

Sustainability Report 2023

Complete version



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Twenty years of reporting

Milestones:

2004 - RadiciGroup publishes its **first Social Report**.

2008 - Transition from **Social Report to Sustainability Report**

2010 - Adoption of the **Global Reporting Initiative (GRI)** reporting model.

2011 - First **Sustainability Report certified** by an external body.

2021 - **Reporting scope of economic and financial data and scope of the Sustainability Report** correspond.

2022 - Transition to **GRI Universal Standards**.

The coming years - Transition to Sustainability Reporting according to the **Corporate Social Reporting Directive**.

From the introduction to the first RadiciGroup Social Report in 2004:

"For us, compiling this Social Report is (...) a path that goes back quite some way: back to our local area; with the family business, which was founded many years ago in 1945 by our father Gianni and is now one of the largest industrial groups in Italy; with our passion for art, culture and sport; and with our belief that the story of our Group is also a story of people, work, adversity, and great satisfaction. (...)

Our Social Report is not made up of mere slogans but expresses who we really are. We firmly believe that work furthers the progress of individual people, the company and the community as a whole and, therefore, its value is two-fold: economic and social.

By taking on the responsibility of workplace quality, a business is also implementing ethical and sustainable management. Our Social Report is more than a voluntary undertaking: it is the basis on which we operate."

Since then, each year the Sustainability Report has provided a **detailed overview of the strategies and actions** undertaken by the Group **to reduce its impacts and seize the opportunities** that an optimal management of environmental, social and governance issues can offer. It provides a non-standardised snapshot, tailor-made to the Group's companies, with an **increasingly extensive reporting scope** carefully aligned to RadiciGroup's progressive expansion and internationalisation.

Compared to that first document, the Sustainability Report has undergone a profound evolution over the years – in both form and substance. The trustworthiness of our reporting has been corroborated by **external certification**. We have given our **Stakeholders** ever greater opportunities for involvement. Many topics now justifiably form part of the reporting – **from product sustainability and traceability to Human Rights and our relationship with the Value Chain**. The **accuracy** of information and **granularity** of the data have improved, and are increasingly supported by **advanced digital tools**. Today the Report **adds strategic value** and is a tool that bolsters the Group's **reputation** with all its Stakeholders. One thing that hasn't changed – and, if anything, is stronger than ever – is our **commitment to transparency**, that "basis on which we operate", which, since 2004, has fuelled the RadiciGroup's **voluntary choice to report**.

Letter from the President

Disclosure 2-22

RadiciGroup has been publishing its Sustainability Report for twenty years. Arising from the desire to **measure** the impact of our activities, this tool has marked a **turning point in our awareness and the actions** we have taken to develop the Group's **sustainable approach**.

Measuring was the first step towards gaining **knowledge**, and knowledge was the first step in deciding to **improve every day**.

From our conscious selection of **renewable energy sources** to **reducing emissions** through to the adoption of **sustainable practices for managing resources**, the Companies' commitment as recounted by this Report has been tangible. Our work on social-related topics has been equally concrete, with investments in **safeguarding Health and Safety**, the **ongoing training** of our People and **the development of local areas**.

I am therefore proud to celebrate this **milestone**, which few other companies can say they have achieved. At the same time, it also drives us forward to **new challenges**. We know what awaits us in two years' time – highly in-depth mandatory reporting, directly linked to financial reporting. This will usher in a **commitment to sustainability increasingly integrated** with our **economic choices**, and one which extends to every area of corporate activity.

For this reason, our **"From Earth to Earth" sustainability plan**, which we developed in 2023 and presented in 2024, will play a **key role**. The commitments we have set ourselves will help us to focus our efforts and resources on shared strategic objectives that leverage the synergy between competitiveness, profitability and sustainability.

Turning now to **our current report**, as a general consideration, I can safely say that the 2023 results show that we have substantially maintained our position in the environmental and social areas. Our economic performance has been affected by a complex situation in regards to production, exacerbated by market challenges.

Nevertheless, I am pleased to share with you **data relating to energy from renewable sources in line with previous years** and an **increase in the number of sites using green electricity**; similarly, I am happy to read that our new **emission abatement plant** in the chemical sector **has produced the desired results** and to see that **we continue to use water resources very carefully**.

I am also pleased to observe that **sustainable and circular innovation** in our Group is increasingly **opening itself up to external collaborations**, underpinned by an approach involving co-design and strategic partnerships.

The direction we are taking **should not be taken for granted**; the geopolitical situation we are facing has placed companies under great pressure, with some waiving their sustainability commitments. This has not been the case for RadiciGroup.

In terms of our **Workers**, the Group has given **care and attention to training**, an area which is now very much growing again after some challenging years, and has strengthened its **policies for a better work-life balance**.

As the shareholders of RadiciGroup, we intend to face head-on **some of the most significant challenges** for businesses today: **attracting young people, retaining and developing the talented people already at the company and respecting Human Rights in our value chains**. In doing so, **the act of being sustainable provides us with guidelines** and encourages us to raise our ambition and commitment.

We also want to continue to be a **point of reference for local areas**. In this regard, our **Group** is **increasingly global**, which means we must consider **cultural diversity or different approaches** not as a limit, but as **an opportunity**. For some time we have considered ourselves to be an active part of our **Local Communities** across the world, adopting **policies that take into account different local needs**, as demonstrated by the many examples in this report.

In concluding this letter, I would like to **thank all the People in our Group who make sustainable choices every day**, perhaps even taking those choices with them into their personal lives. Keep up the good work.

I would also like to thank those who have created and developed this Report over the past twenty years. Today it marks both a milestone and a starting point for new challenges. It is, above all, a distinctive element of RadiciGroup's identity.

Angelo Radici
President of RadiciGroup

The United Nations Sustainable Development Goals (SDGs)

Disclosure 2-23

When the United Nations developed the **2030 Agenda**, the ambitious **programme of action for people, planet and prosperity based on equitable economic growth, social welfare and environmental protection**, they first called upon companies. The latter have been entrusted with an important responsibility, to put their resources at the service of all-round sustainability. **RadiciGroup has not shied away from the challenge**, and over time its sustainability reporting has been the principal vehicle for communicating its commitment. In order to make its contribution to the 2030 Agenda even more concrete, between 2023 and 2024 the Group developed its **"From Earth to Earth" Sustainability Plan**, illustrated in this Report, in which **each goal's contribution to achieving the SDGs** is divided into **targets and actions**.



The Vision

Disclosure 2-23

To be one of the most important chemical groups in the polyamide, synthetic fibres and engineering polymers sector.

The Mission

Disclosure 2-23

- To promote the development of our businesses while pursuing our Group values and culture.
- To pursue our Vision by valorising and optimising our resources, establishing alliances and searching for new markets, including niche markets.
- To embed sustainability into new product and application development.

Our values

Disclosure 2-23

Founded on the **passion and commitment of around 60 Employees** of different ages and nationalities, who have contributed to building a vision for RadiciGroup today and tomorrow, **the values guide our daily choices.**

They also promote the **individual's contribution to achieving the common goals** of growth, transparency, people-centred governance and environmental protection set out in the RadiciGroup Code of Ethics.

01. **Legality and respect for the Law: a guarantee for all of us**

Our Group respects the law and enforces compliance by all its Companies with the Laws of the Countries where it does business. Indeed, we support the dissemination of a culture of “active” legality, firmly believing that, in the workplace as in any other environment, everyone must contribute to the values of dignity, freedom, safety and solidarity.

02. **Sustainability is our guide**

We optimise our processes, invest in reducing environmental impact and produce products with measured and limited environmental impact. We promote training and take responsibility for the Health and Safety of our Workers, because RadiciGroup recognises the centrality of people as a key principle.

We work together with Local Communities, where most of our Workers are from, for sustainable harmonious growth. We put our commitment to sustainability into practice, together with our Stakeholders, to create shared value.

03. **Health and Safety at work**

For us, Health and Safety is a primary concern. This is why we are committed to complying with all the provisions of the relevant laws in force, and more. We constantly act proactively to analyse risks and prevent injuries. In our Group, the training and engagement of our Workers are what makes a difference.

04. **Our capital is above all human**

Our strategy is Person-centred. We promote professional advancement by recognising merit, fully utilising competence and potential, and investing in training. We believe that achieving a balance between work and personal life is a key aspect in creating an optimal corporate environment.

05. **Elements creating value**

Our Group is local and, at the same time, global. Diversity is one of our strong points and adds value to our decision-making. For this reason, we promote the principles of equal opportunity and inclusiveness and reject any discrimination based on sex, race, ethnic and national origin, age, political opinion, religious creed, state of health, sexual orientation and social economic condition.

06. **Always fair and transparent**

Fairness and transparency are our key principles. For every corporate process, the roles and responsibilities must be clearly defined and every decision must be motivated and made in keeping with the principle of good faith and in full respect of the rules and the People involved. Our relationships with all Stakeholders are built on a foundation of transparency, but always in keeping with our confidentiality obligations.

07. **We all take responsibility**

Each of us commits to take responsibility for our actions, follow the time schedule set out for our job and respect all Stakeholders. We believe that any mistake made in our daily work is an opportunity for improvement.

08. **Team spirit is our best raw material**

We firmly believe that sharing information and experience among the different functions within the same Company, as well as among different Group Companies, creates growth.

We want to contribute to a shared culture among corporate functions and promote initiatives to strengthen team spirit, the most important raw material of all.

The Code of Ethics

Disclosure 2-23

RadiciGroup's Code of Ethics is not an arrival point, but rather a starting point for daily improvement, without losing sight of our common identity, even given the diversity of corporate, social and cultural contexts, which is, on the contrary, an asset. The Code of Ethics is at the core of the "From Earth to Earth" Sustainability Plan, the new RadiciGroup Policy and our work on Human Rights and diversity presented in this report, and it is increasingly becoming an essential guideline.

One of its key features is **the formalisation of certain commitments to fair, transparent and responsible behaviour towards Stakeholders**, who play a central role in the Group's ethical vision.

To ensure inclusiveness and full transparency, RadiciGroup's Code of Ethics is available at radicigroup.com to anyone who wishes to consult it.



For the full version of the Code of Ethics.

The RadiciGroup Policy

Disclosures 2-23, 2-24

Looking ahead to **enhance the business, ensure continuity, and be inclusive to all Stakeholders** worldwide.

This is how RadiciGroup works every day, guided by its **Code of Ethics** and its **distinctive values**: putting People at the centre of every action, teamwork, respect for laws, responsibility and transparency.

It is a long-term commitment to truly sustainable **social, economic, and environmental development**, driven by **innovation and research**, essential for designing and advancing technologies, processes and products.

In a continuously evolving context, RadiciGroup, thanks to its **Management Systems**, seeks excellence through **synergy** among Business Areas, **continuous improvement, operational and communicative transparency, quality, performance**, and product **traceability** along the Value Chain.

Diligent compliance with regulations, especially regarding **Human Rights, corruption prevention, Health and Safety and environmental protection**, is fundamental for every activity of the Group. To this end, RadiciGroup companies adopt Management Systems duly certified by recognised certification bodies and based on a set of well-defined procedures, understood at all organisational levels, and maintains a transparent and collaborative relationship with the Authorities responsible for legal controls.

In order to ensure the **quality** of its products and services, the Group has numerous tools at its disposal that enable its companies to develop **robust and reliable processes, meet Stakeholders' needs** and foster continuous improvement.

RadiciGroup works to optimise **environmental and energy performance** through publicly declared goals, structured work plans and accountable results, **measuring the environmental footprint of the main products and services** and applying, whenever possible, **ecodesign principles**.

Health and Safety are top priorities for RadiciGroup, which not only complies with regulatory standards, but also aims to increase **prevention and control**, actively involving workers to minimise the risk of accidents and create an increasingly safe working environment.

RadiciGroup promotes a culture of **care for Workers** in every aspect of professional life. Along with initiatives for dialogue and involvement, the Group supports **inclusion** with policies where uniqueness and **diversity** are considered as enriching elements.

The Group also invests in **lifelong training** to enhance the skills of Human Resources, aware of how individual contribution is fundamental for reaching overall excellence.

Finally, **digitalisation** represents a key element to support Governance, foster synergies, optimise resources and strengthen management systems, enhancing their solidity and resilience.

April 2024

The Vice-President
Maurizio Radici

The President
Angelo Radici

The "From Earth to Earth" Sustainability Plan

Disclosure 2-23



RadiciGroup's sustainability plan – entitled "**From Earth to Earth**", with the intention of placing **the Earth at its core** – consists of **mid-term goals and actions to achieve them**. They cover all **areas considered "material"** in terms of risks, opportunities and ESG and financial impacts. The plan places the emphasis on the Group's transparency and its commitment to developing a responsible business along the entire value chain in economic, social and environmental terms, with a view to **creating positive impacts, minimising negative impacts,**

generating value for both the organisation and its Stakeholders and responding to increasingly widespread and stringent **sustainability-related regulatory requirements**.

RadiciGroup is now a business with significant experience and awareness across a whole range of environmental and social issues, and its ESG governance is becoming increasingly structured. In response to a complex and constantly changing scenario, it is **capitalising on the results already achieved** but is also **continuing to build its future** through a sustainability-led strategic perspective.

Building the plan

To establish sustainability goals we **started from our material topics**, which also form the basis of this Report; they were analysed in detail by **topic-based working groups consisting of over 50 internal experts** and the **support of a consulting firm** in order to identify the specific commitments underpinning the sustainability plan. Another important element of the assessment was an analysis of the **risks and opportunities connected to each topic** in relation to the different commercial, political and geographical scenarios in which the Group operates.

Subsequent benchmarking with competitors and the various players in the sectors in which the Group operates led to further refinement and division of the goals.

Finally, the sustainability plan was **approved by RadiciGroup's senior management**, thereby formalising their backing for the commitments made and **communicated to all Employees** during a dedicated event in January 2024. It was subsequently **communicated externally** through media activities and a social media campaign aimed at making as many stakeholders as possible aware of it.

With a view to transparency, and in the knowledge that the "From Earth to Earth" goals can only be achieved in collaboration with Stakeholders, all Group Employees have been encouraged to share it with their contacts.



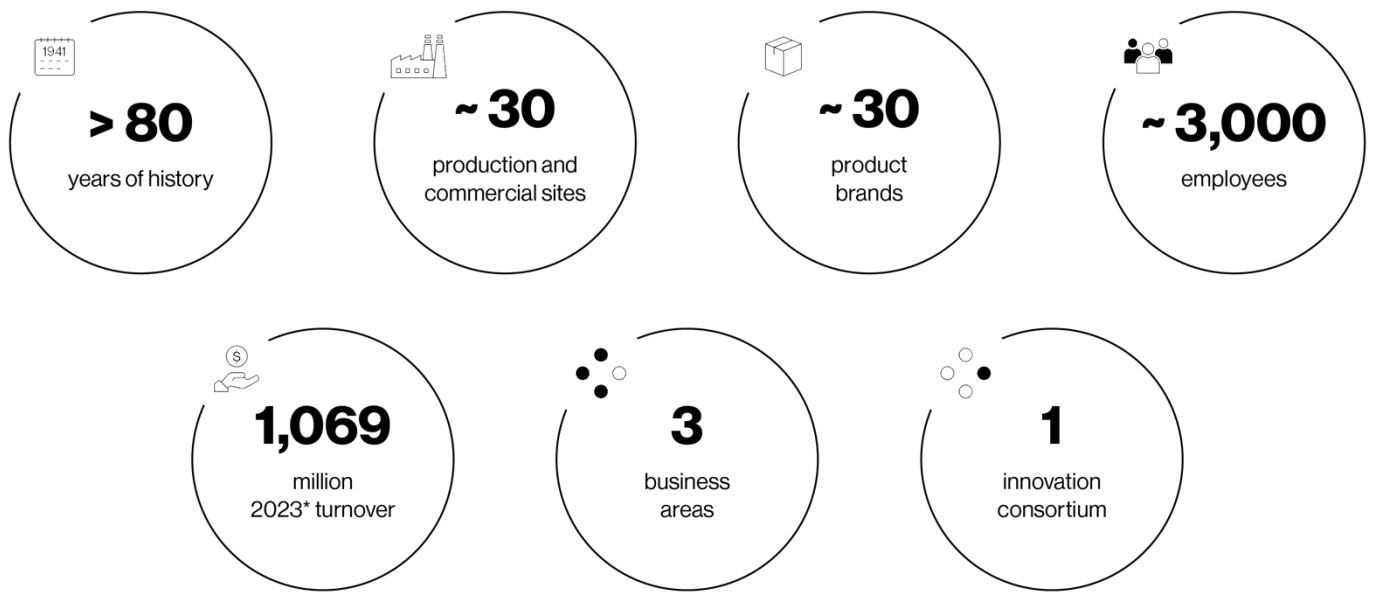
To discover "From Earth to Earth"

The Group

Disclosure 2-6

RadiciGroup is one of the world's leading producers of a wide range of chemical intermediates, polyamide polymers, high performance polymers and advanced textile solutions, which include nylon yarn, polyester yarn, yarn made from recovered and bio-source materials, nonwovens and personal protective equipment for the healthcare and industrial sectors. RadiciGroup products reach the market through a production network spanning four continents and a globally structured distribution network.

Figures making a difference



*2023 RadiciGroup consolidated turnover.

A global presence

Disclosure 2

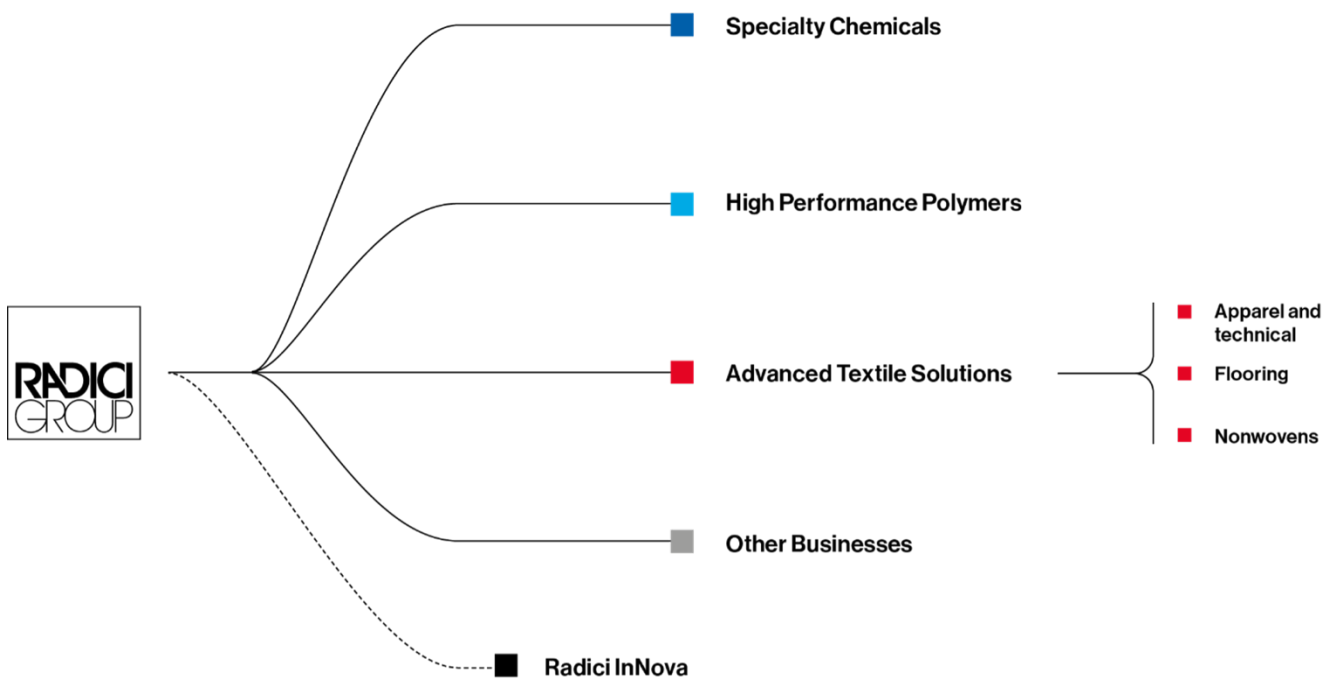
Europe		Italy	North and South America	Asia
Czech Republic Podbořany	Switzerland Stabio	Ardesio Buronzo	Brazil Araçariquama - São Paulo São José dos Campos	China Shanghai Suzhou
France Saint Priest	United Kingdom Wakefield	Casnigo Chignolo d'Isola	Mexico Ocotlán	India Gurugram
Germany Lüneburg Tröglitz	Romania Săvinești	Novara Villa d'Ogna	USA Wadsworth	Halol
Hungary Szentgotthárd	Spain Barcelona			

The Value Chain

Disclosures 2-1, 2-6

RadiciGroup is a vertically integrated global company, i.e., with control over the entire nylon production chain (mainly polyamide 6 and 66 polymers) through its Speciality Chemicals Business Area. Nylon, the Group's core business, is then processed into engineering polymers by the High Performance Polymers Area and into yarn and staple by the Advanced Textile Solutions Area for subsequent sale to other companies. Specialty Chemicals is the supplier of the two most downstream areas for polyamide polymers, selling the portion not destined for the Group to other market players.

The three business areas are flanked by Radici InNova (Consorzio Radici per la Ricerca e l'Innovazione s.c.ar.l), a non-profit company set up in December 2019 to pool the expertise of the entire RadiciGroup chain.



Suppliers

Strategic raw materials

Strategic raw materials, indispensable for the Group's operations, e.g. caprolactam, phenol, olon, ammonia, adiponitrile, polypropylene and polyethylene or polyester polymers are purchased on the market through a dedicated function called "Strategic Materials & Logistics".

These materials are essential for the Group's production, but they are also extremely important in its journey to reduce its impact, as they are mainly derived from oil. For this reason, **the Suppliers, numbering around 70 worldwide and covering 75% of the Group's procurement costs, are all structured companies or groups that are very sustainability aware** and have proven system strategies in place in the social and environmental fields that RadiciGroup monitors.

In addition, for some years now RadiciGroup has been selecting from the list of possible Suppliers of strategic raw materials those whose products have a scientifically proven lower environmental impact compared to standard alternatives. It also works with the Suppliers themselves to identify these alternatives.

The distribution of strategic raw material Suppliers in relation to regions and turnover is as follows:

Table 01

Breakdown of RadiciGroup Supplier types by turnover in 2023	
Strategic raw materials	from EUR 530 to EUR 550 million
Packaging + transport	approximately EUR 62 million
Maintenance + utilities	approximately EUR 138 million
Other goods or services	approximately EUR 55 million
Geographical breakdown of RadiciGroup Suppliers by turnover in 2023	
Europe	around 70% of turnover*
Asia	around 10% of turnover
North and South America	around 20% of turnover

* Of which around 20 key Suppliers account for a turnover of over EUR 10 million.

The scenario in 2023

The economic picture in 2023 proved to be extremely complex; this was partially in line with 2022 due to the continued energy crisis, and in part due to other factors.

At the beginning of the year, RadiciGroup continued to face a European situation marked by high gas and energy costs, which led to a general contraction in demand. In the second half of the year, as per the entire energy-intensive manufacturing sector, the Group benefited from a decrease in these costs, although as of the end of the year it had still not been possible to close the competitiveness gap with Asia, China and the United States.

The **entrenched and significant reduction in demand** deriving from this scenario has led to **a substantial rearrangement of supply chains**. All the main players in the chemical sector have adapted their production to the new situation, striking a balance between fixed costs and actual production needs, with a significant reduction in turnover (-30%). This change has also come to represent the "new normal" for RadiciGroup, whose most significant operations are in Europe, and for the Group's main European suppliers.

Meanwhile, both **manufacturers and suppliers** with the option of **diversifying their activities to different geographical regions** chose to **move part of their production to the United States** in 2023, before then importing materials from the area. This was a predominant trend over the first nine months of the year, proving essential for these players in either ensuring the survival of their business or maintaining their competitiveness thanks to lower production costs in the US.

Against this backdrop, **RadiciGroup** found itself **purchasing significant quantities of imported raw materials**, adapting its logistics and supply chain accordingly to benefit from these new sources.

In addition, in order **to respond proactively in Europe as well**, the Group **further strengthened contacts with local producers** to ensure an **adequate amount of material without interruption**. Towards the end of 2023 and the

beginning of 2024, this phenomenon began to ease as the energy gap between Europe and the United States gradually closed.

Finally, it should be noted that in 2023 some of the Group's major suppliers or competitors opted to selectively close European caprolactam, adipic acid and polyamide intermediates plants, keeping only a few open and channelling into them all production volumes that had previously been spread across different plants. This general restructuring of the chemical sector in which RadiciGroup operates has led to a slowdown in activities that has continued into the first part of 2024.

Supplier-partner Geogreen

Among RadiciGroup's suppliers, a strategic position is occupied by **Geogreen, an Italian company belonging to the Radici family**, established in 2000 to support businesses, specifically the Group, by **providing renewable energy**.

