th of May

An educational and informative day was dedicated to teachers and students of the IC Francesco Negri through the project ‘Discovering the Soil’. Created in collaboration with Re Soil Foundation, this educational proposal focuses on the topic of soil and is aimed at teachers and students in primary and secondary schools.

This training is done through the presentation and use of the two didactic kits SOILAB and ‘At School for Sustainability’, and is divided into playtime and animated, creative and scientific workshops.



3
primary school
classes

3
lower
secondary
school classes

36
in person
teachers and
trainers

78
streaming
teachers and
trainers

Verbania,
24th of May

At the Il Maggiore event centre in Verbania, on the occasion of the 5th Bioeconomy Day, ‘Elementi di didattica per insegnare il suolo: la fabbrica della vita (Elements of teaching soil: the factory of life)’ took place. A free training day for teachers and trainers at all levels on soil, climate change and organic waste management took place as part of the ‘Nel nostro piatto (On Our Plate)’ exhibition. This teaching proposal was also articulated through the presentation and use of the SOILAB and ‘A scuola di sostenibilità’ teaching kits.



21
in presence teachers and
trainers and secondary school
teachers

92
streaming teachers
and trainers

Biella,
28- 29 November

Through the educational project 'Alla scoperta del suolo (discovering the soil)' Novamont was a guest of the Villaggio Lamarmora Primary School in Biella, dedicating a day of educational activities focused on the two educational kits SOILAB and 'A scuola di sostenibilità'.

The Cittadellarte - Fondazione Pistoletto's school-laboratory also hosted a training course for primary, lower and upper secondary school teachers as part of the project 'Elementi di didattica per insegnare il suolo: la fabbrica della vita'. The teachers who participated in the two meetings also received a certificate of training credit.



<p>3 primary school classes</p>	<p>4 lower secondary school classes</p>	<p>36 in presence teachers and trainers and secondary school teachers</p>	<p>175 streaming teachers and trainers</p>
-----------------------------------------	-----------------------------------------------------	---------------------------------------------------------------------------------------	--------------------------------------------------------

These events were an opportunity for the Group to reintroduce a short questionnaire to deepen what teachers and students learned during the activity and gather their views on sustainability issues.

Istituto Tecnico Superiore di Terni

With the aim of **promoting the development of professionals who are increasingly qualified to face the challenges of the BIOECONOMY**, Novamont works closely with the Istituto Tecnico Superiore di Terni, a technical college. In particular, Novamont is involved as a lecturer in courses aimed at training specialists in biomass-derived processes and industrial products

and in **CIRCULAR ECONOMY** and Ecological Transition, providing its know-how on the topics of Life Cycle Assessment, **RENEWABLE raw materials** and **BIOREFINERY PRINCIPLES FOR BIOPRODUCTS**, chemical-physical characterisation of **BIOMASS**-derived products, and more sustainable materials and products.

~50
students involved
for the years
2022-2024



The approach to the world of work

Novamont works closely with universities and schools to offer opportunities for students to choose a career path and take their first steps in the world of work.

In the course of 2023, the Group's Italian offices hosted:

<p>1 Scholarship holder</p>	<p>2 thesis students</p>
<p>7 Interns and trainees</p>	<p>7 work placement students (alternanza scuola lavoro)</p>

[GRI 3-3]

Partnerships and collaboration for territorial regeneration

9



Networking: partnerships and alliances to foster connections and share knowledge among businesses, non-profit organisations, research institutes, governments and communities. The development of multidisciplinary value chains and projects to create more sustainable solutions, restoring economic, social and environmental value to each region.



Synergies



Common goals



Knowledge sharing



Development of virtuous local models

[GRI 2-25, 3-3]

Disclosure on Management Approach

Management approach

Novamont is committed to creating and promoting the development of partnerships and collaborations to foster connections among the Group and non-profit organisations, the research community, companies, government and the public. Those interactions are essential for a paradigm shift, not only allowing a shared culture to emerge around the circular bioeconomy, but promoting local projects capable of catalysing a wide range of initiatives.

As a result, the Group is developing its business to facilitate the growth of communities through their direct involvement. In particular, Novamont works with local companies and government to further the development and protection of the local area, supporting the implementation of projects for the circular bioeconomy.

Novamont's contribution to territorial regeneration also includes the promotion of initiatives aimed at fostering interaction with local people who work in the social sector and who share the principles

of sustainability and the circular economy. This support takes place through sponsorships, donations, the free supply of material and the joint planning of initiatives, forging a path to social inclusion that has major implications for the region.

In 2020, Novamont issued its **Sustainability Policy** which, on the topic of partnership and collaboration for territorial regeneration, formalises the Group's commitment to:

- Collaborate for the development of more sustainable economic models that are more in line with the principles of the circular economy and of industrial symbiosis, creating alliances with local stakeholders, connecting different sectors and thereby contributing to the creation of value in communities and for the whole of society;
- Sign voluntary programmes that contribute to environmental protection and promotion of a more sustainable development of the chemical industry, in accordance with values and

conduct oriented towards safety, health and the environment.

- Help to maximise efficiency in the management of organic waste in urban and metropolitan areas by encouraging biological recycling.

Furthermore, in 2023 Novamont updated its **Policy for Quality, Environment and Health and Safety (QEHS)**. This states that the Company and its subsidiaries must undertake, among other things, to adhere to the principles of more sustainable resource management, pollution prevention, environmental management, product safety and greater sustainability, if necessary by joining international voluntary programmes that champion those principles.

As part of its organisational system, the Group has developed a set of procedures to regulate the conduct of business activities. These include the **Participation in Associations procedure** which describes the approach of Novamont S.p.A. to manage participation in associations.

To have increasingly positive impacts on communities and regions, the Group also adopted the framework of the B Impact Assessment (**BIA**)¹, as the main tool for managing sustainability topics, including those connected with the commitment to communities.

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

Responsibilities

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

- Corporate Strategy Implementation & Engagement
- Corporate Relations and Associations
- External Communication
- Products & Markets Development
- Sales & Marketing

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

Complaint, consultation and discussion mechanisms

Further information on aspects relating to the material topic may be requested from the website www.novamont.com or by emailing info@novamont.com. Complaints may be made by contacting the Supervisory Board. In addition, the Quality, Environment and Safety function monitors any complaints from the local community.



1 - More information on the framework can be found on page 34

[GRI 2- 29]

The network

Associations and institutions

Innovation is not a journey to be taken alone, and Novamont's adventure would not have been possible without the contribution of so many partners and associates who, over the years, have believed in and supported the circular approach to the **BIOECONOMY**, and who are an integral part of the Group's business model.

To help build a shared culture around topics linked to the circular bioeconomy, Novamont is actively involved in the most significant networks and corporate initiatives, considered reference points for the **CIRCULAR ECONOMY** and bioeconomy at both national and international levels.

At the **international level**, Novamont is the founder and member of the Bio-based Industries Joint Undertaking - BBI JU, now the Circular Bio-based Europe Joint Undertaking (CBE JU)², and is a partner of the Ellen MacArthur

Foundation, one of the largest foundations active in promoting the circular economy. Novamont also participates in the working groups of the Witzhausen Institute. Since 1990, this has brought together stakeholders from industry, government and the scientific community in Kassel (Germany) to discuss new approaches to waste management and to increase recycling rates.

At a **national level** Novamont actively works with Symbola Foundation, is a member of the ICESP

foundation (Italian Circular Economy Stakeholders Platform) and of the Circular Economy Network.

In 2014, the Group also promoted the foundation of the **National Green Chemistry Technology Cluster SPRING**, which became the Italian Cluster of the Circular Bioeconomy in 2021, to enhance territories through the connection between regions, universities, research centres, associations and industry, and the development of multidisciplinary innovation projects.

2 - More on CBE JU is discussed on page 68 in Chapter 1 - Research and Innovation

Cluster SPRING



Italian Circular Bioeconomy Cluster

The **Italian Cluster for the Circular Bioeconomy SPRING** was created in 2014 with the aim of bringing together innovation stakeholders from the entire value chain of chemistry from renewable sources, thereby reinforcing an Italian bioeconomic model that reduces CO₂ emissions and makes efficient use of resources. As a founder member, Novamont has chaired the Cluster since 2014, the year in which Catia Bastioli was appointed President. This appointment

was subsequently confirmed in 2017, and renewed again in September 2020.