Geogreen's products and services have expanded over time. In addition to the production and distribution of electricity, it now also offers management of Guarantees of Origin (GO) related to renewable energy, transactions in the ETS (Emission Trading System) market and the creation of integrated solutions for efficiency, consumption management and plant design.

In full accordance with RadiciGroup policies, Geogreen has always been sensitive to the protection of the environment and water in particular. Indeed, Geogreen is a renewable energy company at the technological forefront. Its hydroelectric power plants are classified as small hydro: they do not deprive local communities of water resources and comprise small structures that integrate harmoniously into the surrounding landscape, as well as being highly efficient.

In 2023 Geogreen, especially in the first part of the year, experienced **production difficulties arising from reduced rainfall and a consequent decrease in hydroelectric production**, a situation that was in line with 2022. However, in the **second half of the year, part of the losses were recovered**, leading to a final production level that was higher than 2022, although still not in line with the usual average levels.

In order to continue supplying its customers with green energy, as per the previous year, **Geogreen sourced certified renewable energy on the Italian market**, thereby making up for the shortfall in its production.

In view of the probable long-term continuation in irregular rainfall, **Geogreen** also decided some time ago to **expand its sources of production**. This is to ensure strategic continuity in supply for Customers, including RadiciGroup Companies. Subsequently, the investment in a **new photovoltaic system**, which will become operational in the second half of 2024, has been approved and further initiatives aimed at diversifying renewable energy sources have been planned.

Finally, in 2023, Geogreen supported RadiciGroup through periods of fluctuation in the energy market with careful monitoring and flexible supply planning that allowed the Group to limit, as far as possible, damage caused by high energy prices.

Other goods and services

Also within the scope of supply chain activities, the **"Real Estate&Services" function** is assigned the task of coordinating at corporate level and individually supporting the Business Areas with regard to **the procurement of services such as telecommunications and information technology, car fleet management as well as trade fair and travel services**.

Disclosure 204-1

The suppliers related to this function are largely **mid-sized local companies**. When it comes to the day-to-day running of companies, Suppliers can even be family-run micro-businesses.

For these Suppliers, it is not possible to identify a clear "local" qualification based on the distance from the RadiciGroup's site, due to the different production structures in the countries of the world where the Group operates. In fact, the "local"

dimension is intuitively different in Europe, a continent with a high population and industrial density, than in Tierra del Fuego in Argentina or the United States, where the possibility of zero-kilometre sourcing is more limited and the distances are greater.

In order to quantify the expenditure on local suppliers according to the indications provided by the Global Reporting Initiative model, it has therefore been necessary to adopt a methodological approach that took into account these variable factors in relation to the different contexts. First, the **Group's production sites and holding company Radici Partecipazioni were identified as locations for significant activities** (for the complete list of the Group's production sites, see the appendix "Building the Report").

For the first year of reporting it was only possible to **work at a European level for sites**, with the exclusion of Radici EcoMaterials, which is currently not yet part of the Group's integrated management systems for business processes. In the next edition, work will be done to complete the perimeter with all locations of significant activities. In addition, **since RadiciGroup is integrated upstream in the nylon supply chain, the Specialty Chemicals Business Area and the polymerisations of the Advanced Textile Solutions area act as suppliers to other Group companies for the subsequent processing of the polymer**. For this reason, all Italian sites have been grouped together and Lombardy (home to all Italian companies with the exception of Radici Chimica) has been identified as a local area.

A specific focus was then applied to Radici Chimica SpA; this is the Group's largest site outside Lombardy, but it works substantially with the other companies as part of the upstream integration mentioned above.

Subsequently, for the other businesses under consideration, it was decided to report twin parameters: the **country of the business** and the **macro region of reference**, conceptually identifiable with Lombardy.

Below is an overview of the data, which display significant levels of spending with local suppliers, particularly in Italy. There are many reasons to use **local suppliers**: from the **speed of service** to the **ease of obtaining references** and the high **standard of delivery** that these interlocutors show towards the Group, to which they are often linked by long-standing relationships. **This also retains significant portions of added value in the local area**, fostering its development through related industries.

Table 02

Site	Business Area	Geographical area identified as "Local"	Percentage of expenditure
ALL RADICIGROUP ITALIAN SITES	Specialty Chemicals Advanced Textile Solutions High Performance Polymers	Lombardy	56.2%
RADICI CHIMICA SpA	Specialty Chemicals	Piedmont and neighbouring provinces of Milan and Bergamo	54.2%
RADICI CHIMICA DEUTSCHLAND GmbH	Specialty Chemicals	Germany	89.8%
		Saxony-Anhalt	46.9%
NOYFIL SA	Advanced Textile Solutions	Switzerland	28.3%
		Canton of Ticino and neighbouring provinces of Como, Lecco and Sondrio	39.4%
LOGIT s.r.o.	Advanced Textile Solutions	Czech Republic	53.1%
		Bohemia	41.4%
YARNEA SRL	Advanced Textile Solutions	Romania	23.2
		Neamt Region	16.7%
RADICI PLASTICS GmbH	High Performance Polymers	Germany	19%
		Lower Saxony	2.7%*

For the purposes of this disclosure, **neither suppliers of strategic raw materials nor suppliers of shipping services were considered potential local suppliers** because, due to their peculiar nature, these products or services are not – even theoretically – available everywhere.

** The company is closely linked to the parent company Radici Novacips, the majority of raw material and services derive from Italy.*

Relations with Suppliers

Disclosures 2-23, 2-24

Transparency, trust, respect for contractual agreements and the reliability of RadiciGroup, which for many small and medium-sized Suppliers, especially local ones, is a point of reference over time, are the **distinguishing elements** of the Group in its relations with Suppliers.

RadiciGroup also focuses its **relations with Suppliers** on the **principles set forth in its Code of Ethics and Supplier Code of Conduct** (<https://www.radicigroup.com/en/sustainability/ethical-guidelines/conduct-code>). In the latter, respect for human rights in its particular declination related to labour (rejection of illegal child labour, forced labour, freedom of association, fair remuneration, maintenance of adequate health and safety standards in the workplace) and People's dignity and freedom (diversity and inclusion) are specifically mentioned as key requirements for relations with the Group. **Preferred requirements for the supply chain** also include the search for **solutions aimed at environmental protection** and resource conservation as well as the **development of low-impact products and services**.

Customers

RadiciGroup has a **worldwide Customer network**, served both through a **global distribution network** and an **internationalised manufacturing operation** with plants in major markets. RadiciGroup's production sites and sales offices have followed the evolution of markets with different characteristics by area and sector.

The Specialty Chemicals area, strengthened by its integration in polyamide intermediates, offers a wide range of polymers used both in the engineering polymers and fibres sector within RadiciGroup and by third-party companies. The adipic acid business, in addition to its requirements for the production of its own PA66 polymer, supplies **medium and large Customers in a wide range of sectors**, from polyurethanes to plasticisers and other industries.

The High Performance Polymers area has a significant number of **medium and large companies as customers operating in globalised sectors** such as automotive and electrical/electronics, which require both commercial and production proximity to the production centres of each sector and the ability to offer a standardised product to serve global value chains, regardless of the physical location of production. This implies excellent control of the organisation and production processes to ensure consistent quality in all plants.

The ecological transition taking place in Europe in all sectors and, in particular, the transition from traditional cars to electric versions, requires the entire value chain to make a great effort in the realisation of new products and solutions.

RadiciGroup, with its own R&D structure, also thanks to partnerships with its Customers and continuous dialogue with OEMs (Original Equipment Manufacturers) in the supply chain, is developing new materials for the development of components for hybrid and electric cars and the new infrastructure needed. Its in-house Engineering Service is also able to support Customers in quickly identifying high-performance technical solutions with an improved sustainability profile.

In Advanced Textile Solutions, the high proportion of small and medium-sized enterprises in the Customer base requires a special focus on relationship management that takes into account the complex, networked and often globalised value chains in which they operate. Performance, sustainability, circularity and eco-design are the watchwords in the fibre application sectors, from clothing to furniture to automotive.

Strengthened by the synergies resulting from its control of the production chain with its Specialty Chemicals division and its certified organisations, RadiciGroup offers its Customers a wide range of products, enhanced in terms of technical performance and sustainability (bio-based, recycled products). Through its R&D structure RadiciGroup has developed partnerships for the eco-design of products that are conceived for durability, recyclability and reduction of environmental impacts. The development of physical and digital traceability solutions is another strand on which RadiciGroup is working to meet the demands of Customers and global supply chains.

The scenario in 2023

In **European terms, the scenario in 2023** saw **some initial similarities with late 2022**, with **energy prices gradually falling** – but not to the extent of closing the cost gap with the other main world areas.

Strong inflationary pressures in Europe led the ECB to increase rates significantly and at regular intervals, which led to a squeeze on credit for companies and reduced spending and borrowing power for consumers.

At the same time, the decline in maritime freight costs continued, returning to normal levels in early 2023 following the peaks seen in 2022. This resulted in a sharp increase in imports from countries with more competitive energy and overall costs than European ones.

Against this complex backdrop, and in a climate of uncertainty heightened by growing geopolitical tensions, many industrial sectors have seen a **progressive weakening of demand** and activity levels, accentuated by a widespread process of reducing stock levels. This has **affected all of RadiciGroup's markets**, in particular chemicals, textiles, clothing and furniture.

In the chemical sector, in the face of reduced demand and strong growth in imports, particularly in the polymers and intermediates sector, European producers have had to cope with a substantial reduction in turnover, with heavy drops in production and consequent reductions in the rate of plant use.

To address this situation, the **RadiciGroup Specialty Chemicals division has implemented several strategies**. First of all, by **strengthening trade relations** through co-marketing actions to build increasingly long-lasting relations in downstream markets; by accelerating the **development of solutions with low environmental impact**, which are the subject of increasing interest; and by **collaborating more frequently with customers** during the design phase.

In the **textile sector**, the reduction in consumer purchasing power and high levels of stocks in the supply chain have led to an **overall reduction in demand**, which is more pronounced in segments aimed at the clothing sector. The furniture sector, after performing well in the years following the pandemic, was affected by the slowdown in the construction sector, which was hit by the gradual depletion of recovery finance and the reduction in consumer credit resulting from high interest rates.

The automotive industry in Europe saw **good production and sales levels in the first half of 2023**, in line with the gradual removal of previous supply-side constraints due to the shortage of semi-conductors and other components and the need to fulfil backlogs. **Difficulties on the new business side** began to emerge in the **second half of the year**, caused by the decrease in spending power and consumer debt and the high cost of electric and hybrid vehicles compared to internal combustion vehicles, against the backdrop of an energy transition still marked by strong elements of uncertainty. In the scenario described, the **High Performance Polymers** Area of RadiciGroup was able to **benefit from the geographical diversification of its activities and production sites in the world's major areas of demand**. The development of products and solutions for the energy transition continued across all sectors. With a view to reducing risk, the **development of new products aimed at the electrical and electronic markets** was accelerated, as was a wide range of industrial applications, with a consistently strong focus on sustainability.

Relations with Customers

Disclosures 2-23, 2-24

The needs of RadiciGroup's corporate customers increasingly focus on sectors with high service and performance content and on solutions that meet the challenges of the ecological transition. **Solid upstream integration with optimised and controlled processes**, a widespread **production, distribution and sales network**, constant sensitivity to the challenges of different sectors, and a **strong drive for innovation and sustainability** are **RadiciGroup's strengths** in its relations with Customers.

Alongside this, and gaining in importance, are the **innovation activities that the Group Companies undertake with Customers** with a view to active collaboration that expands the boundaries of the traditional customer-supplier relationship.

This Sustainability Report cites case histories of co-design on the circular economy, products and eco-design with exponents of the textile and engineering plastics worlds who share and nurture RadiciGroup's commitment to high-performance, low-impact solutions.

As it does with its Suppliers, the **Group communicates and shares its values and choices** with its Customers through the **RadiciGroup Code of Ethics and Customer Code of Conduct** (<https://www.radicigroup.com/en/sustainability/ethical-guidelines/client-conduct-code>). In the latter, special attention is paid to Quality, Health, Safety and the Environment, in addition to the protection of Human Rights, in order to contribute to a common sense of responsibility on these important issues.

Trade associations

RadiciGroup attaches great importance to its membership of trade, industry and scientific associations. These organisations cover the whole supply chain from upstream to downstream and provide important pre-competitive context, where it is possible to:

- **Develop research projects and address key present and future challenges collectively**, related to products and systems.
- **Share competencies and potential risks** in the development of common solutions to meet new needs arising from the market.
- **Oversee upcoming regulations** related to various sectors for a just and economically sustainable transition.
- **Have one's voice heard at the institutional level and give authoritative support to government bodies** in their decision-making and legislative processes, as well as work to build consumer awareness and culture.

The membership, in these associations, of numerous Group competitors, providing for open and direct dialogue, testifies to RadiciGroup's full respect for all players in the scenario and for the rules of commercial fairness. Among the topics in 2023, especially for European associations, is the legislative framework that the European Union is outlining in line with the Green Deal, with the ultimate goal of climate neutrality. The Group has been particularly active on a number of system and product issues, e.g. the Eco-design for Sustainable Products Directive proposal, the Digital Product Passport, the Corporate Sustainability Reporting Directive and the Corporate Social Due Diligence Directive.

Disclosure 2-28

Table 03

RadiciGroup memberships in trade and other associations in 2023	RadiciGroup company registered in 2023
CIRFS CONFINDUSTRIA SMI (Sistema Moda Italia) - Tex Club Tech Tessile e Salute ICESP - Italian Circular Economy Stakeholder Platform AICQ Ellen MacArthur Foundation EPCA - European Petrochemical Association	RADICI PARTECIPAZIONI SpA
Specialty Chemicals	
FEDERCHIMICA Confindustria Novara -Vercelli -Valsesia CEFIC - EUROPEAN CHEMICAL INDUSTRY IBIS Consortium SPRING	RADICI CHIMICA SpA
NORDOSTCHEMIE IHK (Industrie- und Handelskammer)	RADICI CHIMICA GmbH
High Performance Polymers	
CHEMIE WIRTSCHAFTSFOERD GMBH GMBH	RADICI PLASTICS GmbH
CONFINDUSTRIA FEDERCHIMICA PLASTICS EUROPE AISBL (BE) PLASTICS EUROPE Italia (through Plastics Europe Brussels) PINFA - Flame Retardants Association PROPLAST UNIPLAST - Ente Italiano di Unificazione delle Materie Plastiche TMP COMITATO ELETTROTECNICO ITAL.	RADICI NOVACIPS SpA
Italian Chamber of Commerce in China	RADICI PLASTICS (Suzhou) Co., Ltd.
Association of Plastics Industry (ex SPI) OMA - Ohio Manufacturer's Association Wadsworth Chamber of Commerce	RADICI PLASTICS USA Inc.
Advanced Textile Solutions	
CONFINDUSTRIA EDANA Sistema Moda Italia - Tex Club Tech	TESSITURE PIETRO RADICI SpA
CONFINDUSTRIA	RADICI YARN SpA
Neamt Chamber of Commerce and Industry Federazione Patronale di Tessile	YARNEA SRL

VTB: Verband der Bayerischen Textil- und Bekleidungsindustrie	RADICI CHEMIEFASER GmbH
IHK: Industrie- und Handelskammern	
ABRAFAS - Associação Brasileira de Produtores de Fibras Artificiais e Sintéticas	RADICIFIBRAS INDUSTRIA E COMERCIO Ltda
SINDTEXTIL - Sinditêxtil Sindicato Indústria Fiação Tecelagem Estado São Paulo	
CIESP – Centro das Indústrias do Estado de São Paulo	
CONFINDUSTRIA FEDERCHIMICA CON ASSOFIBRE	RADICIFIL SpA
Italian-Czech Chamber of Commerce	RADICIFIL SpA - LOGIT s.r.o.

RadiciGroup products and application sectors

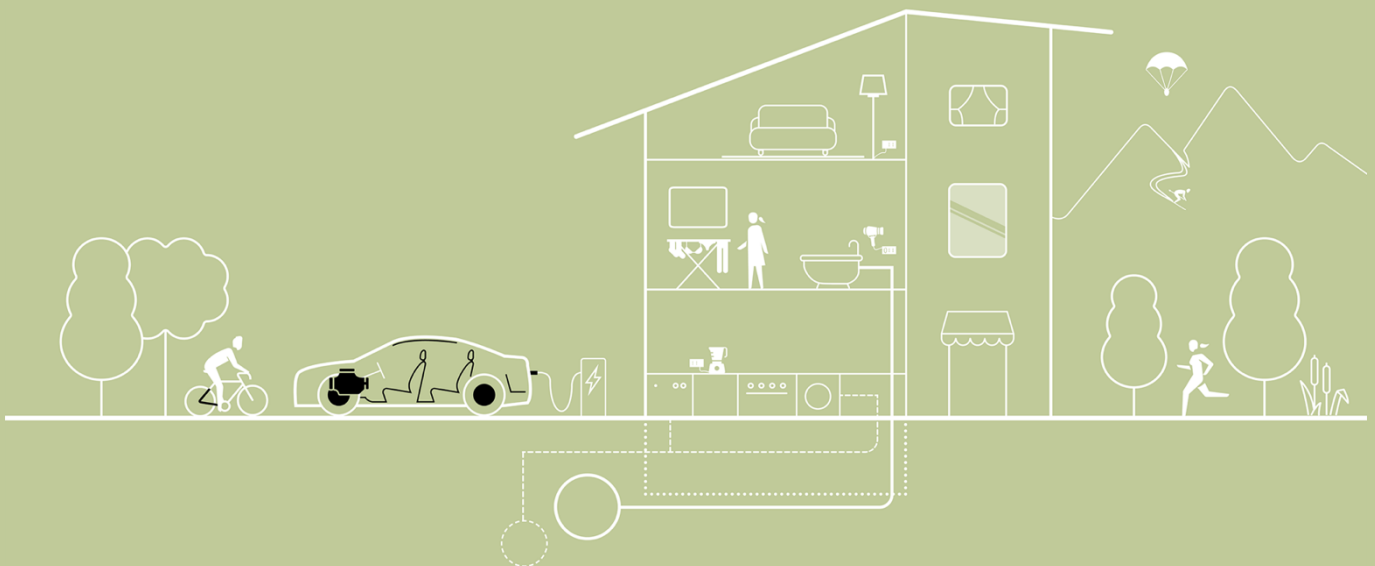
RadiciGroup can count on some thirty brands that make its products recognisable in each of the many application sectors they address. An overview of these same areas is presented below.

To learn more about the Group's products.



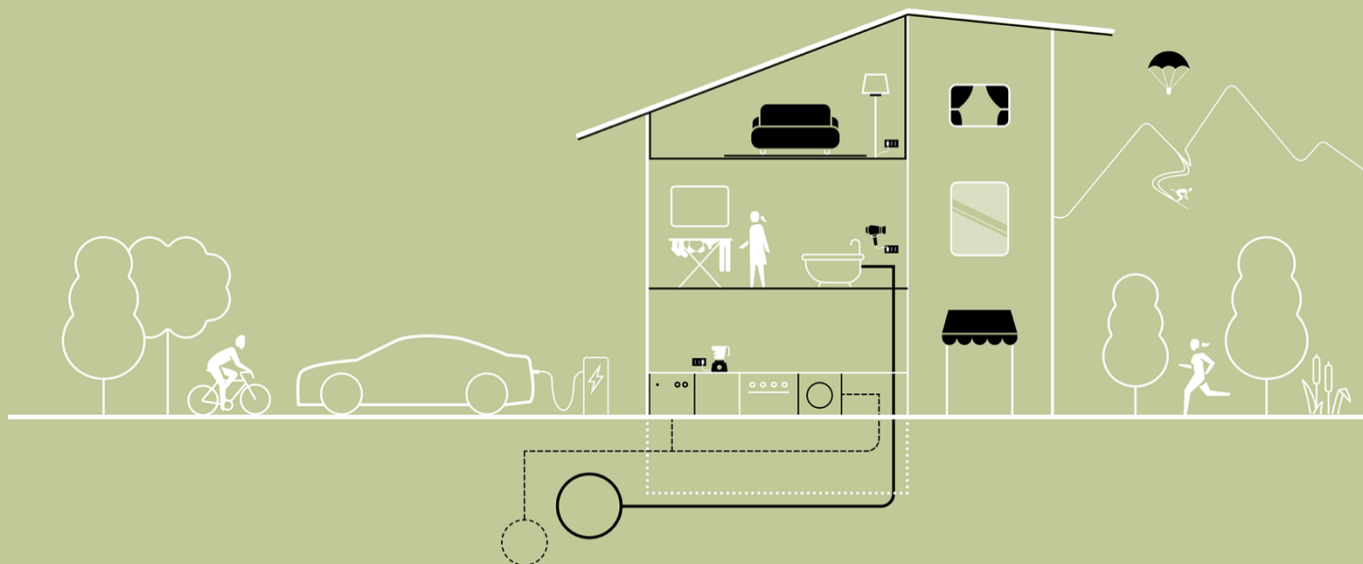
Automotive and Mobility

A relevant presence with engineering polymers in the structural parts of cars and e-bikes, in engine components, batteries and the charging systems of electric and hybrid vehicles. Advanced textile solutions with yarns and nonwovens for car interiors: mats, seats and trunk lining. A cutting-edge know-how to ensure safety, performance and sustainability of materials.



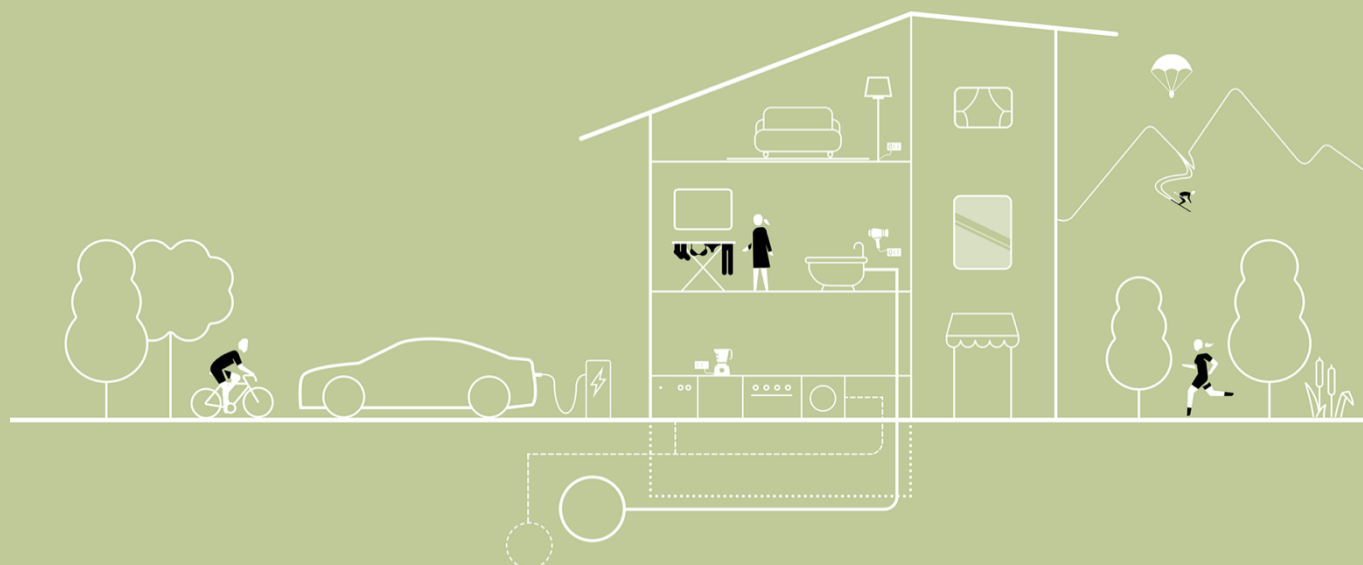
Interior & Outdoor

Innovative textile solutions with yarns for flooring, curtains, sun protection systems, upholstery of furnishing accessories such as sofas and armchairs. Nonwovens for the construction and roofing sectors. Engineering polymers for household appliance components, water management systems, along with the electrical and electronic sector and furniture.