In 2023, Cluster SPRING had a total of **156 members**, broadly representative of all the various member categories (public-sector research, industry, organisations dedicated to technology transfer and dissemination, regional bodies, non-profit organisations) located throughout the country.

SPRING establishes a continuous dialogue with policy makers: it participates in the National Bioeconomy Coordination Group, set up at the Presidency of the Council of Ministers; it has set up a working table with the Regions (which to date are 14 together with the Autonomous Province of Trento) that enables a constructive and permanent dialogue with the territorial realities that see the bioeconomy as a lever for growth and regeneration of the territories; it has supported the revision and implementation of



the Regional Smart Specialisation Strategies (S3) and participates in strategic working groups for European programming. In 2023, SPRING updated its **three-year action plan** for the and took part in new task forces set up by the National Bioeconomy Coordination Group. GdL 'Packaging, single use plastics, regulation packaging and packaging waste', GdL 'Use ATECO codes' and GdL 'Biobased Made in Italy'. The Cluster also continued the activities related to the working groups (Wood and Biomass Supply Chain, Sludge for the Circular Bioeconomy and Biochemicals) and set up 3 new groups focused on communication, research and technological innovation and biofuel, biorefining and carbon markets. These

groups aim to develop position papers in their respective fields, to be presented to the institutions. In 2023, SPRING continued its collaboration with Intesa Sanpaolo and Unioncamere, with whom it had signed a memorandum of understanding, and which led to the drafting of the ninth Bioeconomy in Europe Report and the first direct territorial survey of Italian companies and production chains in the bioeconomy. It strengthened relations with international stakeholders by signing Memorandum of Understanding with the Cluster Industrial Biotechnology (CLIB), the European Circular Bioeconomy Fund (ECBF) and EnviroVest, and participated in 6 European projects. It was awarded the 'Bronze Label' certificate of

excellence by ESCA - The European Secretariat for Cluster Analysis - documenting its commitment to the Cluster's continuous professionalisation and excellence.

Finally, SPRING carried out educational and training activities on Bioeconomy and organised several national and international events, including the annual Circular Bioeconomy Day (25 May 2023), the Public Assembly (28 June 2023), the International Forum on Industrial Biotechnology and Bioeconomy (28-29 September 2023), a conference at Ecomondo (8 November 2023) and the event 'Circular Bioeconomy as a Main Pillar of the Ecological Transition' held at the European Parliament on 5 December 2023.

In the **agricultural** sector, Novamont has been working with Coldiretti for years to create a new cooperation model that, using the bioplastics value chain and based on vegetable oils, introduces innovation and regeneration into industry and agriculture, establishing innovative supply chains that respect the land, in association with farmers.

NGOs and the **voluntary sector** provide a vital connection with civil society. This enables us to foster a participatory scientific approach based on field experiments, working collectively on local projects able to catalyse a wide range of initiatives. To that end, there is a strict collaboration between Novamont and Legambiente and Terra Felix.

Coldiretti

Coldiretti is the leading farmers organisation at national and European level. The collaboration with Novamont includes the study of oleaginous crops and the testing of biodegradable products for agricultural use in Italy, focusing on soil regeneration and the creation of new opportunities for farmers.

The year 2023 was characterised by the continuation of field trial activities and cooperation within the Mater-Agro company.



The Novamont Group's 2023 Impact Report provides a comprehensive discussion of the collaborations undertaken with partners and private entities for the development of applications, including the collaboration with Amazon, Citrus (p. 62) and with Ticinoplast, SAES Coated Films and Gualapack (p. 47).

[GRI 2- 28]

Memberships to associations and organizations

Collaboration among all of the players in the sector is fundamental to create a context in which environmental and social value have the same, central position as economic aspects. This is why Novamont belongs to national and international associations that are working towards this goal, by cooperating in respect of mutual interests.