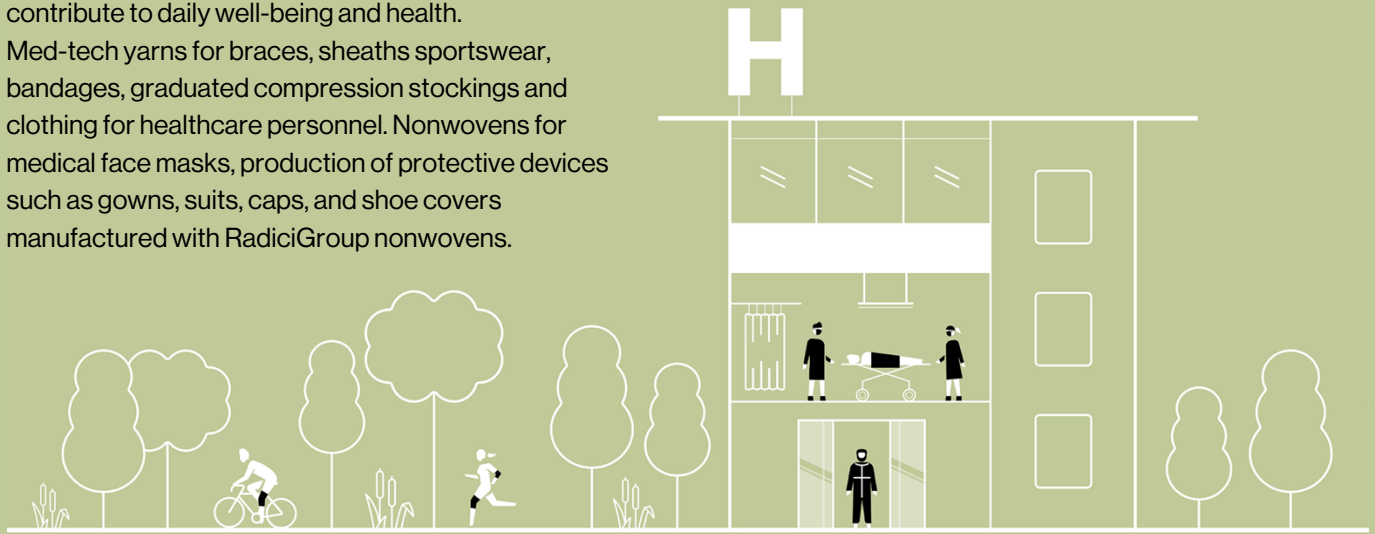
Apparel

Cutting-edge know-how for applications in clothing, from sportswear to underwear, from hosiery to athleisure and beachwear. Functionalised yarns to enhance garment comfort, wearability, durability and performance, with a special focus on reducing their environmental impact.



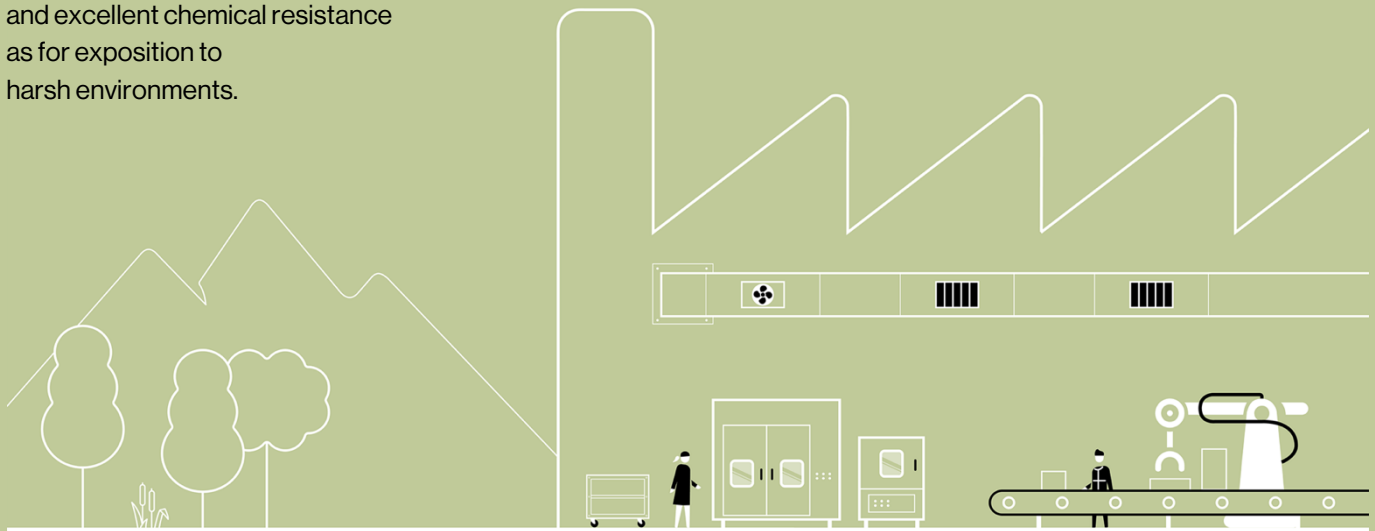
Medical sector

Safe and high-performance materials that contribute to daily well-being and health. Med-tech yarns for braces, sheaths sportswear, bandages, graduated compression stockings and clothing for healthcare personnel. Nonwovens for medical face masks, production of protective devices such as gowns, suits, caps, and shoe covers manufactured with RadiciGroup nonwovens.



Industrial Sector

A range of engineering polymers and advanced textile solutions for industrial applications such as energy chains, solenoid valves and filtration systems. Materials endowed with high mechanical strength and stiffness for structural valves, high abrasion resistance as for gears and excellent chemical resistance as for exposition to harsh environments.



Governance

Radici Partecipazioni SpA is the parent company for industrial activities in the fields of chemicals, high-performance polymers and advanced textile solutions, and is directly controlled by the group's parent company, Radicifin S.A.p.A. Radici Partecipazioni SpA manages and coordinates the activities of all its subsidiaries along the guidelines set forth by the Board of Directors.

The Board of Directors and the Board of Statutory Auditors

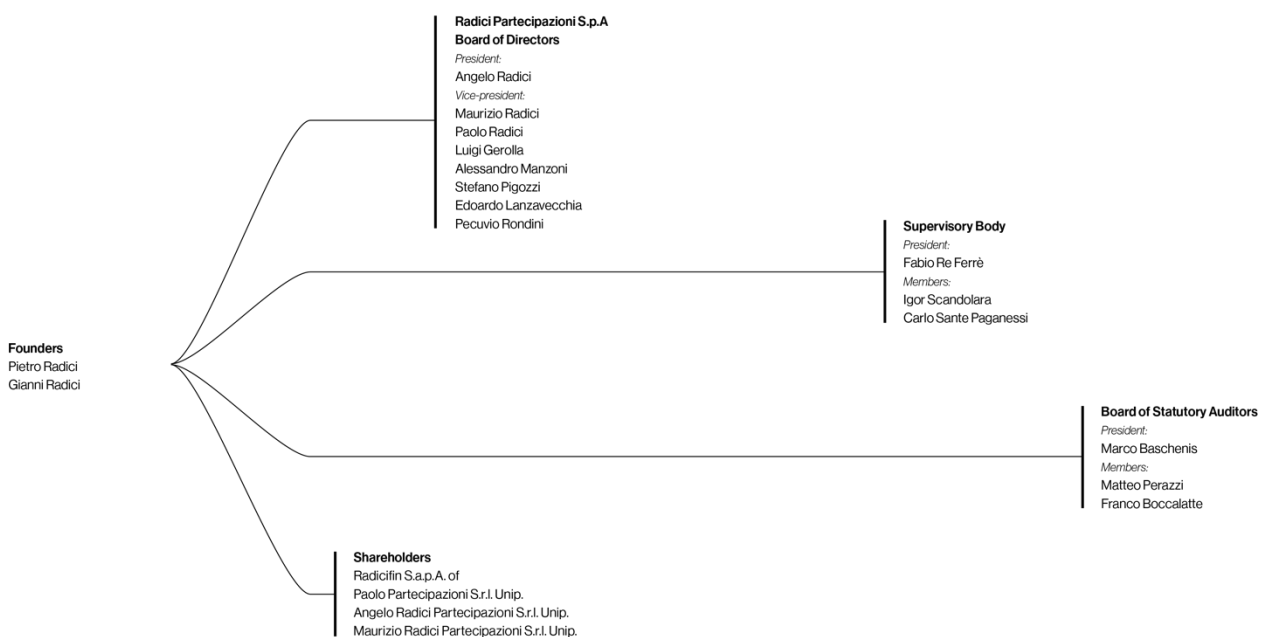
Disclosures 2-9, 2-10, 2-11

The composition of governance bodies

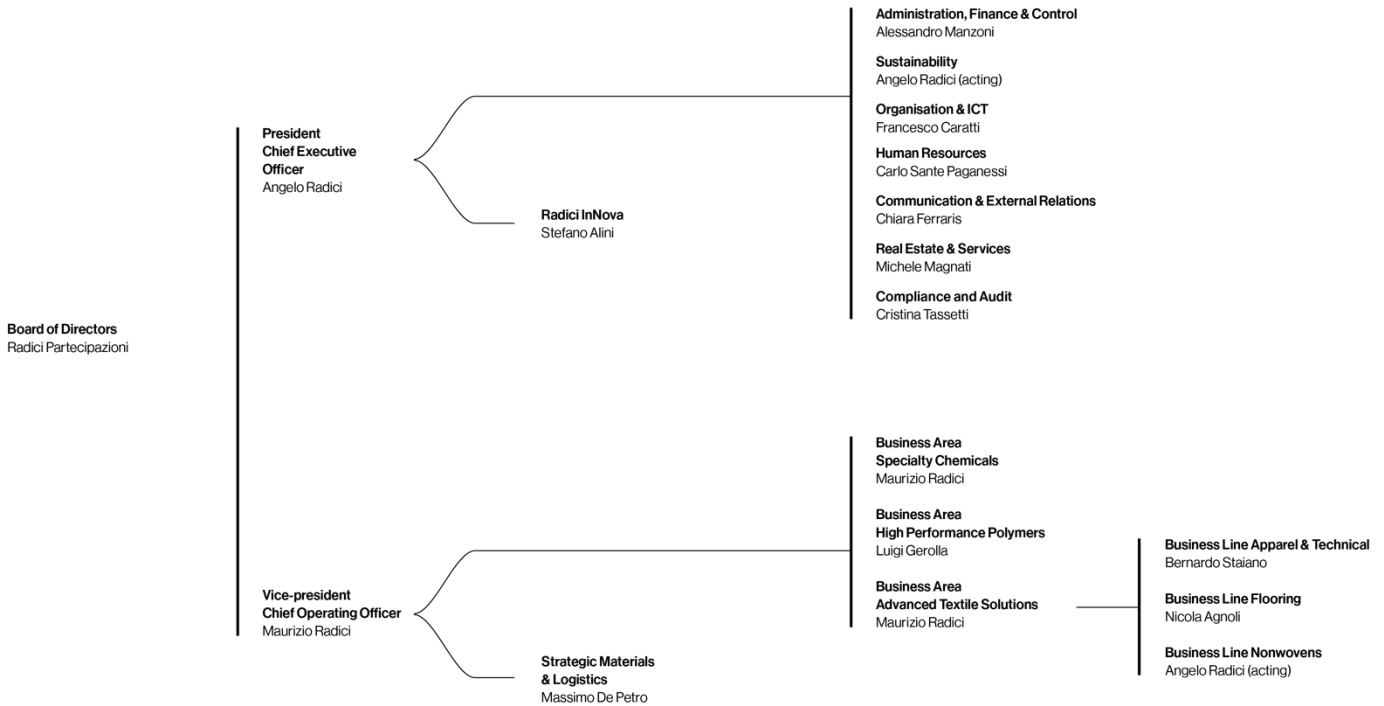
RadiciGroup's governance is carried out through the Board of Directors (hereinafter BoD), with **strategic and administrative duties** and the broadest powers in matters of ordinary and extraordinary management, **and the Board of Statutory Auditors**. The latter is composed of three members: Aldo Piceni, Marco Baschenis and Matteo Perazzi, elected with the age limit of 75 years, in office for three years with the function of supervising the administration in accordance with Italian law.

The Board of Directors of Radici Partecipazioni is in office for one year. As of January 2024, it has consisted of 8 members, one more than the previous board. Majority Shareholders Angelo Radici (President and CEO), Maurizio Radici (Vice President and COO) and Paolo Radici together with Directors Alessandro Manzoni (Managing Director), Luigi Gerolla (non-executive member), Pecuvio Rondini (non-executive, independent member), Edoardo Lanzavecchia (non-executive, independent member) and Stefano Pigozzi (non-executive, independent member) are members of the Board. The Directors currently in office were reconfirmed by the Shareholders' Meeting of 28 May 2024. The Directors are all over 60. Members' seniority in office is more than ten years, with the exception of Stefano Pigozzi. There are currently no women or Stakeholders from under-represented social groups on the BoD.

The Directors were appointed to bring their expertise in industrial, economic-financial, administrative and legal matters, and specifically in the chemical and polymer sector, by virtue of the experience gained and consolidated in the management of the Group's various businesses, as well as external businesses, at national and international level.



Updated 1 June 2024



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Disclosure 2-18

No official/formal evaluation or self-assessment procedures are currently in place at the BoD. Verification of the correct and effective functioning of the body and of its adequate composition takes place annually, when the positions of the Board members are renewed.

Disclosures 2-19, 2-20

The Shareholders' Meeting decides on the distribution of dividends and the remuneration of the Board of Directors at the meeting to approve the financial statements. Remuneration is determined year by year, with no variable component or specific bonus. Six directors are paid a fee, and one director an "attendance fee" for each meeting of the Board of Directors and the Shareholders' Meeting. The fees thus determined are gross of statutory deductions and contributions and paid in a lump sum.

Business Area Managers receive a fixed gross annual salary and participate in an annual Management by Objectives plan that varies according to the objectives assigned.

Conflicts of interest

Disclosures 2-15, 2-16

In addition to his presence on the BoD, Angelo Radici is President and CEO of Radici Partecipazioni, Maurizio Radici is Vice President and COO as well as Business Area Manager of the Specialty Chemicals division and, as of late 2023, also of Advanced Textile Solutions, Alessandro Manzoni is CFO of Radici Partecipazioni and Luigi Gerolla is Business Area Manager of the High Performance Polymers division.

With regard to the **potential occurrence of conflicts of interest**, it should first of all be noted that all **RadiciGroup personnel must pursue**, within the scope of their activities, the **general objectives and interests of the Group**, and

avoid finding themselves in situations or activities that may be in conflict with these principles, in accordance with the explicit provisions of the Code of Ethics. The **Board of Statutory Auditors** of the parent company is responsible for **checking that no conflicts of interest occur**.

With regard to the various **positions held by the President, there is no risk of conflict of interest**, as RadiciGroup is a multinational company with a family-owned corporate structure. The interests of the Directors coincide with the interests of the business and are consistently managed.

In addition, it should be noted that all **transactions with economic entities partially corresponding to those of the parent company Radicifin S.A.p.A (related parties)** are **carried out under normal market conditions**. For the purposes of this disclosure, the following subjects are identified:

- IteMa SpA, based in Colzate (Bg);
- Geoenergie SpA based in Bergamo (and its subsidiaries);
- Società Elettrica Radici SpA;
- Hotel Excelsior San Marco Sr.l.

Further details on these companies can be found in the Notes to the Financial Statements.

In addition, a **specific procedure** was pursued between 2023 and 2024, **concerning the related parties** themselves, **to ensure the transparency and substantive and procedural fairness** of the Group's transactions with related parties.

During the reporting year, no reports relating to conflicts of interest were received through the SB or the whistleblowing system described below, which are the main point of contact between Stakeholders and RadiciGroup management.

The 231 Model and the Corporate Compliance and Internal Auditor function

Disclosure 2-24

As of 2021, Radici Partecipazioni S.p.A has voluntarily adopted an organisation and management model in accordance with Legislative Decree 231/2001 (for 2023, this relates to the already mentioned Radici Partecipazioni Spa, together with RadiciFil SpA, Radici Chimica SpA and Radici Novacips SpA, with the expected addition of Tessiture Pietro Radici SpA by 2024). The model is an **important tool for monitoring and managing the risk of social, environmental and administrative crimes**. As part of the 231 Model, RadiciGroup has defined specific control protocols for risk assessment and protection of the companies concerned.

In addition, the Supervisory Board, endowed with the appropriate requisites of independence, professionalism, honourableness and authority, in turn ensures that no situations of potential or actual conflict of interest arise at the level of the BoD and, more generally, at the level of RadiciGroup companies.

Furthermore, **as of 2022, the Group has strengthened its structure with a managerial figure, the Corporate Compliance and Internal Auditor**. The latter works on analysing and improving governance risk management processes at the Italian and international level, conducts process audits and ensures the correct and widespread application of corporate policies.

In this case, the Internal Auditor's objective is to verify that the existing corporate risk management, control and governance processes are adequate and, in particular, to verify:

- the efficiency and effectiveness of business processes;
- compliance of processes and activities with laws, rules, regulations and internal procedures;
- the reliability of management information;
- the safeguarding of the company's operations and assets.

The BoD is briefed on any new situations that could lead to conflicts of interest or new governance risks by **the Board of Statutory Auditors, the Supervisory Board and the Corporate Compliance and Internal Auditor**. No reports were made in 2023.

Disclosures 2-25, 2-26

Radicigroup provides a reporting portal and an associated **whistleblowing** procedure for those (Employees, Customers, Suppliers, Business Partners, Consultants) **who wish to report, in good faith, irregular conduct, breaches of the Code of Ethics, the Organisational Model pursuant to Legislative Decree 231/2001** for those companies that apply it, the internal procedures adopted or the external regulations in any event applicable to the Group. The procedure is updated to be pursuant to Legislative Decree no. 24 of 10 March 2023.

Reports on the whistleblowing portal, which is active for all Radicigroup companies, must be **made to protect the integrity of the Group and must be circumstantial, i.e., based on precise and concordant facts**. Whistleblowing is an important tool that contributes to the proper functioning of the company, protects stakeholders and helps to consolidate a culture of fairness, respect and transparency.

In 2023, three reports were made, one relating to Italy and two relating to non-European realities, managed according to the pre-established guidelines.

Anti-corruption

From the Radicigroup Code of Ethics:

Radicigroup condemns any behaviour by personnel involving the giving or promise of money or other benefits (including goods, services and favours) to public or private entities, whether Italian or foreign, for the direct or indirect purpose of obtaining an unfair advantage for themselves, the Company for which they work or other Group Companies.

Such conduct is considered an act of corruption by whoever behaves in such a way.

The **Group Code of Ethics** is extremely **clear** in its **prohibition of any conduct that can be linked to corruption**.

In order to translate this into daily operations, in 2024 the Group, taking the holding company as the starting point, began carrying out a thorough **analysis of processes and related risks** in order to define specific ethical and behavioural standards. This is in addition to the general principle of compliance with the anti-corruption legislation in force in each country where its companies operate.

General Data Protection Regulation (GDPR)

On 25 May 2018, **EU Regulation 2016/679 on the protection of natural persons with regard to the processing of personal data** came into force. Radicigroup's **European companies fully comply with the provisions of the regulation**. The current **data controller is Radici Partecipazioni SpA**

In 2023, the Internal Auditor carried out audits at the ATS Business Area relating to compliance with this legislation, focusing particularly on the management of customer and sales data. Some minor non-conformities were found that are now being resolved.

Sustainability Governance

Disclosure 2-12

Sustainability in its various social, environmental, economic and governance aspects is **increasingly on the agenda of Radicigroup's top management**. The **Board of Directors** plays a **central role in supporting the commitment to sustainable development** along the value chain and in integrating ESG issues into the Group strategy.

In **June 2024**, President **Angelo Radici took on the role of Chief Sustainability Officer** of the newly established **Sustainability function**, with the aim of **accelerating the Group's ESG policies**.

Below are some of the documents or activities, signed by the Directors or approved by the Shareholders, that demonstrate the active role that RadiciGroup's top management plays in promoting a management model marked by sustainability.

The Code of Ethics

Disclosure 2-23

In 2022, the Board of Directors of Radici Partecipazioni approved the RadiciGroup Code of Ethics, which is intrinsically **linked to ESG issues**, and acts in accordance with this guideline by promoting its values. The President, in his letter introducing the Code itself, described it as the benchmark for everyday action. Not only that, he described it as the tool through which RadiciGroup presents itself to Stakeholders. The QR Code to access the Code of Ethics can be found at the beginning of this report.

The RadiciGroup Policy

RadiciGroup's new Policy, found at the beginning of this report, was **signed in April 2024 by President Angelo Radici and Vice-President Maurizio Radici** and approved by senior management for the various Business Areas. Designed by a cross-functional team, the Policy is **a governance tool that integrates the goal of business continuity with the pursuit of excellence**, achieved through the continuous improvement favoured by **solid but resilient management systems**.

The policy bases its principles on the best practices underpinning ISO systems and aims to guide the Group's strategic actions and decisions on a number of ESG issues: from emission reduction to the responsible use of resources, from measuring product impacts to circular economy. Compared to the 2019 version, the Policy broadens the chapter on social aspects with a particular focus on Workers, Health and Safety protection, Human Rights, and the appreciation of each person's uniqueness.

The mention of strategic plans and clear and accountable goals in the area of sustainability underlines the process of transparency that has been in place for years in the Group.

Materiality analysis and non-financial reporting

Disclosure 2-14

In 2022, following a thorough redefinition of the material topics, described in detail in the section Building the Report, **the owners of RadiciGroup approved the topics of most relevance to the Group** as identified by the Stakeholders and proposed new topics through a dedicated sustainability governance process. In addition to approving the main topics, **the President provides Stakeholders with a commentary on the Group's sustainability performance in the letter that introduces the Sustainability Report** each year. **He also outlines future strategies** and gives Stakeholders a preview of the topics that will be the focus of RadiciGroup's efforts in the short and medium term. Finally, every year, the President of RadiciGroup, representing the BoD, meets with the assurance company at the end of the Sustainability Report assurance process to discuss the strengths and weaknesses of the report.

The "From Earth to Earth" Sustainability Plan

In 2023, RadiciGroup Shareholders and senior management discussed and approved the practical resolutions that the Group plans to implement in the medium and long term, such as decarbonisation, use of resources, respect for

Human and Workers' Rights, and the circular economy, **by formulating the "From Earth to Earth" plan**. The sustainability plan is referenced in detail in several places in this report.

Disclosure 2-17

Although no specific sustainability training activities have been set up so far for the Board of Directors, the Board members recognise the importance of having specific skills in order to best guide the transition to a fully sustainable business model.

Board members thus keep themselves constantly updated on social, environmental and production issues through their direct involvement in the activities of the Group, for which sustainability is an increasingly strategic driver.

In addition, each year at the official presentation of the Sustainability Report in which the Board of Directors participates, an expert from outside the Group is called upon to illustrate the opportunities arising from the integration of sustainability into the business model, or the scenario accompanying the transition to a more inclusive, low-impact economy.

Sustainability Governance in Action

Disclosures 2-13, 2-24

The Sustainability function

The **Sustainability function of RadiciGroup** was officially established in June 2024.

Led by President **Angelo Radici**, who has taken on the role of **Chief Sustainability Officer**, the function will aim to address present and future ESG challenges with ever-increasing focus and incisiveness.

The function will be divided into **two specific areas**: the first concerns **reporting**, with specific objectives related to **non-financial reporting**, the **transition to the Corporate Social Responsibility Directive** and aspects of **social responsibility**, including those along the value chain.

The second area encompasses the establishment of a **Group QHSE function** for the **coordination of Quality, Health and Safety, and Environment management systems** aimed at achieving the **objectives of the "From Earth to Earth" sustainability plan** and the **development of sustainability policies and management system procedures**.

The activities of the Corporate Sustainability Group

The Group is composed of **Corporate and Business Area experts** for the various ESG topics. One of its main tasks is to **propose to the Board of Directors the most important sustainability topics**, which are to be constantly monitored. Along with this activity, starting in 2022, it undertook the analysis of the Group's ESG impacts and the formulation of RadiciGroup's sustainability plan, with related medium- and long-term goals, which was subsequently approved by senior management. The **Corporate Sustainability Group**, in cooperation with the **groups of experts in each Business Area**, **oversees the production of the Sustainability Report**. Going forward, the Group will work closely with the Sustainability function.

The mission of Management Systems

The adoption of Quality, Health and Safety, Environmental and Energy Management Systems, according to ISO 9001, 45001, 14001 and 50001 standards, allows for the uniform application of certain criteria common to all standards,

such as understanding the organisation's internal and external context, the needs and expectations of Stakeholders, and the setting up of a risk and opportunity analysis carried out across all the requirements of the standards. This work **enables the identification, monitoring, prevention and mitigation of impacts of the Group** (inside out) **and on the Group** (outside in) by **supporting Shareholders in the governance of economic, environmental and social sustainability**. Through the Radici Partecipazioni Management Review, which takes place annually, Shareholders are updated on the status of the Group's potential and actual impacts. Here, the proper management of the ESG variables considered most important is assessed, with an approach aimed at continuous improvement.

The role of Radici InNova

Starting in 2020, the Board of Directors has entrusted **Radici InNova**, RadiciGroup's research and innovation consortium, with the **task of identifying solutions that have not yet been explored as part of the Group's sustainability strategy**, with a focus on opportunities related to environmental and product sustainability. Through the Innovation Committee, which meets quarterly, the Board is informed about the progress of the projects carried out by Radici InNova.

Business Area projects

The Group's production and sales activities are entrusted to the operating companies, which, under the mandate of the Board of Directors of Radici Partecipazioni, establish and implement their business plans, reporting to the Board in the BA Committees. Defined according to production type or process technology, the Areas are headed by a manager appointed by the Board. Business Area Managers act as managing directors of their respective companies, with the limits of ordinary administration.