ITALIAN ASSOCIATIONS		
A COME AMBIENTE	AIDB - ASSOCIAZIONE ITALIANA DOCUMENTALISTI BREVETTUALI	ASSOBIOPLASTICHE
ASSOBIOTEC	ASSOFERTILIZZANTI	ATIA - ISWA ITALIA
BIOREPACK	CHIMICA VERDE BIONET	CIC - CONSORZIO ITALIANO COMPOSTATORI
CIRCULAR ECONOMY NETWORK	CLUB DONEGANI	CLUB OF ROME
CLUSTER SPRING	CONFINDUSTRIA NOVARA VERCELLI VALSESIA - CNVV	CONFINDUSTRIA TERNI
CONFINDUSTRIA VENETO EST	CONSIGLIO NAZIONALE DELLA GREEN ECONOMY	CONSORZIO IBIS
FEDERCHIMICA	FILIERA ITALIA	FIRE - FEDERAZIONE ITALIANA PER L'USO RAZIONALE DELL'ENERGIA
FONDAZIONE MARISA BELLISARIO	FONDAZIONE SVILUPPO SOSTENIBILE	FORAZ - CONSORZIO INTERAZIENDALE PER LA FORMAZIONE PROFESSIONALE
GLOBAL COMPACT NETWORK ITALIA	ISTITUTO ITALIANO IMBALLAGGIO	ITALIA DECIDE
KYOTO CLUB	PROPLAST	RETE ITALIANA LCA
RIBES-NEST	SOI - SOCIETÀ DI ORTOFRUTTICOLTURA ITALIANA	SYMBOLA
UNINDUSTRIA ROMA	UNI	UNICHIM
UNIPLAST		

INTERNATIONAL ASSOCIATIONS		
ABA - AUSTRALASIAN BIOPLASTIC ASSOCIATION	ACDV - ASSOCIATION CHIMIÈ DU VEGETAL	ADEBIOTECH
AFCB - ASSOCIATION FRANÇAISE DES COMPOSTABLES	AMORCE - ASSOCIATION NATIONALE DES COLLECTIVITES, DES ASSOCIATIONS ET DES ENTREPRISES POUR LA GESTION DES DECHETS, DE L'ENERGIE ET DES RESEAUX DE CHALEUR	ANPEA - ASSOCIATION NATIONALE PROFESSIONNELLE POUR LES ENGRAIS ET AMENDEMENTS
APE EU - AGRICULTURE PLASTICS ENVIRONMENT	ASOBIOCOM - ASOCIACIÓN ESPAÑOLA DE PLÁSTICOS BIODEGRADABLES COMPOSTABLES	AVFALL SVERIGE
BBIA - BIO-BASED AND BIODEGRADABLE INDUSTRIES ASSOCIATION	BELGIAN BIOPACKAGING	BIO-BASED INDUSTRIES CONSORTIUM
BIOMASSE SUISSE	BNPP - BUREAU DE NORMALISATION DES PLASTIQUES ET DE LA PLASTURGIE	BPI - BIODEGRADABLE PRODUCTS INSTITUTE
BÜNDNIS MIKROPLASTIKFREI	CALIFORNIA GROCERS ASSOCIATION	C.A.R.M.E.N. E.V
CCIC - CAMERA DI COMMERCIO ITALIANA IN CINA	CEFIC - EUROPEAN CHEMICAL INDUSTRY COUNCIL	CIPA - COMITÉ INTERNATIONAL DES PLASTIQUE EN AGRICULTURE
CLIMATE-KIC	COMPOST COUNCIL OF CANADA	CPA - COMITÉ FRANÇAIS DES PLASTIQUES EN AGRICULTURE
CRE - COMPOSTING & ANAEROBIC DIGESTION ASSOCIATION OF IRELAND	ECN - EUROPEAN COMPOST NETWORK	EPNOE - EUROPEAN POLYSACCHARIDE NETWORK OF EXCELLENCE
EUROPEAN BIOPLASTICS	EUROPEN - EUROPEAN ORGANISATION FOR PACKAGING AND THE ENVIRONMENT	EXPÉDITION MED
FÖRDERVEREIN	FPA - FOODSERVICE PACKAGING ASSOCIATION	FPI - FOODSERVICE PACKAGING INSTITUTE
GKL - GESELLSCHAFT FÜR KUNSTSTOFFE IM LANDBAU	GREENBLUE	HERO E.V
HOLLAND BIOPLASTICS	ILLINOIS FOOD SCRAP COALITION	INEC - INSTITUT NATIONAL DE L'ECONOMIE CIRCULAIRE
JBPA - JAPAN BIOPLASTICS ASSOCIATION	MB PACK	MILJØPOLITISK NETTVERK I DENMARK
NORDIC BIOPLASTICS ASSOCIATION	ORÉE	PBPC - PLANT BASED PRODUCTS COUNCIL
PIA - PLASTICS INDUSTRY ASSOCIATION	PLASTICS EUROPE	REA - RENWABLE ENERGY ASSOCIATION
SERPPIO - SERVICES ÉTUDES POLYMÈRES BIODEGRADABLES	SPC - SUSTAINABLE PACKAGING COALITION	THE AUSTRALASIAN BIOPLASTICS ASSOCIATION
THE FINNISH PLASTICS ASSOCIATION	TPORGANICS	USCC - US COMPOSTING COUNCIL
VERBUND KOMPOSTIERBARE PRODUKTE E.V.	WRAP - WASTE AND RESOURCES ACTION PROGRAMME	