Managers heading the different areas are appointed on the basis of their expertise in specific sectors and experience in international contexts, which is essential for managing the complex global markets in which the Group operates.

The **Shareholders have entrusted the Business Area Managers with the task of applying the Group's ESG strategic guidelines to their businesses**, in line with the characteristics and peculiarities of the various BAs. In turn, the Business Area Managers avail themselves of the professionalism and expertise of their collaborators for the management of sustainability impacts and opportunities. **Each Area is called upon to contribute, through its own objectives, to the overall Group objectives.**

RadiciGroup's area goals are set at the same time as the annual planning of business area strategy, projects and investments approved annually by the Shareholders at an ad hoc meeting. Business Area Management Committees, which meet bimonthly, allow Shareholders to be constantly updated on business performance in relation to objectives and the strategic plan, contexts in which certain sustainability KPIs, specifically related to energy consumption and emissions, play a relevant role.

The Sustainability Strategy

Disclosure 2-22

RadiciGroup focuses its sustainability strategy on achieving the goals of the Agenda 2030 and the objectives of the European Green Deal. Aware of the importance of keeping this strategy aligned not only with the legislative framework and the most advanced standards, but also with the expectations of Stakeholders and the context in which it operates, in 2022 it carried out a materiality analysis, described in detail in the chapter "Building the Report".

The material topics of RadiciGroup, the basis of its sustainability strategy, cover a wide range of topics in the ESG (Environmental Social Governance) logic. The placement of the different topics in the environmental, social or governance chapter is indicative. All topics have overlapping ESG implications, in the logic of an increasingly holistic sustainability, rather than a sectoral one, as can be seen in the various chapters of this document, where the same topic is taken up and explored in more depth in its different aspects.

As mentioned above, the **material topics were the basis for formulating the "From Earth to Earth" sustainability plan, which translates them into practical form through goals and actions.** This will be set out several times in the next chapters.

The material topics underpinning the Sustainability Strategy

From the RadiciGroup Code of Ethics:

RadiciGroup acts according to the principle of sustainable development by structuring optimised processes, investing in reducing impacts and manufacturing products with measured and limited environmental performance. It also promotes individual training, is attentive to Workers' Health and Safety, and constantly works in synergy with Local Communities for lasting and harmonious growth. RadiciGroup realises its commitment to sustainability not only internally, but also with its Stakeholders and has always been committed to creating shared value with all of them.

Environmental

- **Sustainable management of energy resources**

Promote efficient energy management policies and activities, through actions, programmes and management systems. Encourage the use of energy from renewable sources, especially if certified.

Carry out training and awareness-raising projects for Stakeholders (e.g. Employees, Schools) on the topic.

- **Emissions and climate change** - Supporting the decarbonisation process and contributing to the fight against climate change by reducing greenhouse gases and the Group's overall environmental impact.

Implement strategies and actions to mitigate possible impacts generated and suffered in relation to climate change.

Carry out training and awareness-raising projects for Stakeholders (e.g. Employees, Schools, Customers) on the topic.

- **Circular economy** - Integrate elements that accompany decarbonisation processes into activities that support a low-carbon economy.

Implement responsible production from the beginning of the product life cycle to the end, promoting eco-design and recycling to contribute to the transition to a circular business model.

Invest in the implementation of innovative processes to support circularity.

Carry out training and awareness-raising projects for Stakeholders (e.g. Employees, Schools, Customers, Suppliers) on the topic.

- **Materials and chemicals management** - Responsible management of materials, including raw materials, process aids and packaging, with a special focus on the use of chemicals.

Favouring the optimisation of resources used while safeguarding product quality and performance, facilitating the identification and elimination of unsafe practices.

- **Water resource protection** - Develop policies, practices and processes aimed at water resource protection in all business activities (reuse, consumption reduction, waste elimination, discharge monitoring).
Carry out training and awareness-raising projects for Stakeholders (e.g. Employees, Schools) on the topic.
- **Responsible waste management** - Manage process waste responsibly with the aim of reducing its total production and, in parallel, increasing its share for recycling.
Carry out training and awareness-raising activities for Employees on sustainable product design, recovery of waste materials from production processes, proper waste management and disposal.

Social

- **Workers' Health and Safety** - Adopt procedures and management systems to protect the health and safety of Employees and Stakeholders involved in the Group's activities (e.g. Suppliers, Contractors).
Implement training plans to develop the level of awareness and knowledge of the risks to which Workers are exposed, thus developing a culture of prevention.
Raise staff awareness of the importance of each individual's contribution to the overall safety level of the Group.
Promote and support healthy lifestyles for Employees, including those aimed at prevention.
- **Sustainable research and innovation** - Develop innovative technological solutions through R&D activities and collaboration with external partners such as Customers, Suppliers, research centres and Universities, in order to constantly improve the quality, design, performance and safety of the company's products, including through the adoption of sustainable materials and production techniques, in response to evolving market needs.
- **Environmental footprint of products** - Quantify the potential and actual environmental impacts of products at all stages of the life cycle, through the use of scientific systems based on Life Cycle Assessment (LCA).
Promote production systems that protect resources and local biodiversity.
Carry out training and awareness-raising projects for Stakeholders (e.g. Employees, Schools, Customers, Suppliers) on the topic.
- **Attracting, valuing and developing human resources** - Promote the involvement of Human Capital, through the dissemination of policies for valuing Employees (e.g. remuneration policies, performance appraisal).
Promote development and training paths aimed at strengthening the technical, managerial and organisational skills of Employees.
Support the training and onboarding of young talent into the RadiciGroup world.
Define policies and actions focused on the well-being of Group Employees, welfare initiatives aimed at ensuring a positive working environment and solutions to promote work-life balance.
- **Human and Workers' Rights** - Ensure respect for fundamental human rights and in particular for the rights of Worker Employees within the Group and along the supply chain.
- **Relations with Territories and impact on Local Communities** - Contribute to the socio-economic development of the communities in which the Group operates, through investments, projects, programmes and initiatives (e.g. charitable initiatives, collaborations with schools and universities).
Promote initiatives to involve and continuously listen to the Group's Stakeholders in order to undertake growth strategies with positive impacts on the territory, including through activities to identify needs and expectations. Share the Group's know-how for local development.

Governance

- **Long-term value creation and business sustainability** - Commitment to fostering sustainable development, fundamental to the Group's growth and competitiveness, which also benefits Stakeholders in terms of distributed added value, job creation, investment in the territory, related industries and generation of resources for local administrations, dissemination of know-how and innovation.

- **ESG corporate governance, risk management and compliance** - Formalise a long-term vision that integrates ESG expectations and Stakeholder interests, ensuring transparency, control processes for ESG risk management, tools to improve sustainability performance and an active dialogue with Stakeholders.
Ensure compliance with mandatory or voluntary ESG standards through the implementation of appropriate organisational management structures and the empowerment of people.
- **Responsible supply chain management and traceability** - Implement ESG policies aimed at responsible supply chain management, through procedures for selecting Suppliers and business partners, integration of common sustainability criteria in the qualification phase of Suppliers and business partners, and specific preventive tools such as contractual clauses and possible audit programmes.
Promote purchasing processes that allow traceability of the main raw materials used by the Group, in order to ensure responsible resource management and business continuity, also in view of the impacts in the international social and economic context of supply chain management.
- **Cybersecurity and data protection** - Prevent and mitigate the possible effects of cyber attacks and ensure service continuity. Comply with data protection laws and regulations and implement processes and safeguards to ensure the security and confidentiality of sensitive Stakeholder data.

Stakeholders

In outlining and implementing its **business and sustainability path, a thriving and constructive relationship with Stakeholders is fundamental for RadiciGroup**. RadiciGroup can only operate through collaboration based on joint knowledge, dialogue and continuous sharing of values and interests.

Principles underpinning the relationship between RadiciGroup and its Stakeholders include:

- **Sharing goals** for social, economic and environmental sustainable growth.
- **Joint and participatory planning**, especially with value chain players.
- **Transparent relationships and respect for each other's role.**
- **Openness to dialogue** and mutual improvement through discussion and collaboration.

In this Report, the "Environmental", "Social" and "Governance" chapters to follow consider the following Stakeholder categories, which were identified following the reassessment of the materiality analysis.

All the Stakeholder categories indicated here were consulted for the Group's materiality analysis.

- | | |
|--|---|
| • Trade associations | • Workers and their families |
| • Group companies | • Media |
| • Customers | • Trade union organisations |
| • Local communities and territories | • Schools, universities and research and innovation centres |
| • Bodies, Institutions and Public Administration | • Third sector |
| • Suppliers and business partners | |
| • Financial institutions | |

The specific ways they are involved in relation to the different material topics are illustrated in the table "Management of Material Topics" in the section "Building the Report".

Some specific examples of dialogue, involvement and collaboration are described in the "Environmental", "Social" and "Governance" chapters below and in the relevant case histories.

E for Environmental



MATERIAL TOPICS

- Sustainable management of energy resources
- Emissions and climate change
- Water resource protection
- Circular Economy - covered in the "S for Social" section
- Environmental footprint of products - covered in the "S for Social" section
- Management of materials and chemicals - also covered in part in the "S for Social" section
- Responsible waste management

2030 GOALS – FROM THE “FROM EARTH TO EARTH” SUSTAINABILITY PLAN

From Nature to Nature - Environmental Goals

For RadiciGroup, **sustainable development** is a mission that it pursues through **the careful sourcing of resources**, the **optimisation of its processes** and constant **investment** in the **measurement** and **minimisation** of impacts.

Topic/SDG	Objective
<p>Sustainable management of energy resources</p>	<p>+20% renewables</p> <p>increasing and differentiating consumption of electricity generated by renewables, through strategic partnerships and proprietary technological solutions.</p> <p>90% coverage</p> <p>of Group production facilities by ISO 50001 energy management system certification, for greater energy efficiency.</p>
<p>Emissions and climate change</p>	<p>-80% total direct emissions</p> <p>of greenhouses gases versus 2011 by 2030.</p>
<p>Water resource protection</p>	<p>100% effort</p> <p>in protecting water, to limit the impact on local communities, the environment and biodiversity.</p>

RadiciGroup supports **ecodesign as an innovative circular economy model** that creates opportunities for the sustainable development of products in unexplored sectors. Within this framework, **cooperation throughout the value chain is key** to implementing **a practical environmental policy** that encompasses all that happens inside and outside the company gates.

Topic/SDG	Objective
Circular economy 	Value Chain create partnerships to build practical solutions for the circular economy.
Innovation 	Innovation pioneer the research of new solutions for recycling RadiciGroup materials.
Prevention 	Prevention think of the processes and life cycle of products to progressively reduce the waste that ends up in landfills .
Environmental footprint of products 	Life Cycle Assessment (LCA) extend measurement to 70% of products manufactured at a Group level.
Materials management 	Renewable sources Raise the percentage of natural sources used on an annual basis.
Packaging 	Packaging seek out increasingly sustainable and circular solutions.

The E of Environmental

The E of Environmental is traditionally one of the pillars of the sustainability policy of RadiciGroup, which:

- **Preserves the intrinsic value of resources** and makes best use of them.
- **Supports the energy transition** through the use of renewable energy and **participates in the decarbonisation process to combat climate change**.
- **Works towards process innovation** to create sustainable products that are the result of a system which is also sustainable.
- Supports **ecodesign** as an **innovative circular economy model** that creates opportunities for the development of products that are safe for those who produce and use them and “gentle” on the environment.
- **Regularly measures the performance** of all its sites and products and **transparently communicates** on this performance.
- **Is increasingly broadening its perspective** by looking at the value chain as a horizon for action.

The following sections provide an overview of RadiciGroup's environmental results grouped by complementary data inputs (received from the Environment) and outputs (delivered to the environment). The topics covered will be as follows:

- Materials used (input) – waste generated (output).
- Energy used (input) - atmospheric emissions and their quality (output).
- Water used (input) - water discharged and its quality (output).

As a general consideration, it should be noted that the complex geopolitical and market situation, as outlined elsewhere, led to a number of shutdowns and restarts of Group companies in 2023, as well as the continuous shutdown of plants in the Specialty Chemicals division for approximately two months. While this has led to a reduction in the absolute values of waste, energy and water consumption and emissions, it has also led to a systematic deterioration in the indices that relate this consumption to the quantities processed. Every break and restart results in loss of efficiency, waste and second choices when restarting and transitioning from one production campaign to another.

Taking these considerations into account, the Group's environmental performance in 2023 remains stable, although the indicators may appear to be deteriorating if read without the premise above.

Materials used

RadiciGroup has long promoted an economic model capable of making the best use of resources and transforming waste into new opportunities. This is in line with goal 12 of the United Nations 2030 Agenda (Responsible Consumption) and with the "From Earth to Earth" goal which prescribes that special focus is given to renewable materials.

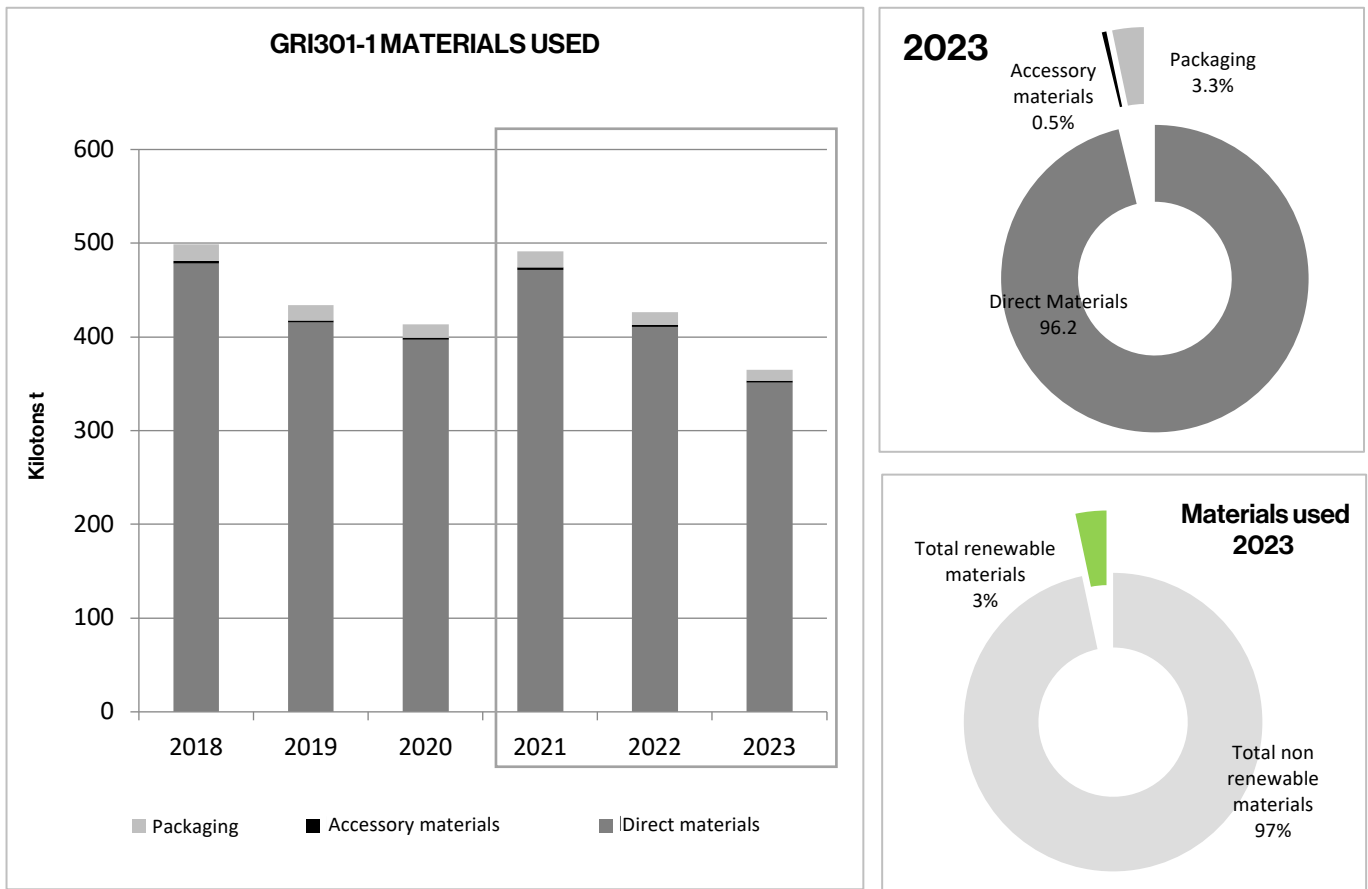
All 2023 data show a decrease in the quantities of materials used and packaging compared to the previous year when there were a number of interruptions to production. The only exception was growth in direct renewable materials compared to 2022 (+ 551 tonnes). This was linked to the Specialty Chemicals Business Area, which used renewable accessory materials for its production [Table 04].

On a positive note, adequate levels of production efficiency were maintained in the Group. Although it is not possible to give a precise figure due to the extremely diverse nature of the processes in RadiciGroup companies, it is empirically possible to state a percentage of above 90% for production yields, which is significant in view of the discontinuities in production. Processes are always subject to control systems capable of reducing faulty batches and, consequently, waste, an important fact that helped to limit the inconvenience of the fragmentation in production.

Table 04 | **GRI 301-1 Materials used by type or weight**

Materials used by weight and type		2021	2022	2023
t	Direct materials*	471,310	410,473	351,630
t	Accessory materials	3,102	2,126	1,753
t	Packaging	16,768	14,059	12,114
t	Total	491,180	426,659	365,497
Non-renewable materials				
t	Direct materials	469,180	409,507	350,113
t	Accessory materials	3,099	2,050	1,702
t	Packaging	1,822	1,392	1,464
t	Total non-renewable materials	474,101	412,949	353,279
Renewable materials				
t	Direct materials	2,130	966	1,517
t	Accessory materials	3	76	51
t	Packaging	14,946	12,668	10,650
t	Total renewable materials	17,079	13,710	12,218
% renewable packaging to total packaging		89.1%	90.1%	87.9%
% renewable direct materials to total direct materials		0.45%	0.24%	0.43%
% renewable materials to total materials		3.48%	3.21%	3.34%

* Intra-group raw material flows, including recycled material processed by Radici EcoMaterials, are not taken into account for the purposes of the indicator, as they do not represent resources taken from outside the Group and, in general, removed from the environment.



Process waste

Disclosures 306-1,2

While paying the utmost attention to production efficiency, as highlighted above, it is impossible to completely eliminate waste, due to the technological limitations typical of all plants. In addition to this, there is the waste related to the logistics process of incoming and outgoing materials entering and leaving the sites, such as packaging, and the waste generated by activities ancillary to actual production, for instance, office activities and canteens.

- In a **logic of circularity and industrial synergy, nylon-based waste from all the Business Areas is transformed into raw materials for the industries that generated them or for other industries in the Group**, depending on the intrinsic characteristics of the materials and the expected performance of the secondary raw materials into which they will be transformed, meaning nothing is wasted. In this regard, the inherent recyclability of the Group's thermoplastic materials and the choice of mechanical recycling as a technical solution with lower energy use and emission generation than the chemical recycling counterpart is confirmed as a distinctive and strategic element.
- Radici EcoMaterials plays an increasingly key role in this area, consolidating RadiciGroup's historical approach to mechanical recycling. Thanks to the technology in its plants, it can treat scraps of synthetic fibres and thermoplastic materials and obtain high-quality products.
- A similar process is in place for the polypropylene scraps originating from the Group area that produces nonwovens. The scraps are collected, sorted and regranulated to create new raw material.

Table 05 | **Total weight of waste by type and destination***

		2021	2022	2023
t	Total waste (GRI 306-3)	21,818	19,566	18,381
t	Total hazardous waste	3,088	2,493	2,000
t	Hazardous waste directed to disposal (GRI 306-5)	2,271	1,725	1,342
t	Hazardous waste directed to recovery	817	768	658
t	Total non-hazardous waste	18,730	17,073	16,380
t	Non-hazardous waste directed to disposal (GRI 306-5)	2,731	2,713	3,015
t	Non-hazardous waste directed to recovery	15,998	14,360	13,366
t	Of which non-hazardous waste directed to internal recovery within the Group	8,487	7,900	7,438
%	Non-hazardous waste directed to internal recovery/total non-hazardous waste directed to recovery (GRI 306-4)	53.1	55.0	55.6

* Based on the documentation held by the Group and provided by the companies in charge of waste management and treatment, it is not possible to give more detailed information, as required by the GRI model, concerning the actual disposal method.

On the basis of its origin, waste for RadiciGroup can be divided into three macro-categories [Table 06]:

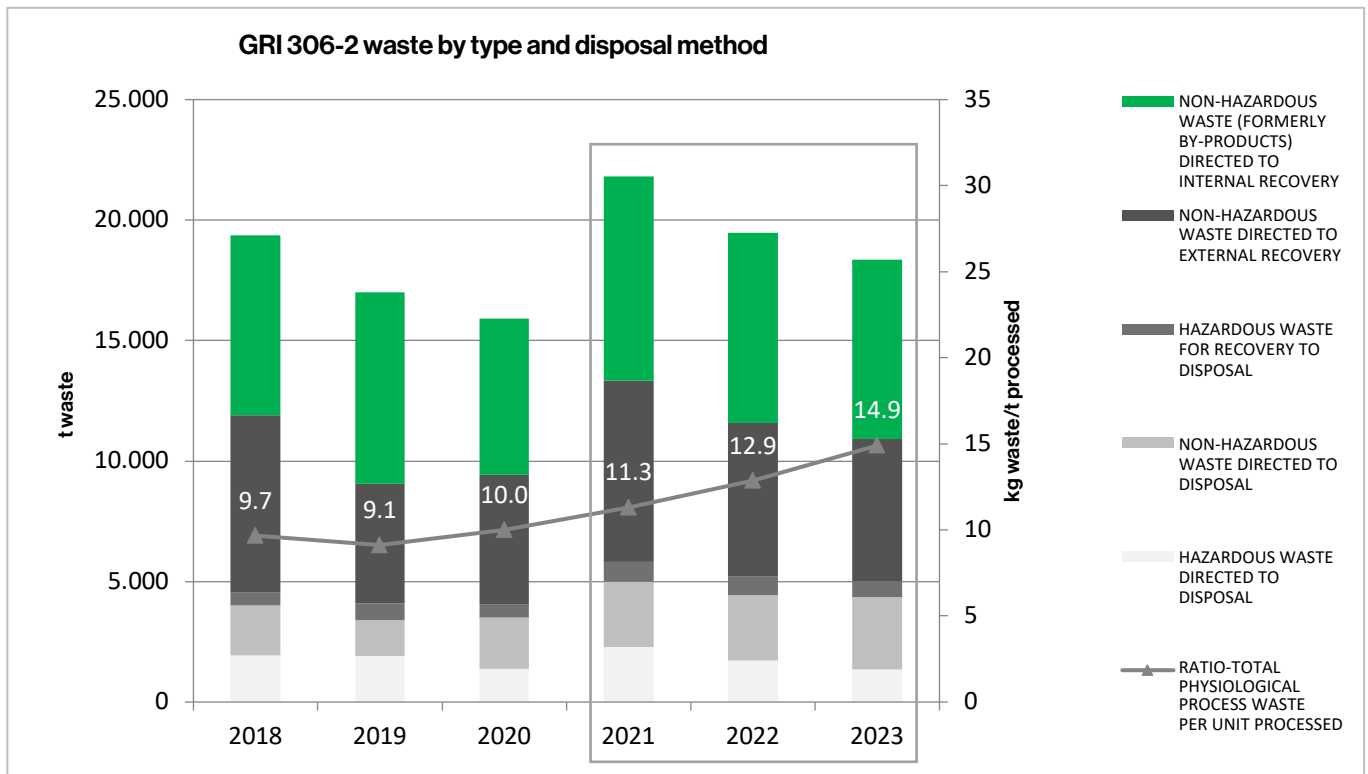
- occasional waste denoted as "**not related to the production process**" generated by "special" situations such as building renovations, one-off maintenance, particular climatic events (e.g. flooding in 2021), etc.
- waste derived from **formerly by-products** directed to recovery (recycling) within the Group
- **ordinary waste** generated in the course of the normal operation of production processes. The ratio concerning the processed quantity is calculated for this type of waste [Table 07].

Table 06 | **Breakdown of waste according to RadiciGroup's macro-classification**

		2021	2022	2023
t	Total waste (GRI 306-3)	21,818	19,566	18,381
t	Occasional (hazardous and non-hazardous) non-process waste (building renovations, maintenance, etc.)	1,581	388	580
t	Non-hazardous process waste (formerly by-products) directed to recovery within the Group	8,487	7,900	7,438
t	Process waste (hazardous and non-hazardous) directed to treatment outside the Group	11,750	11,278	10,363

Table 07

		2021	2022	2023
kg/t	Ratio - Process waste directed to treatment outside the Group per unit processed	11.32	12.95	14.92



The ISO Quality, Environment and Health and Safety certifications, held by most of the Group companies, ensure that the best management standards are applied to all phases of the process: scrap collection, recovery and production of engineering polymers and textile polymers from the recycled scrap.

Waste is stocked at the sites according to the health and safety rules and applicable laws. These materials are then **handed over to authorised third parties** for proper disposal according to the local rules and laws of the host country. The head of the Waste Management function at each Group company periodically qualifies and verifies transporters, receivers and intermediaries, ensuring that they meet all the necessary requirements for waste management operations. Furthermore, second-party audits of environmental service Suppliers are also conducted on a regular basis. In addition, each site has in place a traceable system that records and keeps track of all the relevant data concerning waste management.

Finally, the Group's companies, starting with HPP, have in recent years progressively signed up to **Operation Clean Sweep (OCS), an international programme to combat the dispersion of polymer dust and granules** into the environment, focusing on product handling from the entry of raw materials into the factory to the exit of semi-finished products destined for Customers.

Operation Clean Sweep involves the entire supply chain, including transport and logistics. RadiciGroup decided to voluntarily join the initiative, which specifically involves the implementation of improvement actions and training courses involving all operators, with the aim of actively driving progress. From 2024, all companies in the HPP area will not only be renewing their membership of the OCS program, but will also prepare to obtain certification for the associated standard.

Packaging

Along with production processes, the other major source of waste is the packaging that comes with the raw materials entering the Group sites. The type of packaging depends mainly on what the market offers and the type of products to be handled. However, steps have been taken over time to manage this type of waste as well:

- **RadiciGroup carefully selects its Suppliers and works with them to define**, in line with the chemical-physical characteristics of the substances, **the most sustainable alternative from a technical, economic and environmental standpoint, for the packaging and transport of direct and indirect raw materials**, which are generally transported in bulk in tanks, by train and by road.
- Unless otherwise transportable, **the Group prefers to transport non-bulk input materials in octabins, big bags and, in general, packaging optimised for shape and size.** Across sites it is common practice to make internal use of recyclable card and plastic packaging.
- Lastly, a forward-looking solution – unique to the Group – was found many years ago for feeding the large quantities of polyamide 6 polymer produced by the Radici Yarn factory to the neighbouring Radici Novacips site for compounding. An underground pneumatic pipeline was designed and constructed, which totally eliminated the need for packaging.

Energy

In line with Goal 7 (Affordable and Clean Energy) and Goal 13 (Climate Action) of the 2030 Agenda, the reduction of emissions and the adoption of renewable energy are the pillars of the Group's strategy to combat climate change. This commitment is also reflected in "From Earth to Earth" through the special goal of 20% growth and diversification in the Group's use of renewable sources compared to 2021.

Aware of the fact that the main source of CO₂ is energy production, RadiciGroup constantly monitors its energy performance and promotes the rational use of energy. Many sites have integrated the Environmental Management System with the requirements of ISO 50001, concerning energy management. For Italian sites that consume large amounts of energy, there is also a specific professional figure, the Energy Manager, in accordance with Law No. 10/1991. The role of the Energy Manager is to create a fully-fledged overall company policy of energy conservation for the benefit of economic and environmental policies.

The Group's energy consumption in 2023 was affected by the predominantly European crisis situation. The absolute values in the following tables all show a decreasing trend and the indices that relate the different energy consumption to the quantities processed show a worsening trend. On a positive note, however, fuel oil was eliminated [Table 08] as a direct primary energy source (by the ATS area) and self-produced renewable electricity increased compared to 2022 (+ 20,768 GJ). Despite the difficult scenario and altered rainfall levels that affected the hydroelectric production of Geogreen, RadiciGroup's historical partner, the Group confirmed its commitment to the energy transition in 2023 by purchasing a very significant amount of green electricity [Table 10]

Today, worldwide, the Group's percentage of energy from renewable sources is 59%, the same as in 2022. The amount of green energy generated by the Group is currently limited, but the sources are being diversified and, in addition to hydroelectricity, photovoltaic power has been introduced, the share of which is expected to increase over time.

In 2023, all Italian companies purchased 100% renewable energy in line with a commitment repeatedly expressed by the President of RadiciGroup [Table 11], with the exception of Radici Chimica Novara, which purchased its energy (electricity and steam) in an outsourcing arrangement from a dedicated supplier, using for part of its consumption a cogeneration plant (outside its site) for the combined production of electric and thermal energy.

A similar situation applied to Radici Yarn in Villa d'Ogna, which, however, uses trigeneration (on its own site) for the simultaneous production of electricity, heat and cooling alongside purchased renewable energy. These two plants are gas-powered, but have proven advantages in terms of efficiency and reduced emissions. It should also be noted that, of all fossil fuels, natural gas has the lowest impact.

Outside Italy, in 2023, Radici Plastics Ltda in Brazil joined the list of companies that use 100% green electricity. Finally, it is worth emphasising the constant presence in the RadiciGroup energy mix of a share of energy from nuclear power, a non-renewable but zero-emission source.

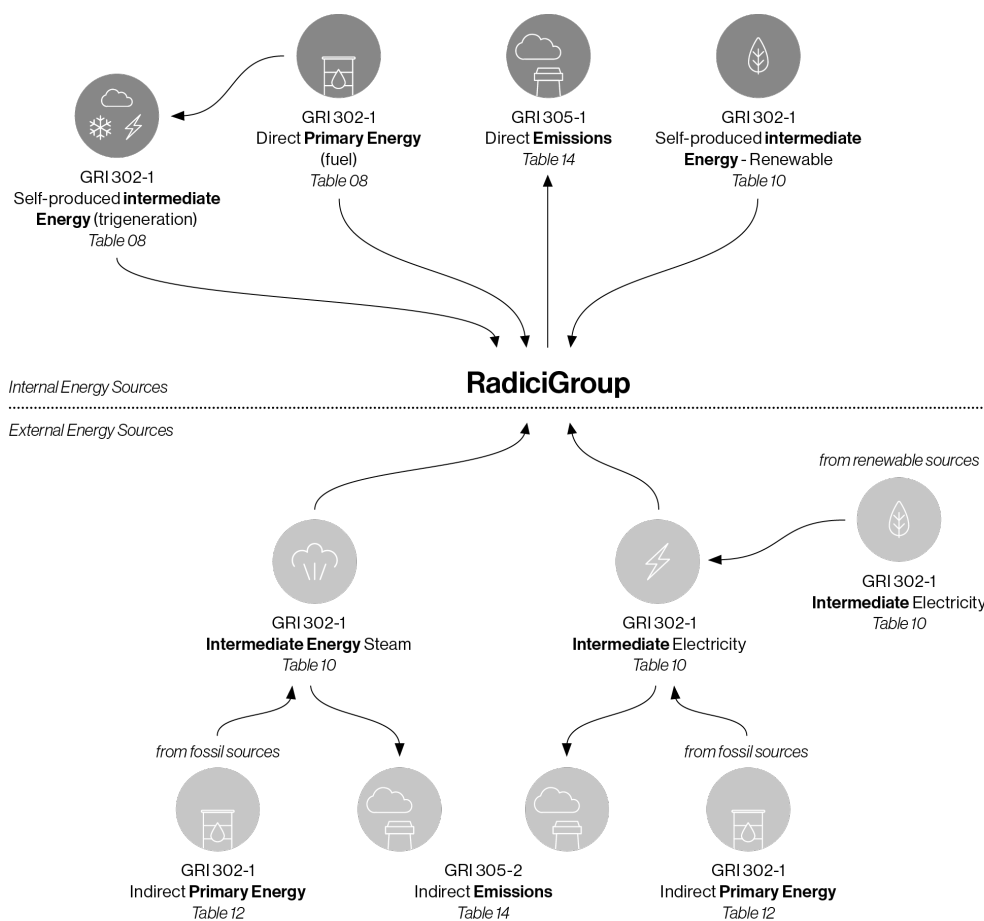


Table 08 | Fuel consumption (direct primary energy consumption)

	2021	2022	2023
GJ Total direct primary energy	1,844,761	1,542,363	1,292,621
GJ Subtotal direct primary energy from non-renewable sources	1,807,715	1,494,716	1,264,251
GJ from natural gas - non-renewable ^a	1,800,151	1,486,636	1,258,517
GJ from diesel - non-renewable	1,592	1,234	1,698
GJ from LPG - non-renewable	5,298	5,126	4,037
GJ from fuel oil - non-renewable	674	1,720	0
GJ Subtotal direct primary energy from renewable sources	37,046	47,647	28,369
GJ from biogas - renewable	37,046	47,647	28,369

Table 09 | **GRI 302-1 - Direct primary energy consumption per unit processed**

		2021	2022	2023
GJ/t	Non-renewable direct primary energy	1.74	1.72	1.82
GJ/t	Total renewable + non-renewable direct primary energy	1.78	1.77	1.86

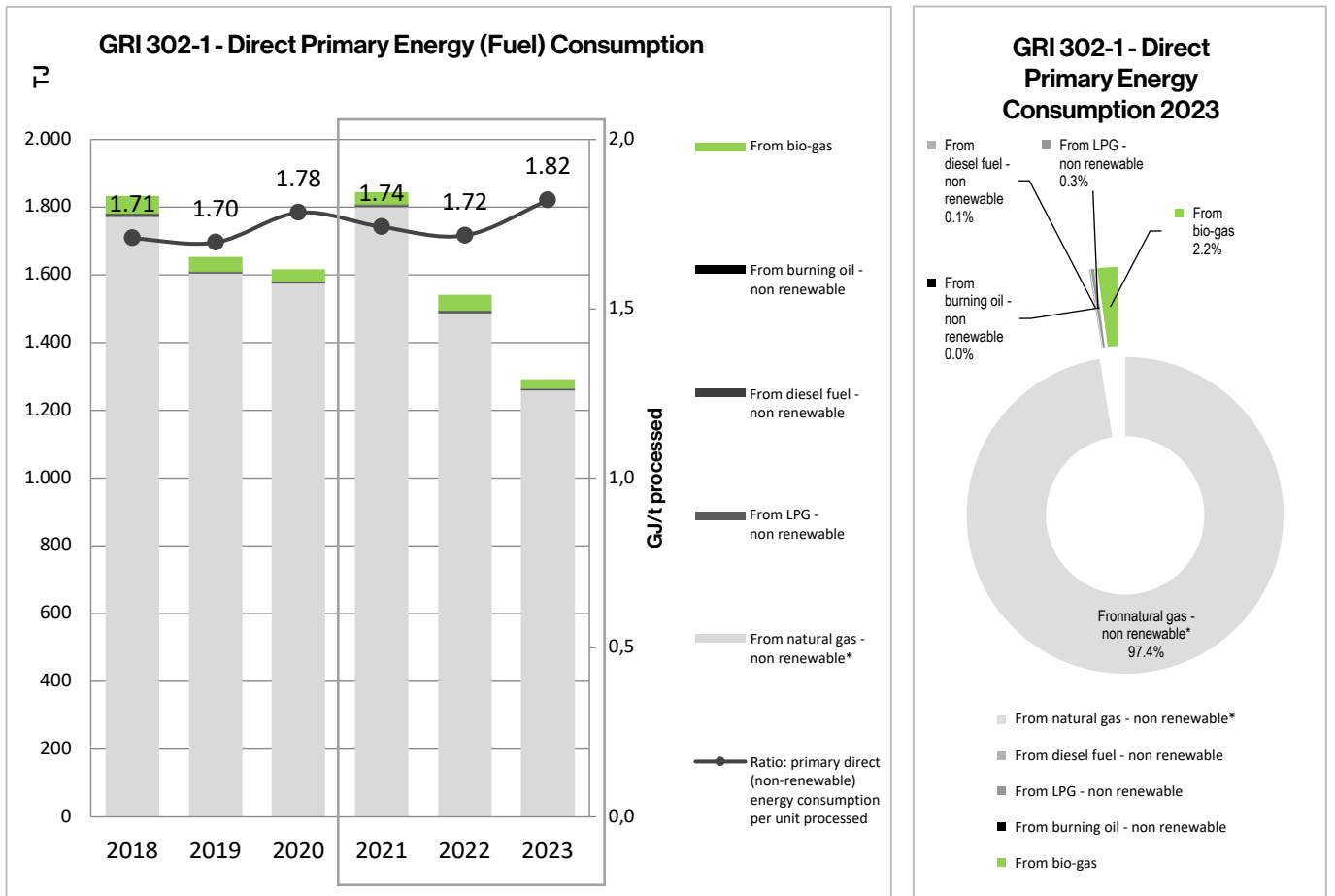


Table 10 | **"Transformed" energy consumption by primary (indirect) energy source**

		2021	2022	2023
GJ	Total intermediate energy (indirect)	3,582,988	3,137,047	2,589,157
GJ	Subtotal electricity consumption	1,770,346	1,569,984	1,379,519
GJ	<i>electricity consumption from renewable sources</i>	915,146	926,559	814,267
	<i>of which self-produced from hydropower and photovoltaics*</i>	(60,768)	(26,075)	(46,843)
%	Electricity consumption from renewable sources to total electricity	51.7%	59.0%	59.0%

GJ	Electricity consumption from non-renewable sources	855,200	643,426	565,252
GJ	<i>from natural gas - non-renewable</i>	564,795	415,957	387,026
GJ	<i>from coal - non-renewable</i>	163,614	141,312	119,541
GJ	<i>from fuel oil - non-renewable</i>	7,246	3,671	3,010
GJ	<i>from nuclear power</i>	95,429	69,265	46,534
GJ	<i>from other fossil fuels - non-renewable</i>	24,116	13,221	9,141
GJ	Subtotal steam consumption	1,812,642	1,567,062	1,209,638
GJ	<i>from natural gas - non-renewables</i>	1,812,642	1,219,240	881,186
GJ	<i>from coal - non-renewables</i>		347,823	328,452
GJ/t	Ratio - intermediate energy consumption per unit processed (refers to electricity)	1.71	1.80	1.99
GJ/t	Ratio - total intermediate energy per unit processed	3.45	3.60	3.73

* Energy from renewable sources is self-produced by three RadiciGroup sites

Table 11 | **Companies and sites using renewable energy 2023**

100% renewable energy	>90% renewable energy
Noyfil - Chignolo d'Isola - Italy	FibrexNylon - Romania
RadiciFil - Casnigo - Italy	
Radici EcoMaterials - Buronzo - Italy	>80% renewable energy
Radici Novacips - Villa d'Ogna - Italy	Radici Fibras Ltda - Brazil
Radici Novacips - Chignolo d'Isola - Italy	
Radici Partecipazioni - Gandino - Italy	
Radici Plastics GmbH - Germany	
Radici Plastics Ltda - Brazil	
Radici Yarn - Ardesio - Italy	
Radici Yarn - Polymerization - Villa d'Ogna - Italy*	
Tessiture Pietro Radici - Gandino - Italy	

* Radici Yarn Villa d'Ogna purchases 100% renewable energy to power its polymerization process, the remaining energy is used to power the other departments, integrated with self-produced energy from both hydroelectric and high-efficiency trigeneration (trigeneration also produces steam and refrigeration).

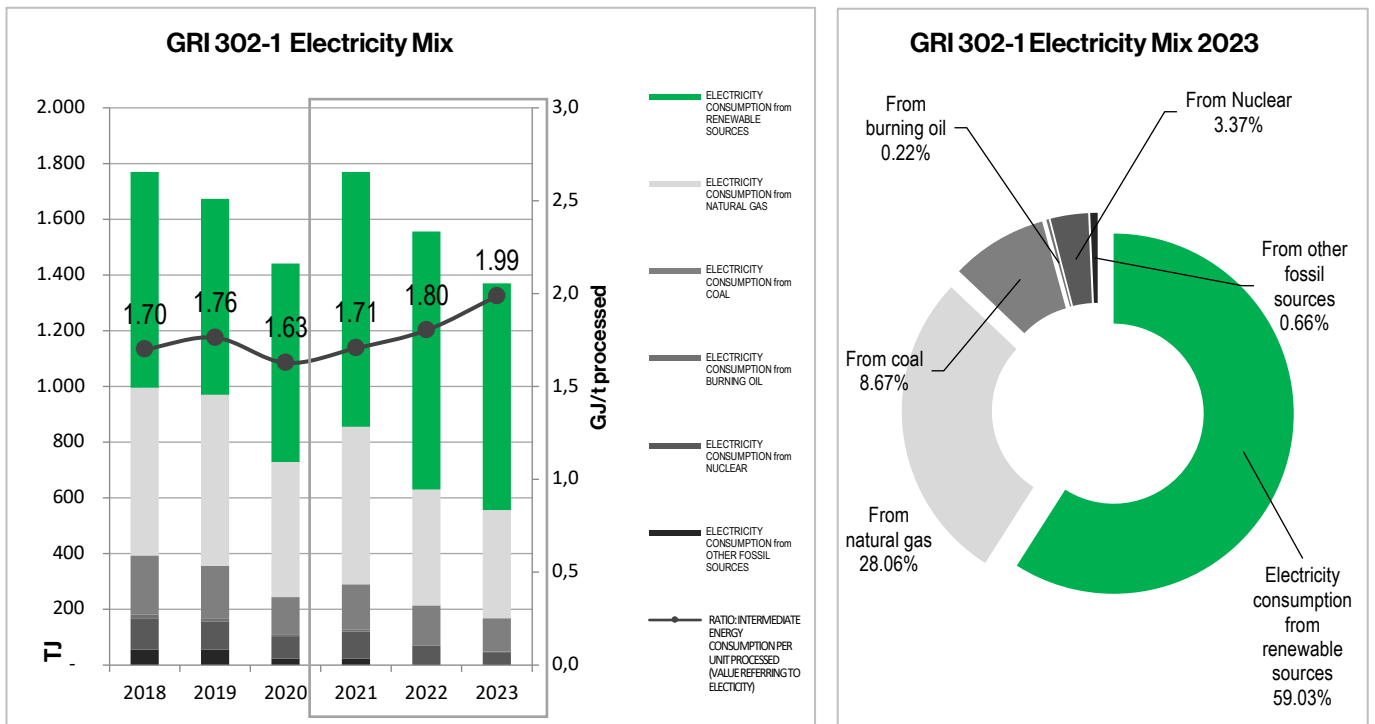


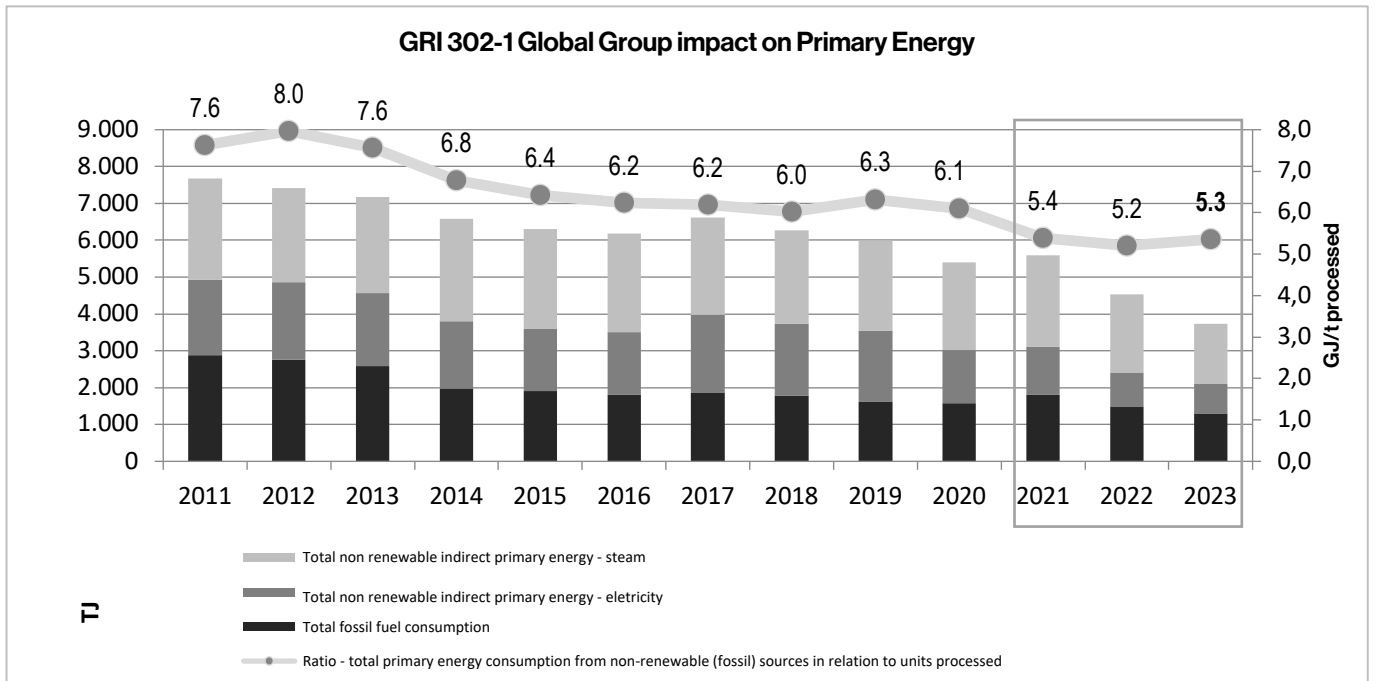
Table 12 | **Primary non-renewable energy consumption (direct + indirect)**

		2021	2022	2023
GJ	Total primary energy from fossil sources	5,586,749	4,531,932	3,691,141
GJ	Subtotal indirect primary energy consumption from fossil sources	3,779,034	3,037,216	2,426,890
GJ	<i>Total non-renewable indirect primary energy - electricity</i>	<i>1,305,329</i>	<i>913,222</i>	<i>807,117</i>
GJ	<i>Total non-renewable indirect primary energy - steam</i>	<i>2,473,705</i>	<i>2,123,994</i>	<i>1,619,773</i>
GJ	Subtotal consumption of fossil fuels [Table 08]	1,807,715	1,494,716	1,264,251

Disclosure 302-1

Table 13 | **Ratio - Primary non-renewable energy consumption (direct + indirect)**

		2021	2022	2023
GJ/t	Total primary energy from fossil sources per unit processed	5.38	5.20	5.31
GJ/t	Total indirect primary energy from fossil sources per unit processed	3.64	3.49	3.49
GJ/t	<i>Non-renewable indirect primary energy - electricity per unit processed</i>	<i>1.26</i>	<i>1.05</i>	<i>1.16</i>
GJ/t	<i>Non-renewable indirect primary energy - steam per unit processed</i>	<i>2.38</i>	<i>2.44</i>	<i>2.33</i>
GJ/t	Direct primary energy (fuels) from fossil sources [Table 09] per unit processed	1.74	1.72	1.82



RadiciGroup inaugurates new sustainable production plant in China

In April 2023, RadiciGroup's new industrial site in Suzhou, China, was inaugurated. Designed to double the production capacity for engineering polymers, the new plant aims to strengthen the Group's Asian presence as a leading player in the automotive, electrical/electronics, consumer and industrial goods markets.

The new Suzhou plant, built on an area of 36,000 square meters, was the first building of the Group to receive LEED Gold (Leadership in Energy and Environmental Design), a prestigious international award certifying its high degree of sustainability. In addition, the structure has also obtained 2-star GBL certifications, awarded in China for buildings with a low environmental impact. In conceiving and building the plant, there was a particular focus on the use of local materials and its energy performance, optimised through a continuous monitoring system. Natural lighting is the preferred choice throughout. In particular, the north-facing glass façade, made of tinted glass, contributes to energy savings and the optimisation of air conditioning. In addition, a 1.4 MW-capacity roof-mounted photovoltaic system produces renewable energy, in line with the policies to increase the green energy used by RadiciGroup.

Additional state-of-the-art technologies, such as rainwater recycling for plant irrigation and use in toilets, reduce the waste of resources. To ensure the well-being of around 200 employees, multiple aesthetic and comfort-related elements were also developed in detail. The rooms are welcoming and soundproofed, and the roof garden – a place for Employees to gather and socialise – was designed around local plants.

Emissions

Disclosures 305-1, 305-2, 305-4, 305-7

Set concrete sustainability goals through the measurement and abatement of direct and indirect greenhouse gas emissions: this is the approach that has always guided RadiciGroup's activities.

For the purpose of better understanding of the indicators below, the following is a review of the classification of emissions:

- **Scope 1 emissions:** derived from the company's activities and related to **sources directly controlled by an organisation** (e.g. fossil fuel combustion systems).
- **Scope 2 emissions:** related to **energy consumption purchased by the organisation** (e.g. electricity, heat, steam).
- **Scope 3 emissions: linked to the value chain** but related to **sources not controlled by the organisation itself** (e.g. purchased goods and services, upstream transport by the organisation, business travel by Employees, downstream transport and distribution, processing of products sold, etc.).

Over time, as regards Scope 1 emissions, the Group has deployed various measures, from abatement using cutting-edge technologies, including those conceived internally, to selecting fuels with a lower impact. In terms of Scope 2 emissions, there has been a progressive increase in renewable sources in the energy mix and a diversification of the production systems, as described in the parts of the report dealing with energy.