THE UNITED NATIONS GLOBAL COMPACT

Once again this year Novamont confirms its adherence to the United Nations Global Compact, committing to respect its fundamental principles in its activities.

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 its signature, Novamont joined the more than 24,000 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, Novamont renews its commitment to supporting a corporate model that strives to achieve sustainable development, which, for is a mark of Novamont's identity.

By joining this initiative, the group undertakes to:



Promote and disseminate among the stakeholders the principles of the Global Compact;



Implement these principles within the corporate culture and strategy;



Produce an annual Communication on Progress (COP) to report 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;

Projects with the territory

Novamont believes that interaction with the community and the surrounding area is essential for a paradigm shift, as part of a vision that looks not only at products but also at promoting greater sustainability and best practices locally.

Promoting those principles, the Group works with local companies and government to facilitate the development and protection of the local area and the environment, supporting the creation of circular bioeconomic projects on the ground. These include projects involving local administrations, such as the projects supporting the separate collection of organic waste in the munic-

ipalities of Milan and Turin, the Frontshlp project and related activities with the municipality of Parzęczew (Poland), as well as projects for the regeneration and protection of the landscape, such as the one launched in the agricultural sector in Mozambique, the Urban Re-Generation project and the certification for the enhancement of the Terni area in terms of sustainable development.



The projects mentioned in this document are only examples of specific territorial regeneration projects in cooperation with local administrations. The Novamont Group's 2023 Impact Report offers a comprehensive coverage of all relevant initiatives for 2023.

Sustainable development of agricultural supply chains in Mozambique

Novamont develops projects aimed at preserving and restoring soil vitality by promoting a more sustainable and regenerative agriculture, through the dissemination of good practices aimed at restoring organic matter. With this in mind, the Group also operates in Africa through cooperation with NGOs and the

Italian Agency for Development Cooperation (AICS), launching in 2022 in Mozambique the project 'Sustainable Strengthening of the Fruit, Rice and Tobacco Supply Chains through the Promotion of Biodegradable Mulching' (AID012313/01/7). The project continued throughout 2023 and saw Novamont collaborate

with local research and development partners such as IIAM - Institute of Agricultural Research in Mozambique, contributing to the sustainable development of the area and the promotion of more sustainable agricultural practices.

10 years of collaboration with AMSA in Milan

2023 saw the 10-year anniversary of the start of the **collaboration between Novamont and AMSA**, an A2A group company that provides environmental services, which has enabled the achievement of important results in the field of waste management in Milan.

One of the strengths of the Lombardy capital's management system is the separate collection of the organic fraction, which has enabled the municipality to exceed 50 percent collection. The city each year col-

lects approximately 100kgs of organic waste per inhabitant.