Despite the challenging production situation in 2023, the commitment to decarbonisation continued, which allowed the Group to consolidate the previous results achieved, particularly with regard to the chemical segment – the area with the greatest impact. Over the last three years, BA Specialty Chemicals has maintained emissions intensity per tonne produced (0.19 tCO₂eq/t) despite the tendency of this ratio to worsen in the event of a decrease in volumes processed.

The German site of Radici Chimica Deutschland, in particular, has driven the BA's progress and achieved very impressive results thanks to a state-of-the-art abatement plant that came into operation at the beginning of 2023. This new technology, described in a case history below, led to a reduction in absolute terms of emissions between 2021 and 2023 of 34,617 tCO₂eq, which in turn reduced the intensity per tonne produced by more than 20%.

RadiciGroup's strategy for environmental responsibility, which comprises abatement investments and the selection of lower-impact fossil fuels (natural gas accounting for 97.4% of the energy mix and biogas for 2.2% in 2023 [Table_8]), also involves specific choices around purchasing/self-producing green electricity.

This latter element meant that in 2023 emissions "avoided" by virtue of the energy mix chosen stood at 43.8%. If the Group had simply used the standard national energy mixes of the countries in which it operates, it would have had an impact of 49,829 tCO₂eq more [Table_16].

Table 14 | **Total direct and indirect greenhouse gas emissions***

		2021	2022	2023
tCO ₂ eq	Total emissions (direct + indirect)	416,701	343,690	288,672
tCO ₂ eq	Direct emissions (GRI 305-1)*	182,616	137,929	120,487
tCO ₂ eq	Indirect emissions (GRI 305-2)	234,085	205,760	168,185
tCO ₂ eq	<i>Indirect emissions – electric energy</i>	96,250	72,589	63,934
tCO ₂ eq	<i>Indirect emissions – steam</i>	137,835	133,172	104,251

* Figures reported include the CO₂ deriving from combustion and the N₂O deriving from the production of adipic and nitric acids. In the 2023 Sustainability Report, for the sake of completeness, figures related to direct emissions also include the leaks of F-Gases, the fluorinated greenhouse gases RadiciGroup uses for plant cooling purposes.

Disclosure 305-4

Table 15 | **Direct and indirect greenhouse gas emissions in relation to quantity processed**

	2021	2022	2023
tCO ₂ eq/t	0.402	0.395	0.416

Table 16 | **Benchmark indirect electricity emissions national standard mix and RadiciGroup mix comparison**

		2021	2022	2023
tCO ₂ eq	Indirect emissions from standard national electricity mix* (local based)	167,700	128,896	113,763
tCO ₂ eq	Indirect emissions from RadiciGroup electricity mix [previous table] (market based)	96,250	72,589	63,934
tCO ₂ eq	Difference	71,450	56,307	49,829
%	Percentage difference	42.6%	43.7%	43.8%

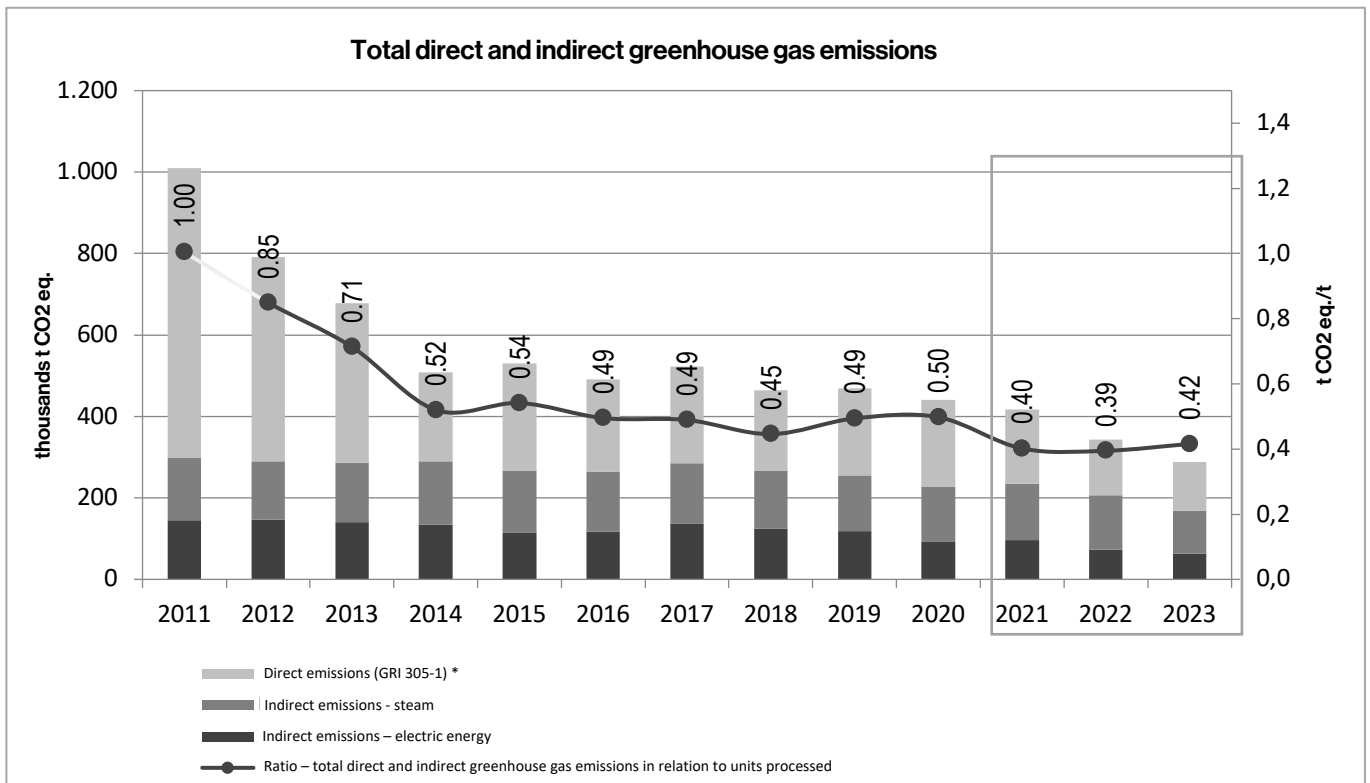
* The national standard mix is calculated on the basis of annual data from www.iea.org (world balance) for the energy mixes of the countries where RadiciGroup production sites are located.

Disclosure 305-7

Table 17 | **Emission quality***

		2021	2022	2023
t	Total	148	134	126
t	NOx	108	93	89
t	SOx	0	0	0
t	VOC	10	17	16
t	HAP	0	0	0
t	Stack and Fugitive	4	0	0
t	PM	8	10	7
t	Other emissions	18	14	14

*The presence and frequency of measurements as well as the type of pollutants detected is subject to the legislation in force in the various countries where each Group site is located.



Disclosure 305-3

As regards Scope 3 emissions, as stated in the previous report, in 2023 they were calculated only for BA High Performance Polymers, which accounted for 49% of the Group's turnover in the reporting year. Subsequent steps will see the gradual involvement of the other business areas. This is in light of the decisive impact of Scope 3 on the Group's carbon footprint, with the aim of reducing it by operating in a targeted manner on the basis of its various operational scenarios. The Scope 3 emissions reported here have been calculated following the guidelines of the GHG Protocol. All categories have been included in the emission inventory with the exception of "Processing of products sold" and "Use of products sold" because the variety of processes that the semi-finished products sold by the BA undergo, and the wide range of end applications for which they are intended, do not allow the emissions of these categories to be tracked with reasonable and therefore meaningful accuracy. The "Leasing of assets" and "Franchising" categories have been excluded due to inapplicability.

The metric used was tons of CO2 equivalent. Where possible, the calculation was based on primary data. In particular, for category 1 (Purchased goods and services) it was possible to use, for 42% of the volume of raw materials purchased, primary data on the Global Warming Potential (GWP) of the materials, which came from the Product Carbon Footprint, Life Cycle Assessment or Environmental Product Declarations of suppliers, ensuring a good degree of accuracy for the measurement. The main emissions identified were due to the purchase of goods and services and the BA's upstream and downstream transport, if managed by the BA itself.

Table 18 | **Other indirect greenhouse gas (GHG) emissions - Scope 3 High Performance Polymers Business Area**

Category	Name	Status	Emissions [tCO ₂ eq]	Share of total [%]
1	Purchased goods and services	INCLUDED	819,425.1	93.62%
2	Capital goods	INCLUDED	13,065.4	1.49%
3	Fuel and energy-related activities	INCLUDED	7,709.2	0.88%
4	Upstream transport and distribution	INCLUDED	28,371.5	3.24%
5	Waste	INCLUDED	530.9	0.06%
6	Business travel	INCLUDED	556.2	0.06%
7	Employee commuting	INCLUDED	1,432.0	0.16%
8	Leased assets	INCLUDED	0.2	0.00%
9	Downstream transport and distribution	INCLUDED	1,577.8	0.18%
10	Processing of sold products	EXCLUDED		
11	Use of sold products	EXCLUDED		
12	End-of-life treatment of sold products	INCLUDED	1,519.2	0.17%
13	Leased assets	EXCLUDED		
14	Franchising	EXCLUDED		
15	Investments	INCLUDED	1,063.3	0.12%
Total			875,250.8	100.0%

As a tangible sign of its commitment to accelerate decarbonisation in line with the Group's "From Earth to Earth" plan, the High Performance Polymers Business Area has set short-term emission reduction targets, validated by the Science Based Targets initiative (SBTi).

The SBTi is a globally recognised organization that supports businesses by developing standards, tools and guidelines to set emission reduction targets in line with the latest scientific research on climate.

Specifically in reference to scope 3 emissions, the HPP division has therefore established that it will reduce them by 25% by 2030, using 2022 as the baseline year.

Radici Chimica Deutschland: another significant step forward in reducing emissions

Set concrete goals to combat climate change by reducing direct greenhouse gas emissions, leveraging investments and cutting-edge technologies: this is the approach that has for some time guided RadiciGroup's activities.

In 2023, the collaboration between Radici Chimica Deutschland GmbH and Thyssen Krupp Industrial Solutions (TKIS) led to the conversion of the German plant's DeNOx system into an Envinox system. This technology allows for the simultaneous reduction of emissions of nitrogen oxides (NOx) and nitrous oxide (N₂O). This significant investment represented an equally significant step forward in alleviating the environmental impact of the organisation.

The Envinox system now installed aims not only to further reduce NOx emissions to values equal to a few parts per million, well below legal limits, but also seeks to achieve a minimum reduction of 60% in N₂O emissions. Given the well-known environmental impact of N₂O as a greenhouse gas, this reduction system has significant advantages.

The Envinox system, which is yet to be optimised, has already demonstrated a minimum 60% reduction in N₂O emissions. With further optimisation and assuming an appropriate plant load, it is expected that the system will result in an annual reduction of at least 15,000 tons of CO₂eq. This reduction underlines, on the one hand, the importance and potential impact of innovative solutions such as Envinox in the fight against climate change, and on the other, RadiciGroup's willingness to invest in cutting-edge technologies for sustainability.

Water

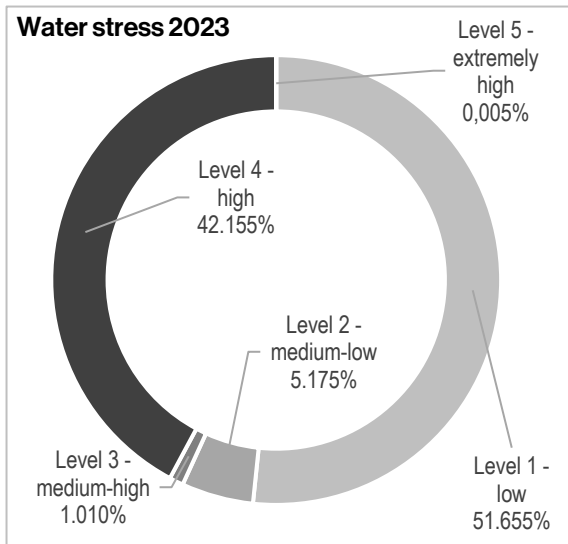
Disclosure 303-1

In the Un 2030 Agenda for Sustainable Development, water is by definition a right and a determining factor for economic, social and environmental development. The United Nations 2030 Agenda includes a specific sustainable development goal, SDG 6 (Clean Water and Sanitation), to ensure the availability and sustainable management of water. A complete focus on water was also set out by the Group in its medium-term objectives, in the full knowledge of the importance of this resource whose availability has fluctuated.

2023 was once again a complex year from a water perspective, particularly with regard to the Group’s Italian companies. This fact confirmed the strategic need to protect water more and more, also as a consequence of climate change phenomena that sees alternating periods of drought with periods of extreme rainfall, as was the case in 2023.

Three-quarters of the Group's sites have developed and maintain an ISO 14001 Environmental Management System, which focuses on preventing environmental risks, including those related to water management, through constant analysis.

While the Group’s products contain little or no water, the production processes are heavily dependent on it: the water consumed by the Group is mainly used for industrial plant cooling.



Considering the water stress situation (water stress – level 1 low stress, level 5 extreme stress) relative to the countries in which the reported sites operate, 51.6% of the water used by the Group comes from low stress (level 1) areas. On the other hand, the “potential” 42.1% of the water used comes from areas of high water stress (level 4). Of the latter, almost the entire quantity (99.9%) relates to water supplied by Industrie Park Zeitz to Radici Chimica Deutschland via a loop channel. This water is reused up to 60.5 times in the plant before being discharged. The actual use is therefore far lower than the potential needs, which makes the impact of water withdrawal significantly lower in relation to the level of water stress in the area.

Formally, the recycling activity takes place outside the company gates, so the contribution of Radici Chimica Deutschland GmbH to the savings ratio indicator is zero. Excluding the German company

from the scope, the percentage of water saved in 2023 rises to 137%, while including it takes it to 79%. [table 21]

Whatever the calculation methodology adopted, this solution significantly reduces the impacts also in view of the water-stressed condition of the area.

Areas with extremely high water stress are irrelevant to the Group's consumption (0.005%).

Approximately 46.4% of the water used as thermal fluid in the Group is derived from surface water, particularly from rivers and canals, 11.3% from underground and 42.3% supplied by third parties. Water from aqueducts, withdrawn for human consumption, is only 0.18% of the quantity used, in line with the figure from 2022. table 19]

After being used for industrial purposes, the water is returned to the environment, mainly into surface streams, with the exception of the Group sites in Mexico and Brazil, where wastewater is treated as regular waste, collected and disposed of by third parties in accordance with the legislation in force in those countries.

Water leaving the Group's sites is always subjected to chemical analysis to check the parameters for acceptability, according to the applicable legislation in the various countries.

Disclosure 303-3

Table 19 | **Water withdrawal by source***

		2021	2022	2023
Thousands of m ³	Total	83,100	73,335	65,708
Thousands of m ³	Total surface water	32,811	27,389	30,488
Thousands of m ³	from rivers/canals	32,230.1	26,916.5	30,069.2
Thousands of m ³	from springs	581.3	472.5	418.9
Thousands of m ³	Total groundwater	8,542	8,132	7,452
Thousands of m ³	from wells	8,542.5	8,132.3	7,452.3
Thousands of m ³	Total third-party water	41,746	37,814	27,767
Thousands of m ³	from aqueducts	141.1	134.6	122.2
Thousands of m ³	from private utilities	41,605.3	37,679.4	27,645.2

* For production sites where the quantity of discharged water is not measured, this quantity is generally assumed to be equal to withdrawn water. The same applies to cases when only discharged water is measured. In this case, withdrawn water is generally considered equal to discharged water. The Group uses "fresh water" for its activities, i.e. with ≤1,000 mg/l of total dissolved solids.

Table 20 | **Ratio - Use of water resources per unit processed**

	2021	2022	2023
Thousands of m ³ /t	0.080	0.084	0.095

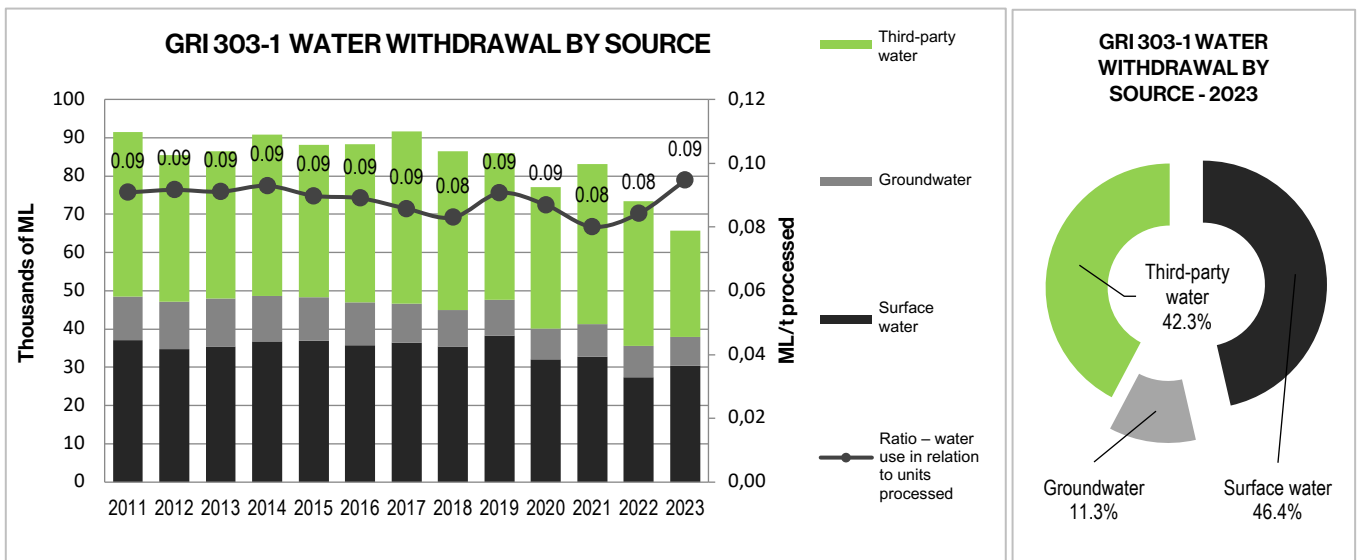


Table 21 | **Water saved and reused**

		2021	2022	2023
Water saving				
Thousands of m ³	Water withdrawn	83,100	73,335	65,708
Thousands of m ³	Water recycled	58,753	51,889	52,125
%	Water saved	71%	71%	79%
n	Saving ratio	1.71	1.71	1.79
Water saving not including Radici Chimica Deutschland				
Thousands of m ³	Water withdrawn	41,491	35,653	38,059
Thousands of m ³	Water recycled	58,753	51,889	52,125
%	Water saved	142%	146%	137%
n	Saving ratio	2.42	2.46	2.37

Disclosure 303-4

Table 22 | **Water discharge by destination***

		2021	2022	2023
Thousands of m ³	Total	82,726	72,976	65,454
Thousands of m ³	Into surface water	41,028	35,248	37,724
Thousands of m ³	Private utilities	41,698	37,728	27,730
Thousands of m ³	<i>into sewer systems</i>	352	290	270
Thousands of m ³	<i>into industrial canals for reuse</i>	41,346	37,438	27,460

* For production sites where the quantity of discharged water is not measured, this quantity is generally assumed to be equal to withdrawn water. The same applies to cases when only discharged water is measured. In this case, withdrawn water is generally considered equal to discharged water.

Table 23 | **Water discharge by type**

		2021	2022	2023
Thousands of m ³	Total	82,726	72,976	65,454
Thousands of m ³	Water returned to third parties in industrial canals for reuse	41,346	37,438	27,460
Thousands of m ³	Sub total water discharges	41,380	35,538	37,994
Thousands of m ³	<i>of which water discharged directly</i>	40,120	34,366	36,351
Thousands of m ³	<i>of which water after treatment</i>	1,260	1,173	1,643

Table 24 | **Ratio - Water discharge per unit processed**

		2021	2022	2023
Thousands of m ³ /t		0.040	0.041	0.055

Disclosure 303-5

Table 25 | **Water consumed (delta between water in - water out)**

Since the Group's water use is almost entirely limited to cooling plants through controlled systems, withdrawals do not differ significantly from discharges and dispersions are essentially identified with evaporation.

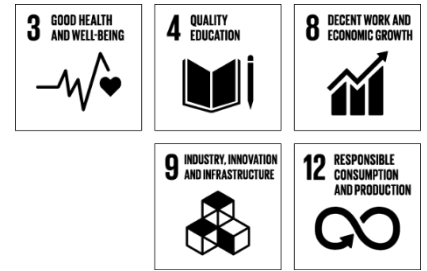
		2021	2022	2023
Thousands of m ³	Water consumption	374	359	254
%	Percentage	0.45%	0.49%	0.39%

Table 26 | **Quality of discharged water**

		2021	2022	2023
kg	COD	1,769,482	1,977,671	1,445,184
kg	Total nitrogen	1,138,022	945,450	616,319
kg	Suspended solids	21,722	15,418	9,787
kg	Metals*	8,101	9,389	12,084

* Metals include: Aluminium, chrome, iron, nickel, copper, vanadium and zinc.

S for Social



MATERIAL TOPICS

- Workers' Human Rights
- Attraction and Valuing of Staff
- Workers' Health and Safety
- Relations with territories and impact on Local Communities
- Sustainable Research and Innovation
- Product environmental impacts

2030 GOALS – FROM THE “FROM EARTH TO EARTH” SUSTAINABILITY PLAN

From People to People - Social Objectives

RadiciGroup takes **care of people** both inside and outside the organisation. **It promotes individual training and takes responsibility for the health and safety** of workers, while **working in synergy with Local Communities** for sustainable, harmonious and shared growth.

Topic/SDG	Objective
<p>Workers' health and safety</p>	<p>90% coverage of Group production facilities by ISO 45001 occupational health and safety certification.</p> <p>Active training improve the sense of responsibility and personal contribution of people in relation to health and safety.</p>
<p>Digitisation and cybersecurity</p>	<p>Digitisation Adopt next-generation digital solutions and dedicated software to further all sustainability processes.</p> <p>Cybersecurity build and embed a Group-wide cybersecurity mindset through training and investment in the most advanced technologies.</p>
<p>Relations with territories and impact on Local Communities</p>	<p>Relations maintain and expand engagement with Local Communities through support for cultural, social and sports activities, as an expression of good corporate citizenship.</p>

RadiciGroup believes in people, in their diversity and uniqueness, in their passion and freedom of expression and in their talents.

It is a belief we act on in practice by fostering a culture built on **respect** and **inclusiveness**, on the **welfare** of the individual and group, on **cooperation** and on targeted pathways for professional growth.

Topic/SDG	Objective
<p>Attracting, valuing and developing human resources</p>	<p>Human rights, equity and inclusion actively uphold human rights, support inclusiveness and leverage the uniqueness of every person.</p>
	<p>Employer branding, talent attraction enhance the appeal of the Group through targeted initiatives, aimed at attracting new talents and enabling employees to build their work-life balance.</p>
	<p>Education invest in the professional skills of employees through training, build constructive relations with schools to help young people make their way into the working world.</p>

The S in Social

For RadiciGroup, the S in Social means, first and foremost, People, but it also has a broader sense, encompassing products that serve the value chain and users, and economic production models – most notably, the circular economy – that support sustainable development. This is why all these elements are covered in the objectives formulated in the "From Earth to Earth" plan.

There were 3,311 Workers in the Group in 2023, a slight decrease compared to previous years, mainly due to the slowdown in business development in Europe.

Focusing on Employees alone, the number amounted to 2,997 in 2023; the decrease recorded in Italy and Europe was offset by an increase in headcount in Asia and the Americas, for both female and male staff. This figure reflects the internationalisation process of RadiciGroup which, in the reporting year, inaugurated a new plant in India and relocated and expanded its existing site in China [Tables 27 - 32].

Disclosure 401-1

As far as Italy is concerned, 68 Employees joined the Group in the reporting year, of whom 51 were men and 17 women, broken down by age group as follows: 13 men and 5 women up to the age of 30, 27 men and 8 women between the ages of 30 and 50, 11 males and 4 females over the age of 50, with a rate of 4.4%, calculated on the ratio of the number of employees in Italy.

Also in the reporting year, 151 Employees left the Group, of whom 122 were men and 29 women, broken down by age group: 18 men and 3 women up to the age of 30, 44 men and 10 women between the ages of 30 and 50, 60 men and 16 women over the age of 50, with a rate of 9.8%, calculated on the ratio of the number of employees in Italy.

In general terms, the number of employees in 2023 gives a picture of a Group that maintains a fairly even balance between the Italian component (1,411 employees) and the rest of the world, which however continues to grow (1,586 employees), a factor that makes it increasingly important to value the cultural diversity brought by the various countries in which the Group operates, which is also recognised in the corporate values as an asset.

From the point of view of the predominant age groups, the situation is similar to that described in previous Sustainability Reports, with the over-50s accounting for 41% of the workforce, although the younger under-30s are slowly gaining ground, particularly outside Italy.

Employee "loyalty", especially in Italy, is certainly a characteristic factor, and the Group sees it as a commitment to increase the value of mature Workers, a source of consolidated know-how that is often difficult to find. However, the continuous technological evolution presents the risk of skills obsolescence and poses a challenge for RadiciGroup. In recent years, process automation, continuous training and increasingly structured coaching and knowledge transfer systems have

allowed a proactive management of the relationship between young and mature workforce with a view to continuity and effective management of the entire professional life cycle of People, as set out in the tables related to training.

Outside Italy, especially in non-European areas, the labour market and the local culture need to be viewed in a different light. The relationship between Company and Worker has always been highly flexible, with younger staff constantly seeking optimal employment conditions and willing to go through multiple job changes. Companies must make significant efforts to ensure they remain highly attractive.

In addition to this, RadiciGroup has also been affected by the phenomenon of the pandemic-driven “Great Resignation”, which led many people to abandon their jobs, regardless of whether they had another one or not.

As indicated in the section of this report dedicated to the work-life balance, RadiciGroup has put in place measures to boost its ability to manage and maintain its Human Resources, with flexible working arrangements, remote working and numerous initiatives related to the various national and cultural contexts.

Disclosure 102-8

Disclosures 2-7, 2-8

Table 27 | **RadiciGroup Workers***

		Men			Women			Total		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
n	Total Workers*	2,559	2,561	2,454	869	890	857	3,428	3,451	3,311
n	Self-employed	175	164	126	12	19	20	187	183	146
n	Employees and temporary workers	2,384	2,397	2,328	857	871	837	3,241	3,268	3,165
n	Temporary Workers	151	114	134	25	32	34	176	146	168
n	Employees	2,233	2,283	2,194	832	839	803	3,065	3,122	2,997

* At 31/12/2023, Workers included contract Workers (who work continuously for RadiciGroup), temporary Workers, and Employees. As far as the completion of the gender options is concerned, the Group will be able to include further options from the next Report.

Table 28 | **Employees and temporary Workers by region and gender***

		Men			Women			Total		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
n	Italy	1,354	1,287	1,176	346	352	334	1,700	1,639	1,510
n	Rest of Europe	602	626	593	398	400	373	1,000	1,026	966
n	Asia	95	135	203	31	34	37	126	169	240
n	North and South America	333	349	356	82	85	93	415	434	449

* As far as the completion of the gender options is concerned, the Group will be able to include further options from the next Report.

Table 29 | **Employees by region and gender**

		Men			Women			Total		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
n	Italy	1,249	1,212	1,108	329	325	303	1,578	1,537	1,411
n	Rest of Europe	587	612	586	397	398	373	984	1,010	959
n	Asia	88	131	162	31	34	37	119	165	199
n	North and South America	309	328	338	75	82	90	384	410	428

Table 30 | **Percentage of female workers by region***

		Women		
		2021	2022	2023
%	Europe + Italy	27.6%	28.2%	28.6%
%	Italy	20.4%	21.5%	22.1%
%	Europe	39.8%	39.0%	38.6%
%	Asia	24.6%	20.1%	15.4%
%	North and South America	19.8%	19.6%	20.7%

* The % of the female workforce is relative to the region of reference and is calculated on the total number of Employees and temporary Workers.

Table 31 | **Employees by age group and gender**

		Men			Women			Total		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
n	Employees <30 years	241	256	248	91	94	102	332	350	350
n	Employees 30-50 years	1,049	1,070	989	477	463	426	1,526	1,533	1,415
n	Employees >50 years	944	957	957	263	282	275	1,207	1,239	1,232

Table 32 | **Employees by gender, age group and region**

			Men			Women			Total		
			2021	2022	2023	2021	2022	2023	2021	2022	2023
n	Italy	Employees <30 years	110	113	85	29	29	22	139	142	107
n		Employees 30-50 years	507	481	396	192	184	153	699	665	549
n		Employees >50 years	632	618	627	108	112	128	740	730	755
n	Rest of Europe	Employees <30 years	52	50	50	37	38	44	89	88	94
n		Employees 30-50 years	288	300	284	223	208	199	511	508	483
n		Employees >50 years	248	262	252	136	152	130	384	414	382
n	Asia	Employees <30 years	8	15	28	7	6	9	15	21	37
n		Employees 30-50 years	78	108	127	22	26	28	100	134	155
n		Employees >50 years	2	8	7	2	2	0	4	10	7
n	North and South America	Employees <30 years	71	78	85	18	21	27	89	99	112
n		Employees 30-50 years	176	181	182	40	45	46	216	226	228
n		Employees >50 years	62	69	71	17	16	17	79	85	88

From the point of view of the type of contracts in place in the Group, the share of permanent Employees of the total was 96.3% in 2023, a slight increase on the previous year. Full-time employment remained stable compared to 2022, at 95.2% in 2023. Part-time work remains mostly applicable to female staff, in line with previous years.

In relation to the 2021-2023 period, there were no major variations, but rather fluctuations mainly attributable to the Group's need to identify, in consultation with Employees and their representatives, forms of work compatible with constantly evolving production and organisational requirements [Tables 33-36].

Disclosure 2-30

The percentage of Employees covered by collective bargaining (at company or national level) is also significant, reaching 93.5% in 2023, a figure that illustrates how the most protective forms of collective bargaining for Workers are well established throughout the Group [Table 36].

Table 33 | RadiciGroup Employees by gender, employment contract and employment type*

		Men			Women			Total		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
n	Total Employees	2,233	2,283	2,194	832	839	803	3,065	3,122	2,997
<i>of which</i>										
n	Permanent Employees	2,135	2,145	2,116	774	790	770	2,909	2,935	2,886
n	Temporary Employees	98	138	78	58	49	33	156	187	111
%	Permanent of total Employees	95.6%	94.0%	96.4%	93.0%	94.3%	95.9%	94.9%	94.0%	96.3%
n	Full Time (permanent contract)	2,209	2,262	2,168	698	712	685	2,907	2,974	2,853
n	Part time (permanent contract)	24	21	26	134	127	118	158	148	144
n	Part-Time (permanent + temporary)	27	25	27	137	131	118	164	156	145
%	Full Time of permanent contract Employees	98.9%	99.1%	98.8%	83.9%	84.9%	85.3%	94.8%	95.3%	95.2%

* No RadiciGroup Company has Employees with non-guaranteed hours.

Table 34 | Permanent and temporary Employees by region - 2023

		Employees	Permanent	Temporary	% Permanent
n	Total	2,997	2,886	111	96.3%
n	Italy	1,411	1,403	8	99.4%
n	Rest of Europe	959	928	31	96.8%
n	Asia	199	127	72	63.8%
n	North and South America	428	428	0	100.0%

Table 35 | **Employees by employment type and region - 2023**

		Employees	Part Time	Full Time	% Part Time
n	Total	2,997	144	2,853	4.8%
n	Italy	1,411	108	1,303	7.7%
n	Rest of Europe	959	34	925	3.5%
n	Asia	199	0	199	0.0%
n	North and South America	428	2	426	0.5%

Disclosure 2-30

Table 36 | **Employees by bargaining agreement type – Percentage of employees covered by bargaining agreements**

		2021	2022	2023
n	Collective bargaining*	2,791	2,973	2,803
n	Individual employment agreement	274	149	194
n	Total Employees	3,065	3,122	2,997
%	Individual employment agreement	8.9%	4.8%	6.5%
%	% Collective bargaining agreement	91.1%	95.2%	93.5%

* Collective bargaining includes national bargaining and company bargaining.

Workers' Human Rights

Disclosure 2-24

RadiciGroup ensures that the Human Rights of Employees are respected in all its Companies:

- The Group's **Code of Ethics** enshrines this respect starting with the **Constitutive Values** in which it is stated that **any discrimination** based on gender, racial and ethnic origin, nationality, age, political opinions, religious beliefs, state of health, sexual orientation and economic-social conditions **is prohibited**. The Code of Ethics also declares the **rejection of labour practices detrimental to personal dignity**.
- **Customer and Supplier Codes of Conduct** also share the protection of **Workers' rights**, which the Group promotes, with the **most important players in the value chain**.
- In addition, there are increasingly more **sharing initiatives** and **events involving people from all countries**, where **the cultural diversity of the Group's Employees is recognised and valued**.
- The increasing use of **digital tools** favours the **inclusion of people of all nationalities, ages, regions and business areas** who can access the same meetings, benefit from the same training, and thus find opportunities for knowledge and sharing.

The "Individual and Work: Human Rights" project

As already indicated in the 2022 Report, with a view to increasing the focus on People and in line with its Code of Ethics, at the end of 2023 RadiciGroup **planned a fact-finding survey on Human Rights, with a special emphasis on diversity aspects. The survey was then undertaken in the first half of 2024.**

Involving all Group companies, this study:

- Responds to growing needs for **compliance**.
- Forms the **starting point** for more extensive **due diligence**, which will be implemented in the coming years.
- Will be at the **core** of the formulation of a **Human Rights and diversity Policy** that is based on the main international guidelines, but which will also make use of ideas provided by the interviewees.
- Through the gathering of knowledge, represents an important **practical implementation of the following objective** set out in the "From Earth to Earth" sustainability plan: **"Human rights, equity and inclusion: actively uphold human rights, support inclusiveness and leverage the uniqueness of every person"**.

For this reason, **a sample of about 10% of white collar Employees** was randomly selected. This sample was representative of the Group in terms of age, gender and region; a small number of key people from the various Business Areas were then added. This sample was given an anonymous questionnaire entitled "The Individual and Work: Human Rights".

The focus of the questionnaire was **to analyse the degree of awareness of the meaning and implications of the concept of Human Rights, as well as its actual application in everyday business life.**

The main topics covered were related to fair and satisfactory working conditions and wages, freedom of association, effective dialogue between companies and employees, the rejection of forced and illegal child labour, the work-life balance and systems for preventing harassment and protection in the event that it should occur.

Particular attention was paid to diversity and inclusion, which were the subject of some specific questions aimed at understanding the good practices put in place across the Group's various sites, with the aim of sharing and leveraging them.

In addition to this activity, 11 video interviews were organised with the representatives of the Human Resources Department of the various sites around the world. During the interviews, the same issues were addressed from the point of view of the people who ensure that Human Rights are protected and applied in the company on a daily basis.

The results

The analysis provided a detailed overview of the practices in use in the Group and the degree of people's awareness, highlighting both positive areas and ideas for improvement. The anonymous survey carried out by Employees had a **response rate of 74% (92 responses out of 124 respondents)**, with **41% of respondents women and 59% men**. The most prevalent age group was those over 50 years of age (46%), the most common age range in the Group. Geographically, **most of the responses came from Italy (65%), immediately followed by the rest of Europe (21%), North and South America (10%) and Asia (4%)**. These data guarantee that the analysis is fully representative and highlights Group-wide sensitivity on the subject.

One positive result is that it is accurate to say that **all Group companies pay particular attention to Human Rights** and strive to provide a safe working environment. This was borne out by the questionnaires completed by Employees, with **66.3% aware of the existence of a sustainability project in the Group that includes the safeguarding of their fundamental rights**. The percentage (99%) of individual awareness of the terms and conditions of employment contracts is very high. It is also interesting to note that 68.5% of participants believe that their working hours do not prevent them from having a satisfactory work-life balance, a figure that underlines the success of the Group's efforts in this area. Finally, 78.3% of the total consider themselves free to express opinions to the company they belong to on sensitive issues (e.g. working hours, contractual conditions, health and safety, etc.), emphasising the positive mechanisms for dialogue at RadiciGroup.

With particular reference to the topic of **diversity, 83.7% of respondents have never been aware of discriminatory episodes** or have never had direct experience of discrimination. An **in-depth analysis of the remaining part** indicates that the **two main characteristics subject to perceived discrimination** were the **geographical origin and gender**. Despite this, the overall opinion on the **Group** was positive, with **75% of the respondents believing that it favours inclusion**.

Following an initial analysis of the results, RadiciGroup will put in place **formal and substantive actions to enhance, in particular, gender equality and team spirit among all Employees**, regardless of their region.

The interviews that saw HR Managers share their experience were also a rich source of ideas. A corporate culture that is geared towards respect for Human Rights and multiple good practices emerged, divided across the different cultural and legislative environments in question. This rich body of testimony will form the basis for the subsequent steps in the Human Rights plan, i.e. the creation of a policy alongside the communication and training work to accompany it.

Disclosure 406-1

Thanks to the careful monitoring that company managers exercise over their companies, **no incidents of discrimination were reported in the Group in 2023, either through company channels or through the whistleblowing system**.

Attraction and Valuing of Staff

RadiciGroup has many initiatives in place to attract and enhance its Human Resources, which are the Group's key asset for sustainable growth.

- **Remuneration policies** that reward Employee **performance, merit and initiative**.
- **Development and training** paths aimed at strengthening People's technical, managerial and organisational skills.
- Strengthening **the concrete commitment to the environment and People**, also as a **factor to attract young people**.

- Ad hoc paths for the **training and onboarding of new talent** into the RadiciGroup world.
- **Welfare initiatives** aimed at ensuring a working environment that is not only productive, but also positive and collaborative.
- Solutions to promote an **optimal work-life balance** in the belief that positive "cross-pollination" can occur between the two spheres.

Remuneration policies

RadiciGroup has always upheld the ethical principle that **every Worker has the right to a fair wage, proportionate to the quantity and quality of work performed, which must be sufficient to ensure the Worker and their family a free and dignified existence.** This principle constitutes one of the Rights enshrined in the Universal Declaration of Human Rights, which RadiciGroup translates into **fair and rewarding remuneration policies.**

The definition of the minimum remuneration payable to Workers belonging to the various categories and sectors of the company, with respect to qualifications, levels and duties performed, is entrusted to national and/or company collective bargaining. In addition to the above, there is individual bargaining. In the latter case, it is the labour market of the different regions that determines the conditions of engagement of the Employee. The compensation schemes adopted by Group companies take into account the responsibility level and individual contribution to achieving organisational goals. Male and female employees have equal pay rates for equal job duties, in accordance with the Group ethical principles and the national and corporate collective agreements, which provide for a pay scale with no difference between genders. The incentive system reserved for managerial staff (MBO) is based on evaluation linked to Group objectives, company objectives and individual objectives.

Disclosure 2-21

Overall at RadiciGroup, the ratio of the annual total remuneration of the highest paid person (CEO) to the average total remuneration of all other Employees was 13.95 (14.68 in 2022). This ratio was calculated on wages paid worldwide. In order to obtain a homogeneous database, the calculation was carried out by taking into account 81.51% of the total payroll (82.6% in 2022), excluding part-timers due to different time distribution, new hires during 2023 and other cases not deemed suitable for the database. Given the percentage achieved, the indicator is to be considered representative of the situation at RadiciGroup.

With regard to the ratio of the percentage increase in the annual total remuneration of the person receiving the highest remuneration to the median percentage increase in the annual total remuneration of all employees (excluding the aforementioned person), the ratio is zero, in line with 2022.

Disclosure 401-2

With regard to other employee benefits, where provided for by company customs and regulations (company car, restaurant vouchers, canteen service and special discounts agreed on with stores, sport centres or travel agencies, etc.), they were made available and/or assigned to Employees based on the company agreements and the job position of the individual Employees, irrespective of the type of employment or employment contract (full-time or part time, temporary or permanent employment).



Training

Disclosures 404-1, 2

Disclosure 403-5

RadiciGroup has, for some time, had in place **important training programmes with the goal of enhancing the skills of its workers, thus encouraging their professional and personal growth.** These programmes not only provide staff with the necessary tools to successfully face daily challenges, but also promote continuous training, allowing Employees to keep up with the technological and organisational changes that are a feature of the Group’s activity and target markets. The Group's training plan, developed across all BAs, responds to the active training objectives formulated in the "From Earth to Earth" sustainability roadmap. In 2023, the plan followed some important common guidelines:

- **The delivery of courses in a hybrid mode:** face-to-face and via e-learning. This is a method that allows Workers to **take advantage of important opportunities without having to move from place to place**, but **still sharing the experience with colleagues from different companies.** In any event, the face-to-face lesson component remains fundamental on these courses, to foster interpersonal relationships.
- **Intercompany training**, to **support the integration process of RadiciGroup Business Areas**, fostering knowledge and exchange between People from different functions or companies.
- **Training on key issues** that allow the Group to remain **at the forefront** not only **in terms of production and sales**, but also in terms of the **skills of its personnel.**
- **Courses** with a **strong practical component** to stimulate learning through practical experience, including in unusual and innovative ways.

In 2023, training hours per capita for Employees amounted to 20, a higher number than in the previous year (+4.8 hours per capita). As in recent years, the training courses organised by RadiciGroup had a particular focus on Health and Safety, which accounted for 42% of the training hours. The emphasis on this issue has prompted RadiciGroup to invest in an additional 3,369 hours of training to supplement what is required by law. Among the various voluntary initiatives, of particular note are the "RadiciGroup #SiCura" and "Leadership: the Right Guide" courses, which are detailed in specific case histories in this Report.

It is important to underline that, although the number of hours dedicated to health and safety has decreased in percentage terms, the absolute number of hours dedicated to health and safety remains at the same level of the three-year period; the percentage decrease is due to an increase in training on other topics. [Table 37].

In terms of the categories of Employee who attended the various Group courses, in the reporting year 59.3% of training was provided to blue-collar workers and 40.7% to the remaining part of the workforce (white-collar workers, middle management and executives) [Table 38].

Disclosure 404-1

Table 37 | **Employee training**

		2021	2022	2023
hours	Total hours of training	45,477	47,492	59,812
hours	Total hours of training for Health and Safety	24,989	27,562	25,098
%	Percentage hours of training for Health and Safety to total hours of training	55%	58%	42%

Training per capita by gender				
n	Total Employees*	3,065	3,122	2,997
hours/n	Total hours of training per capita	14.8	15.2	20.0
hours	Total hours of training – men	36,859	38,313	47,081
n	Total Employees – men	2,233	2,283	2,194
hours/n	Hours of training per capita – men	16.5	16.8	21.5
hours	Total hours of training – women	8,618	9,179	12,731
n	Total Employees – women	832	839	803
hours/n	Hours of training per capita – women	10.4	10.9	15.9
Training per capita by region				
hours/n	Italy	9.9	11.1	14.8
hours/n	Rest of Europe	10.1	10.5	12.2
hours/n	Asia	33.9	21.7	53.0
hours/n	North and South America	41.5	39.6	38.9

As at 31/12/2023.

Table 38 | Training for Employees by category and gender

	Blue-collar workers			White-collar workers/managers		
	Men	Women	Total	Men	Women	Total
Total World	32,841	2,647	35,488	14,240	10,084	24,324
	55%	4%	59%	24%	17%	41%
Italy	8,443	515	8,958	7,462	4,468	11,930
	40%	3%	43%	36%	21%	57%
Rest of Europe	8,191	757	8,948	1,803	966	2,769
	70%	6%	76%	16%	8%	24%
Asia	7,269	0	7,269	1,969	1,312	3,281
	69%	0%	69%	19%	12%	31%
North and South America	8,938	1,375	10,313	3,006	3,339	6,344
	54%	8%	62%	18%	20%	38%

Disclosure 404-2

Together with health and safety, another important training area related to **cybersecurity**. In 2023, the topic was addressed through an approach blending active and compulsory user involvement, supported by the Kaspersky platform. In recent years the programme has been boosted with the addition of three units dedicated to GDPR (European Data Protection Regulation), Personal Data and Confidential Data issues. The Kaspersky course, mainly aimed at new hires, aims to provide a foundation for addressing the increasingly significant challenges of digital security and forms part of the Group's broader digitalisation plan, which is described in detail in this Report under the chapter with the same name.

A further training course that took place in 2023 was "Scaling up Sustainability and Circularity". Focused on **sustainability and circularity**, for the first time in the Group it brought together a significant portion of the company's workforce in studying RadiciGroup's sustainable objectives, positive circularity practices on the part of customers and business partners, market trends and the evolution of the regulatory landscape.

Along with these main initiatives, numerous other training courses were held in the Group Companies. As a general consideration, it is important to underline that, in recent years, training at RadiciGroup has not been limited only to the expansion of technical skills, but has seen increasing importance given to **the acquisition of soft skills** such as **leadership, teamworking skills** and **effective communication**. This approach aims to combine the professional and personal development of Employees. It also reflects an important change in the role of Human Resources, which no longer focuses solely on managing work-related resources to support business activities, but also **increasingly considers Employees' personal growth requirements**.

Leadership: the Right Guide, a course to develop all-round leadership

Being a leader does not mean acting in an individualistic way. On the contrary, the growth of colleagues and collaborators, the establishment of a climate of trust and creating valuable relationships are key to successful and positive leadership, which in turn can generate value for the Group and the people themselves. With this in mind, in 2023 all Safety Managers within the Italy area of the Advanced Textile Solutions BA took part in a challenging 24-hour programme of human and professional growth over three days. There were numerous objectives in what was a very active and well-attended training programme, which saw the 80 participants, drawn from different Companies, engage in a lively discussion on their role as managers and share their experiences and visions. Relationships with colleagues, conflict management, the ability to delegate, exercise active listening and constructive dialogue emerged as enabling factors. The return to physical training was a distinctive element of this course that addressed safety in the workplace from the point of view of supervisors, who play a key role in identifying risks, monitoring, communication and involving colleagues.

"Scaling up sustainability and circularity": a practical guide to sustainability for the Group

In autumn 2023, "Scaling up sustainability and circularity" webinars and classroom sessions took place. This was the first large-scale training course on sustainability and circularity organised by RadiciGroup. The course was designed to provide around 240 participants with a solid knowledge base, both in general terms and in ways that apply to the Group, to help them respond to the growing need of transmitting skills acquired externally, thereby making them "ambassadors" for RadiciGroup's sustainable practices. In addition, classes made up of staff from different functions and companies promoted a collaborative and synergistic approach to learning, and participants developed their awareness of the numerous ESG initiatives implemented by RadiciGroup. Finally, through targeted practical exercises, participants were encouraged to reflect on potential new sustainable solutions to respond to current challenges.

“Scaling up sustainability and circularity” involved seven teachers across 13 training modules and comprised about 1500 training hours overall. It represented a significant investment by the Group in the professional and personal growth of employees, while also emphasising their key role in the implementation of RadiciGroup’s sustainability strategy.

Welfare initiatives and work-life balance

RadiciGroup encourages an effective balance between work and private life by granting the measures and tools provided by law, mainly reductions in working hours (part-time), parental leave and leave for the care and assistance of family members if provided for by the laws of the relevant countries, in some cases even extending the legal periods.

In 2023, RadiciGroup continued its choice to be an active participant in welfare solutions, such as pension funds or health funds. In addition, as far as Italy is concerned, the individual agreements signed in 2022 to use agile working for two days a week continued into 2023. These agreements have contributed to a cultural change, supported by digitalisation, which has promoted Workers’ welfare by reducing travel time and making it easier to balance their personal and professional lives.

In addition, as of 2023, pilot rules for experimental hour flexibility have been introduced in some Italian companies to improve balance and coordinate with the agile model introduced with smart-working.

The “StoBene” project

Disclosure 403-6

In addition to smart working and flexible working hours, the Group also continuously promotes initiatives aimed at increasing the physical and mental well-being of Employees. Since 2015, the project formerly known as WHP (Workplace Health Promotion) has been running and has been gradually rolled out to the various Italian and foreign companies under the name of “StoBene” (I’m well), to encourage Workers to adopt healthy lifestyles and positive mental attitudes. Last year, the number of companies that have officially signed up to “StoBene” expanded when Radici Chimica, the largest of the Group’s companies, joined, thereby extending the project to the province of Novara.

Firstly, the Group encourages green mobility. In 2023, for example, **RadiciGroup took part in European Mobility Week**, encouraging everyone to look for sustainable ways to get to work, or to carry out daily activities, avoiding car use and travelling, where possible, by foot or by bicycle, even just for part of the way. The result of the initiative was a photo gallery that demonstrated the creativity of the Group’s employees in choosing zero-emission means of transport. Meanwhile, at the new **Radici Plastics Suzhou** plant in **China, special spaces for bicycles and e-bikes** have been provided by the company, including charging stations for the e-bikes.

In some of the Group’s companies, the commitment to an **active lifestyle** also translates into **friendly competitions or sporting initiatives** for Employees:

- In 2023, two teams from **Radici Chimica Deutschland** took part in a **Dragon Boat competition with other local companies**; a crew of Italian colleagues from Radici Chimica also came to Germany specifically to participate in the event, using the challenge to strengthen the relationship between the two chemical companies. The company also organises one or more internal teams to **participate in the annual regional running race “Firmenlauf Burgenlandkreis”**, which is open to local companies.
- **Radici Plastics Ltda, Brazil**, organises frequent outdoor days. Last year, **beach tennis tournaments or rafting experiences** were offered, which combine sporting activities with a significant team-building element.
- Holding company **Radici Partecipazioni** offered all Italian companies the opportunity of taking part in an **evening on the snow, with the option of skiing, snowshoeing or simply walking along slopes and paths** in the moonlight.

About 100 employees and their families attended, as did the RadiciGroup Chairman, Angelo Radici, who presented the winners of the ski race with a prize.