The main contributors to these good practices have been: the introduction of door-to-door collection, and the use of compostable bags, also promoted through information campaigns aimed at citizens to encourage the reuse of the shopping bags distributed at the checkouts of large supermarket chains for the collection of the organic fraction of household waste.

Many other initiatives have been jointly developed in 10 years of cooperation, such as the experimental project for the collection of wet waste in 15 open markets in Milan, thanks to which AMSA and Novamont won the 2017 Sodalitas Social Award, or the more recent 'Un sacco et(n)ico', promoted by the Esta Association and aimed at raising awareness among the various ethnic restaurants of the need for better quality waste collection.

New circular economy model in Poland: the Frontsh1p project

As part of the European Frontsh1p³ project, Novamont has launched a specific project involving the municipality of Parzęczew, with the aim of activating a **transition path towards more circular models**.

An initial focus will be on the separate collection of the organic fraction and the development of a pilot anaerobic digestion plant, with subsequent composting of the process residues (dige-

tate). In a first phase, the focus will be on waste generated by the school system and catering. The second stage will involve the agricultural world and, specifically, the development of dedicated crops for the production of bioplastics, such as sunflower. In general, the project aims to promote paths of decarbonisation and territorial regeneration in the Polish Lodzkie Region, through

the demonstration of more circular models and by supporting the creation of a territorial cluster of initiatives to accelerate the transition towards an increasingly sustainable circular economy, capable of providing concrete answers to the needs of the regions involved.



3 - "Systemic Circular Solutions for Recovery and the valorisation of waste: a new paradigm of territorial development based on the circular economy", Call: H2020-LCGD- 2020 (Building a low-carbon, climate resilient future: Research and innovation in support of the European Green Deal)

Community initiatives

In 2023, Novamont allocated funds to several associations in the local area, involved in promoting art, culture, awareness-raising and education locally.

In the field of **education and training**, Novamont supports cultural and social inclusion projects and paths with important spill-over effects on the territory. Guided by this approach, in 2023 Novamont provided funding to a number of local associations in Novara involved in promoting art, culture, awareness-raising and education. These include **Novara Jazz**, an international festival dedicated to jazz music, electronic music and visual arts projects, '**Promemoria Auschwitz**', a citizenship education project aimed at developing a conscious and critical use of

history in the new generations, launched by the Deina association, and the **SUQ Festival**, one of the main Italian and European intercultural festivals.

Within the **third sector**, Novamont has also continued supporting a number of local entities in the Novara area. In 2022, Novamont started a collaboration, which continued then in 2023, with **Gerico**, a Novara-based Cooperative Social Enterprise, focussing on pathways for the re-employment of people in difficulty and disadvantaged situations. As part of the Christmas festivities, the com-

pany chooses to support the **Comunità di Sant'Egidio Piemonte**, and in particular the 'Christmas Lunches' initiative dedicated to people in need.

Also in the context of the **fight against hunger**, Novamont supported the '**National Food Collection Day**', an initiative promoted and organised by Banco Alimentare, an Italian non-profit foundation committed to fighting waste and supporting food sustenance. The initiative involved the collection, at large-scale retail outlets, of long-life food to be given to disadvantaged people.



Attachment



GRI Contents Index

Other indicators

Correlation between the Principles of the UN Global Compact and the GRI Standards Disclosures

GRI Contents Index

Statement of use	Novamont has reported the information mentioned in this GRI content index for the period 1 January - 31 December 2022 with reference to the GRI Standards.
Used GRI 1	GRI 1: Fundamental Principles - 2021 version

GRI STANDARDS	NOTICE	LOCATION
GENERAL DISCLOSURE		
GRI 2 General Disclosure 2021 (the organization and its reporting practices)	2-1 Organizational details	VIII
	2-2 Entities included in the organisation's sustainability reporting	IX
	2-3 Reporting period, frequency and contact point	VIII, X
	2-4 Restatements of information	IX
	2-5 External assurance	X
GRI 2 General Disclosure 2021 (Activities and workers)	2-6 Activities, value chain and other business relationships	9-27, 107-108
	2-7 Employees	169-170
	2-8 Workers who are not employees	169

GRI STANDARDS	NOTICE	LOCATION
GRI 2 General Disclosure 2021 (Governance)	2-9 Governance structure and composition	81-83
	2-14 Role of the highest governance body in sustainability reporting	XXI
GRI 2 General Disclosure 2021 (strategy, policies and practices)	2-22 Statement on sustainable development strategy	VI-VII
	2-25 Processes to remediate negative impacts	84-88
	2-26 Mechanisms for seeking advice and raising concerns	78-79
	2-27 Compliance with laws and regulations	92
	2-28 Membership associations	219-220
GRI 2 General Disclosure 2021 (Stakeholder engagement)	2-29 Approach to stakeholder engagement	XXVI-XXIX
	2-30 Collective bargaining agreements	167-168

GRI STANDARDS	DISCLOSURE	LOCATION
MATERIAL TOPICS		
GRI 3 Material Topics 2021	3-1 Process to determine material topics	XVIII-XX
	3-2 List of material topics	XXI
RESEARCH AND INNOVATION		
GRI 3 Material Topics 2021	3-3 Management of material topics	59-62

GRI STANDARDS	DISCLOSURE	LOCATION
BUSINESS INTEGRITY AND STABILITY		
GRI 3 Material Topics 2021	3-3 Management of material topics	77-79
GRI 201 Economic Performance 2016	201- 1 Economic value directly generated and distributed	93-94
GRI 205: Anti-corruption 2016	3 Confirmed incidents of corruption and actions taken	92
GRI 206 Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive Behavior, anti-trust, and monopoly practices	92
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	83
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	92
GRI 416 Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	92
GRI 417 Marketing and Labelling 2016	417-2 Incidents of non-compliance concerning product and service information and labelling	92
	417-3 Incidents of non-compliance concerning marketing communications	92
VALUE CHAIN AND PRODUCT SUSTAINABILITY		
GRI 3 Material Topics 2021	3-3 Management of material topics	97-102
GRI 204 Procurement Practices 2016	204-1 Proportion of spending on local suppliers	107
GRI 301 Materials 2016	301-1 Materials used by weight or volume	113-114
GRI 302 Energy 2016	302-1 Energy consumption within the organization	121-122
	302-3 Energy intensity	118-119

GRI STANDARDS	DISCLOSURE	LOCATION
GRI 303 Water and Effluents 2018	303-1 Interactions with water as a shared resource	126
	303-2 Management of water discharge-related impacts	101
	303-3 Water withdrawal	126
	303-4 Water discharge	126
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	123
	305-2 Energy indirect (Scope 2) GHG emissions	124
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	125
GRI 306 Waste 2020	306-1 Water discharge by quality and destination	101
	306-2 Waste by type and disposal method	127-128
	306-3 Significant spills	128
GRI 412 Human Rights Assessment 2016	Activities that have been subject to human rights audits or impact assessments	109-112
COMPLIANCE AND QUALITY OF THE PRODUCTS AND CUSTOMER CARE		
GRI 3 Material Topics 2021	3-3 Management of material topics	131-134
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	135-136
GRI 416 Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	131-133
GRI 417 Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	137-145

GRI STANDARDS	DISCLOSURE	LOCATION
SOIL PROTECTION AND REVITALISATION		
GRI 3 Material Topics 2021	3-3 Management of material topics	153-154
RESPONSIBILITY TOWARDS WORKERS		
GRI 3 Material Topics 2021	3-3 Management of material topics	165-168
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	175-176
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	165
	403-2 Hazard identification, risk assessment, and incident investigation	166
	403-3 Occupational health services	167
	403-4 Worker participation, consultation, and communication on occupational health and safety	167
	403-5 Worker training on occupational health and safety	167, 178
	403-6 Promotion of worker health	165-167
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	165-166
	403-8 Workers covered by an occupational health and safety management system	165-166
	403-9 Work-related injuries	178
	403-10 Work-related ill health	178
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	179
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	172-174

GRI STANDARDS	DISCLOSURE	LOCATION
COMMUNICATION AND PROMOTION OF SUSTAINABILITY		
GRI 3 Material Topics 2021	3-3 Management of material topics	187-188
EDUCATION AND TRAINING OF NEW GENERATIONS		
GRI 3 Material Topics 2021	3-3 Management of material topics	203
PARTNERSHIPS AND COLLABORATION FOR TERRITORIAL REGENERATION		
GRI 3 Material Topics 2021	3-3 Management of material topics	213-214

Other indicators

INDICATOR	METHOD	LOCATION
MATERIAL TOPICS		
RESEARCH AND INNOVATION		
No. patents, patent applications and patent families	-	65
Investments in Research and Development	The investments include the cost of personnel, the cost of tools and equipment depreciation, the purchase of goods and services of a technological nature (e.g. materials used in the laboratories) and the cost of patents	64
Percentage of employees involved in Research and Development activities	XX	64
No. partnerships with Italian and international entities in the field of the circular bioeconomy	-	70
VALUE CHAIN AND PRODUCT SUSTAINABILITY		
Index of Circular Flows	Percentage of turnover linked to circular processes and materials	105-106
COMPLIANCE AND QUALITY OF THE PRODUCTS AND CUSTOMER CARE		
Percentage of products with compostability certification	Percentage of Mater-Bi grades sold and certified according to EN 13432	145
Complaints Index	(No. Complaints + No. Reports) / tonne of product sold × 1000	150
Percentage of customer satisfaction	No. of questionnaires with outcome 'satisfied' or 'very satisfied' / No. of total questionnaires received	148

INDICATOR	METHOD	LOCATION
SOIL PROTECTION AND REVITALISATION¹		
No. of participants involved in Re Soil Foundation dissemination activities	-	162
RESPONSIBILITY TOWARDS WORKERS		
No. of hours and courses delivered and people involved in Officine Novamont	-	180-181
COMMUNICATION AND PROMOTION OF SUSTAINABILITY		
No. of national and international events in which Novamont was involved	-	196
No. of followers on Novamont's social channels	-	194
EDUCATION AND TRAINING OF NEW GENERATIONS		
Engagement data of education and training initiatives (e.g. no. of visitors, no. of classes involved, etc.)	-	207-209
no. interns, trainees, scholarship holders, thesis holders and work experience students	-	210
PARTNERSHIPS AND COLLABORATION FOR TERRITORIAL REGENERATION ²⁶		
No. of associates in the Cluster Spring	-	216

1 - Further KPIs associated with the material theme can be found in the Novamont Group's Impact Report 2023

Correlation between the Principles of the UN Global Compact and the GRI Standards Disclosures

FIELD	PRINCIPLES	GRI STANDARDS DISCLOSURES
HUMAN RIGHTS	Principle I - Promote and respect universally recognised human rights within their respective spheres of influence;	412- 1
	Principle II - Make sure you are not, even indirectly, complicit in human rights abuses.	412- 1
LABOUR	Principle III - Support workers' freedom of association and recognise the right to collective bargaining;	2- 30
	Principle IV- The elimination of all forms of forced and compulsory labour;	- ²
	Principle V - The effective abolition of child labour;	- ²
	Principle VI- The elimination of discrimination in respect of employment and occupation.	2-7; 401-1; 401-3; 404-1; 405-1; 406-1

FIELD	PRINCIPLES	GRI STANDARDS DISCLOSURES
ENVIRONMENT	Principle VII - 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;	2-27; 301-1; 302-1; 302-3; 303-1; 303-2; 303-3; 303-4; 305-1; 305-2; 305-7; 306-3
	Principle IX- Encourage the development and diffusion of environmentally friendly technologies.	301-1; 302-1; 302-3; 305-1, 305-2, 305-7; 306-2
COUNTERING CORRUPTION	Principle X - Combat corruption in all its forms, including extortion and bribery.	2-26; 205-3

2 - The following disclosures have been addressed without the use of GRI-specific indicators on page 98 in Chapter 3 - Supply Chain and Product Sustainability and on pages 165-166 in Chapter 4 - Responsibility to Employees



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