- In **Yarnea, Romania, team building activities in the mountains** were organised in 2023, with participants given the opportunity not only to walk and increase mental and physical well-being, but also to “train” their resilience and ability to identify creative solutions to problems concerning the surrounding environment.
- Radici Plastics Mexico launched an original challenge: for one month **26 participants accepted the challenge of maintaining a balanced diet and exercise to lose weight**. They were then recognised by the company for their achievements.
- **Radici Plastics Suzhou** plant is equipped with a **table tennis room** and hosts a special club for employees so that they can practice the sport, which is very popular in China.

In addition to practising sport, “StoBene” also deploys healthy eating initiatives. After the pause imposed by Covid, in 2023 the **weekly distribution of fresh fruit to participating Italian sites** restarted, while at **Radici Fil and Radici Chimica**, which have canteens, the **napkins on food trays indicate, through drawings, the healthiest food combinations** that can be chosen on a daily basis.

Workers' Health and Safety

The RadiciGroup Code of Ethics makes **occupational health and safety one of its core values**. In fact, the Group considers these **factors to be of paramount importance, starting with compliance with all regulations in force** throughout the world. And it goes further. Among the objectives of the Sustainability Plan, specific mention is made of **RadiciGroup's commitment to improving the sense of responsibility and personal contribution of people in relation to health and safety**.

RadiciGroup:

- Relies on **robust management systems** to translate **health and safety concepts into every aspect of day-to-day business** and acts proactively to constantly **analyse risks and prevent accidents**.
- Encourages the **reporting of actual and potential risk situations** by Workers, whether Employees or external Workers.
- Acts promptly where an accident has occurred to analyse its causes and takes the **necessary steps to avoid a recurrence of the situation** that led to the accident.
- Considers **compulsory and voluntary training**, starting with newly recruited Workers, as a truly distinctive factor, capable not only of transmitting ideas, but of making **people an active part of safety**.
- As also mentioned in the section on work-life balance, it promotes **initiatives that promote healthy lifestyles and supports prevention** as a means of tackling some of the most serious or widespread diseases.

In line with the above, RadiciGroup therefore ensures the safety standards required by current regulations and regularly verifies compliance with them, with the aim of increasing prevention and control to reduce the risk of accidents. For the purposes of the Sustainability Report, every year the RadiciGroup Sustainability Team sends out a questionnaire to the sites based on disclosure 403 (Occupational Health & Safety) to collect up-to-date qualitative data to complete and contextualise the numerical data reported in this chapter on Health and Safety. The answers to the questionnaire form the basis on which the general overview below is built.

Disclosures 403-1, 403-2

A risk assessment is carried out regularly at each Group site. At each company, the people responsible for occupational health and safety generally prepare RAD (risk assessment documentation) for every task in normal, abnormal and emergency conditions, based on the risks that are identified, assessed, monitored and mitigated. Alongside this, RadiciGroup promotes active safety policies through Worker training and involvement, which place a premium on the individual contributing to collective safety.

Disclosure 403-8

In all Group companies, a health and safety management system is in place for all Employees and Workers. For the **Italian sites**, the main normative reference for occupational health and safety is **Legislative Decree [D.Lgs.] 81/2008**, which offers incentives for the **implementation of an organisation and management model**. In many of the plants there is also a management system based on **ISO 45001**, a voluntary standard governing **occupational health and safety**, which the Group aims to **extend to more plants (90% by 2030), as indicated in the "From Earth to Earth" Sustainability Plan**. The ISO 45001 standard has a business-oriented approach; it not only assesses risks but also considers management opportunities, includes both external and internal Stakeholders, and promotes their engagement. A key role is assigned to the individuals responsible for the management system, mainly Employees of the various sites. For Italian sites, other key figures are the person in charge of the prevention and protection service (RSPP), and the employer, in compliance with Italian Legislative Decree 81/2008, who have the specific task of organising and managing the system of risk prevention and protection. The duties of these professional figures, who also have the responsibility to keep their skills up to date, include the identification and assessment of risk factors, the development of preventive and

protective measures, and Worker training and information. In performing their tasks, the RSPPs may be assisted by the managers of the Occupational Health & Safety (SSL) Management Systems and by the employer itself. At other Group company sites, management responsibility is given to people in different internal positions, depending on the applicable legislation. Often nominated to the position are employees from Human Resources, who may be assisted, at times, by external consultants. In most cases, **health and safety management** is based upon **recognised risk management standards and guidelines**, which are applied to all company Workers. In the pursuit of continuous improvement of their performance, all Group sites are equipped with monitoring, risk assessment and performance evaluation systems and/or fully fledged improvement plans.

Disclosure 403-4

All Workers are called upon to develop and improve management systems. The Group sites have **mechanisms in place to engage Workers** on this topic, on top of the legislative requirements. As already indicated, **training is considered vital: about 42% of the total hours of employee training** were dedicated to health and safety topics. In addition to training courses, operational instructions, communications and teaching materials are among the most common means of involvement. Some sites (e.g., Radici Plastics Brazil, Radici Plastics Mexico, Radici Fibras Brazil) organise practical initiatives, lasting one or more days, specifically aimed at spreading a culture of safety in the Company through the direct involvement of people.

A Worker Safety Representative (RLS) is elected or appointed at all RadiciGroup companies or production units in Italy. The specific task of this role is to report Workers' requests, with the aim of building a spirit of active participation in the practice of health and safety principles in the workplace. The role of the Worker Safety Representative is to get Workers engaged in the decision-making process in the development phase of protective and preventive measures by having them express their ideas, opinions and worries. Similar figures, although with different titles and slightly different roles, exist at all Group plants.

At all RadiciGroup sites, in a more or less formalised manner and at intervals established by current legislation or site requirements, **joint meetings are held with the Company officers and Employees to analyse the situation regarding accidents, monitoring and risk management.** At the Italian Group plants, in compliance with Legislative Decree 81/2008, a meeting is held at least once a year, with the participation of the employer, the heads of the prevention and protection services (RSPPs), the Worker safety representatives and the appointed medical doctor. A Safety Committee is established at the Radici Chimica - Novara site, a plant subject to the Seveso Directive (Legislative Decree 105/15). It is a collegial body made up of the Manager, RSPP, RSGI (Integrated Management Systems Manager), RSGS (Safety Management System Manager), function managers and RLSSA (Workers' Health, Safety and Environment Representatives) whose tasks are to support the Manager in deciding on the strategies to be implemented in the field of prevention and protection from major accidents and in implementing and maintaining an adequate Safety Management System. Finally, at some sites, real internal inspections are conducted at set intervals to bring out and correct potential risk situations. The results of these inspections and the measures put in place are part of the input for review by Group Management. **All Workers at every Group Company can report a risk situation at any time through** a variety of tools, from specific reports to communication with their supervisor or the Worker Safety Representative.

Disclosures 403-1, 403-2, 403-4, 403-9-403-10

The situation regarding the health and safety indicators of the Group's Workers for the reporting year is presented below. In 2023, 79 injuries were reported, of which 12 were high-consequence and 67 were non high-consequence, in line with the same overall number as in 2022. The performance indicators for injuries show fluctuating trends with an overall worsening picture [Tables 39 - 44]. This is despite extensive safety measures across all production sites and continuous training in the field of health and safety. In 2023, no cases of recordable work-related ill health were recorded [Tables 45 - 46]. The cause of the injuries reported were slips, falls and incorrect manoeuvring when handling materials and tools. The physiological decline in the level of attention in Workers who frequently repeat the same tasks is a problem that the Group

has been addressing for some time, mainly through a steadily increasing training activity to try to raise awareness of the individual's contribution to safety.

Disclosure 403-9

Table 39 | **General injury overview**

		2021	2022	2023
n	Total Workers*	3,428	3,451	3,311
hours	Total hours worked	5,552,211	5,480,135	5,384,413
n	Number of fatal injuries	0	0	0
n	Total number of injuries	69	79	79
n/200,000h	Injury rate	2.49	2.88	2.93
days	Injury lost days (days away from work)	2,113	2,193	2,392
d/200,000h	Non-high-consequence injury days	76.11	80.03	88.85

* At 31/12/2023 – Total Workers includes: contract Workers (who work continuously for RadiciGroup, e.g. tradespeople, external companies, etc.), temporary Workers and Employees.

Table 40 | **Detailed injury situation – total workers**

		Men			Women			Total		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
n	Total Workers*	2,559	2,561	2,454	869	890	857	3,428	3,451	3,311
hours	Total hours worked	4,230,331	4,132,779	4,084,929	1,321,880	1,347,356	1,299,484	5,552,211	5,480,135	5,384,413
n	Number of fatal injuries	0	0	0	0	0	0	0	0	0
n	Number of high-consequence injuries	15	7	8	1	2	4	16	9	12
n/200,000h	High-consequence injury rate	0.71	0.34	0.39	0.15	0.30	0.62	0.58	0.33	0.45
days	Injury lost days (days away from work)	1,356	757	985	67	435	559	1,423	1,192	1,544
d/200,000h	High-consequence injury days lost rate	64.1	36.6	48.2	10.1	64.6	86.0	51.3	43.5	57.4
n	Number of non-high-consequence injuries	47	60	65	6	10	2	53	70	67
n/200,000h	Injury rate	2.22	2.90	3.18	0.91	1.48	0.31	1.91	2.55	2.49
days	Injury lost days (days away from work)	599	875	796	91	126	52	690	1,001	848
d/200,000h	Non-high-consequence injury days	28.3	42.3	39.0	13.8	18.7	8.0	24.9	36.5	31.5

* At 31/12/2023 – Total Workers includes: contract Workers (who work continuously for RadiciGroup, e.g. tradespeople, external companies, etc.), temporary Workers and Employees.

NOTE

Below are the rules followed for the preparation of the data for this disclosure:

- a) all Workers of the Company, divided into Employees, temporary workers and independent contractors with an ongoing relationship with the Group sites, are included in this disclosure;
- b) hours worked are those of actual attendance (sum of ordinary and overtime hours);
- c) only an injury that results in an absence of at least one day after the accident is considered an accident;
- d) commuting accidents are not considered;
- e) the days of absence are the total calendar days elapsing from the injury to the resumption of work, and not the working days, excluding the day on which the injury occurred;
- f) the indicator also takes into account relapses from previous injuries;
- g) injuries were divided into fatal, high-consequence and non-high-consequence. High-consequence injuries are incidents that cause injuries with a prognosis of > 40 days (total prognosis including any relapses) and/or injuries causing permanent damage (based on information that the employer can legitimately ascertain) or with a recovery time of > 6 months. All other injuries are considered non-high-consequence injuries;
- h) injuries were classified on the basis of the following list:
 - Contusion, abrasion, wound, cut
 - Distortion, displacement or sprain
 - Fracture
 - Internal injuries
 - Amputation
 - Burns, chemical or physical
 - Intoxication
 - Anoxia / asphyxiation (drowning, strangulation)
 - Electrocutation

With regard to high-consequence injuries, the parameter adopted by RadiciGroup provides for a particularly severe classification and considers high-consequence incidents to be those exceeding 40 days of prognosis or those with permanent damage. By contrast, the criterion adopted by GRI 403 classifies an injury exceeding 180 days as high-consequence. Adopting the RadiciGroup parameter, 12 high-consequence injuries were recorded, as shown in the table below [table 41]. The following table [table 42] also shows injuries by type, according to the hazards that underlie the risk situations and to which particular attention is paid. With regard to non high-consequence injuries, with a prognosis of less than 40 days away from work, these almost all fall into two categories: contusion/graze/wound/cut (first category) and sprain/muscle tear/strain (second category), which, taken together, cover 76% of non high-consequence injuries.

Table 41

2023 Injuries	RG parameter > 40 days of prognosis (number)	GRI parameter > 180 days of prognosis (number)
Fracture	4	0
Contusion, abrasion	3	0
Distortion, displacement or sprain	2	0
Wound and cut	1	0
Internal injuries	1	0
Burns, chemical or physical	1	0
Amputation	0	0
Intoxication	0	0
Anoxia / asphyxiation (drowning, strangulation)	0	0
Electrocutation	0	0
Total	12	0

Table 42

Dangers	Type
Vehicle movement, railway wagon handling, machinery with moving parts, human-machine interaction	Amputation, impact, crushing, internal injuries
Chemical agents, hot materials (steam, diathermic oil, molten polymer), flammable substances (fire, explosive atmospheres)	Burns, chemical or physical
Chemical agents (inhalation of gases classified as toxic)	Intoxication
Presence of water supply channels, lamination basin, industrial water intake basin, work in confined spaces, use of asphyxiant gases.	Anoxia / asphyxiation (drowning, strangulation)
Electrical maintenance	Electrocution
Slippery surfaces, spills, obstacles, manual handling of loads	Contusion, fracture, graze, dislocation, sprain, muscle tear, crushing
Tools and machinery	Cuts, wounds, amputation

Table 43 | Detailed injury situation – Employees

		Men			Women			Total		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
n	Total Employees	2,233	2,283	2,194	832	839	803	3,065	3,122	2,997
hours	Total hours worked	3,726,901	3,677,124	3,687,253	1,274,275	1,281,291	1,225,270	5,001,176	4,958,415	4,912,523
n	Number of fatal injuries	0	0	0	0	0	0	0	0	0
n	Number of high-consequence injuries	11	6	8	1	2	4	12	8	12
n/200,000h	High-consequence injury rate	0.59	0.33	0.43	0.16	0.31	0.65	0.48	0.32	0.49
days	Total injury lost days (days away from work)	902	716	985	67	435	559	969	1,151	1,544
d/200,000h	High-consequence injury days lost rate	48.4	38.9	53.4	10.5	67.9	91.2	38.8	46.6	62.9
n	Number of non-high-consequence injuries	44	57	58	6	8	2	50	65	60
n/200,000h	Injury rate	2.36	3.10	3.15	0.94	1.25	0.33	2.00	2.62	2.44
days	Injury lost days (days away from work)	547	859	691	91	104	52	638	963	743
d/200,000h	Non-high-consequence injury days	29.4	46.7	37.5	14.3	16.2	8.5	25.5	38.8	30.2

Table 44 | Detailed injury situation – external (temporary and contract) Workers

		Men			Women			Total		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
n	Total external Workers	326	278	260	37	51	54	363	329	314
hours	Total hours worked	503,430	455,655	397,676	47,606	66,065	74,214	551,036	521,720	471,890
n	Number of fatal injuries	0	0	0	0	0	0	0	0	0
n	Number of high-consequence injuries	4	1	0	0	0	0	4	1	0
n/200,000h	High-consequence injury rate	1.59	0.44	0	0	0	0	1.45	0.38	0
days	Total injury lost days (days away from work)	454	41	0	0	0	0	454	41	0
d/200,000h	High-consequence injury days lost rate	180.4	18.0	0	0	0	0	164.8	15.7	0
n	Number of non-high-consequence injuries	3	3	7	0	2	0	3	5	7
n/200,000h	Injury rate	1.19	1.32	3.52	0	6.05	0	1.09	1.92	2.97
days	Injury lost days (days away from work)	52	16	105	0	22	0	52	38	105
d/200,000h	Non-high-consequence injury days	20.7	7.0	52.8	0	66.6	0	18.9	14.6	44.5

Disclosure 403-10

Table 45 | Cases of recordable work-related ill health among Employees

		Men			Women			Total		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
n	Total Employees	2,233	2,283	2,194	832	839	803	3,065	3,122	2,997
hours	Total hours worked	3,726,901	3,677,124	3,687,253	1,274,275	1,281,291	1,225,270	5,001,176	4,958,415	4,912,523
n	Number of deaths due to work-related ill health	0	0	0	0	0	0	0	0	0
n	Number of cases of work-related ill health	3	2	0	1	3	0	4	5	0
d/200,000h	Work-related ill health rate	0.16	0.11	0	0.16	0.47	0	0.16	0.20	0

Table 46 | **Cases of recordable work-related ill health among external Workers (self-employed and temporary)**

		Men			Women			Total		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
n	Total external Workers	326	278	260	37	51	54	363	329	314
hours	Total hours worked	503,430	455,655	397,676	47,606	66,065	74,214	551,036	521,720	471,890
n	Number of cases of work-related ill health	0	1	0	0	0	0	0	1	0
d/200,000h	Work-related ill health rate	0	0.88	0	0	0	0	0	0.38	0

The RadiciGroup #SiCura project helps to develop Safety Leaders in the company

Behavioural Based Safety is an approach to safety that focuses on identifying, observing and continuously improving behaviour in the workplace. The method considers worker behaviour and their involvement as key in boosting safety. It aims to strengthen safety not through disciplinary measures, but thanks to a system that rewards the active participation of individuals in the collective safety process.

This methodology formed the basis of the RadiciGroup #SiCura course that Radici Novacips, the lead company in RadiciGroup's HPP division, organised in 2023. After an initial assessment of business processes, a group of ten safety leaders (Safety Leaders) was set up. They then followed a dedicated 16-hour training course aimed at creating the skills necessary to implement the behavioural safety process.

The Safety Leaders' next task is not only to transfer their learning to colleagues and collaborators, but above all to implement the process of constant observation and analysis of behaviour that is at the heart of the BBS system. Departmental checklists were drawn up and indicators were established for regularly assessing performance according to a well-structured methodology. The observations recorded over time form the basis for continuous improvement actions. The entire Radici Novacips organisation contributed to the project, including through the creation of videos in which multiple contributors, from the CEO to Safety Leaders – on the basis of their role and own insight – set out the meaning of the concept of safety from a personal or corporate perspective.

Having collected the initial dataset, the Health and Safety managers are now proceeding with the first set of analysis to define the project's next steps.

Occupational health services

Disclosure 403-3

In the area of health, **all companies have implemented, at different levels, occupational health services** in accordance with current regulations, delegating responsibility for the service to the roles with responsibility for safety. Occupational health services are always carried out by **qualified personnel**, possessing nationally recognised qualifications. In Italy, this role is carried out by the appointed medical doctor and in other countries by those

holding similar roles and responsibilities. The main duties of the doctor in Italy are: inspecting the workplace, establishing a plan for medical supervision, carrying out regular check-ups, compiling assessments of the suitability of the Workers and sharing the results of their activities with the company.

Disclosure 403-6

Several Group companies offer **supplementary health insurance or services related to the promotion of Worker health** on selected topics in response to specific Employee needs. There are free flu vaccination services, meetings held by companies to promote healthy eating, and prevention awareness. Sometimes these services are freely available to Workers' families with a view to maximum engagement. Italian companies offer supplementary health funds to Employees that reimburse a portion of medical services or discounted rates at accredited treatment centres. By way of example:

- At Yarnea, in Romania, employees who have developed serious illnesses can receive financial support from the Gianni and Luciana Radici Foundation.
- At Radici Plastics USA, staff have use of an internal mental health-related primary care service.
- Radici Plastics Mexico has established deals with specialists in the ophthalmology and dental sectors and a medical analysis laboratory which means that it offers Collaborators services at discounted rates.

Disclosure 403-10

No fatal accidents were recorded in the reporting year, and no work-related illnesses were recorded for Employees and external Workers [tables 45-46].

Territories and Local Communities

Disclosure 413-1

RadiciGroup is a family business; some members of the Radici family, including the Shareholders, reside and are physically present in the regions where the Group operates. For this reason, the Territories, starting with the Val Gandino where activities began, are much more than the physical location of the production sites.

Since the days of its founder, Gianni Radici, RadiciGroup has cultivated and nurtured the identity bond between its Employees, the Territory and the Company, in the conviction that the growth of the Group entails **an ethical commitment to the growth of its closest Stakeholders**, the Employees and the Local Communities. This philosophy is reiterated in the Sustainability Plan through the **commitment to maintain and expand engagement with Local Communities through support for cultural, social and sports activities, as an expression of good corporate citizenship**.

This is why RadiciGroup:

- Is a **guarantee of employment, professional development, innovation** in the Territories and promotes a wide-ranging **health and safety culture** that has a positive impact on Local Communities.
- Sees its **growth as harmonious with the Local Communities**, from which about 80% of the Employees come and which are often physically very close to the production sites.
- **Identifies the needs of the Territories and decides on ways it can help** on the basis of the different social, cultural and economic contexts, again considering diversity a value and an asset.
- **Establishes a dialogue with Local Communities**, opens the doors of its premises to residents, schools, and the families of Employees who are, in most cases, local residents.
- Translates its **commitment into medium- to long-term interventions** to support the continuity of cultural, sporting and social activities.

The identity of RadiciGroup has thus been profoundly shaped by its local roots. The result of a daily, mostly informal dialogue, this relationship is nourished by pragmatism and mutual respect. The same respect has distinguished RadiciGroup throughout its history of internationalisation, playing out in its approach to cultural diversity that includes progressive integration and exchanges with foreign cultures.

RadiciGroup benefits from the support and proximity of the Local Communities, from the valuable manufacturing expertise available in the area and from the organisational and production flexibility that has always characterised local areas. Moreover, as shown in the section of the Report covering the supply chain, RadiciGroup relies on numerous local Suppliers, above all in Italy, because of their proximity, flexibility and reliability, supporting the supply chain.

Disclosure 415-1

Finally, while RadiciGroup maintains political neutrality and does not support any political party, it is in constant contact with local authorities, with which it maintains a relationship of cooperation and transparency, both in terms of institutional relations and in terms of territorial initiatives, many of which are carried out in collaboration with municipalities, communities and public authorities.

Considering Local Communities as one of its main Stakeholders, in 2022, the Group approached a number of representatives of the Territories (local authorities, schools, associations) around the world regarding the revision of its materiality matrix, also taking this opportunity for a profitable exchange.

The Education Project and local areas

Now in its **10th edition**, the **Education project** aims to develop ever **closer collaboration between the Group and educational institutions**. This is an active cooperation that takes the form of multiple projects with **local educational**

institutions at various levels, from primary schools to universities. **Aligning study programmes with the skills required by companies** is an increasingly important challenge; **RadiciGroup intends to contribute** through classroom and on-site lessons, company visits, internships and career guidance meetings to provide students with information and tools to make informed choices on the course of study best suited to their interests and needs.

In 2023, numerous special projects were carried out across the Group:

- The **Italian companies** have hosted **over 300 students during four company visits** and **organised 14 internships** for university and high school students. They also took part in **two career days in the Group's main regions** (Lombardy and Piedmont) as well as participating in "**Job Festival**", the career guidance initiative for students about to finish upper secondary school. As part of the various projects with lessons at school and in the company, they also **trained about 100 local students**, teaching them about the world of polymers and the circular economy.
- **Logit**, in the Czech Republic, gave up part of the land around its plant so that the students of the agricultural school could practice.
- **Radici Plastics Ltda** in Brazil educated younger students on correctly recycling plastic and its disposal.

Study Grants awarded to 41 young graduates

In December 2023, the ceremony for the awarding of study grants to the children of employees who obtained a degree (bachelor's, master's or five-year) in 2021 or 2022 was held at the Radici Partecipazioni holding company. The tradition is a regular occurrence to celebrate the value of education and support the training of young people by rewarding, in a concrete form, merit and effort. 41 graduates were awarded: 36 children of employees and 5 employed directly by RadiciGroup. Of these, 15 belonged to Group companies based abroad and therefore joined remotely.

The scholarships were awarded to students who had completed university with full marks (a minimum grade of 100/110) in different Faculties, including Mathematics, Economics, Languages, Medicine, Psychology, Chemistry and various forms of Engineering.

The initiative is one of the highlights of RadiciGroup's Education project, which has been investing resources for some time to establish and strengthen its relations with local educational institutions.

Local initiatives

Almost all of the Group's production companies support **Local Communities** in different ways, depending on the needs they highlight. Often these are initiatives that concern the youngest age groups, with many aspects that overlap with the Education project.

There is a **particular focus on sport**, an important tool for growth. Sport and work are based on the same values: sacrifice, hard work and the will to always improve. Because of this, the Group supports numerous associations: local associations, mostly for youths, which have the goal of teaching and training in a specific sport and, most importantly, pursue the objective of helping young people grow up.

Below is an overview of some of RadiciGroup's territorial activities:

Youth competitive sport

Radici Partecipazioni SpA (Italy)

Supports the RadiciGroup Ski Club, a historic association with over 100 local athletes between the ages of 6 and 18.

Health of Employees and their families

Yarnea SRL (Romania)

Through the Gianni and Luciana Radici Foundation, supports Employees and local residents, especially children, undergoing treatment for serious illnesses.

Sport as a vehicle for growth

RadiciFil SpA (Italy)

Supports the Gianni Radici Juvenes Sports Academy, whose sports development project goes hand in hand with an innovative educational development project.

Hiking in the mountains to learn to love nature

Yarnea SRL (Romania)

Supports the Neamt Alpine Association which promotes mountain culture and respect for nature through inclusive hiking, open to people of all ages.

Scientific and cultural dissemination

Radici Partecipazioni SpA (Italy)

For many years, the Group has been a partner of the BergamoScienza Festival, a science popularisation event founded in 2003, which every year involves the city and province of Bergamo with an increasingly international outlook.

Infrastructure design for territorial economic development

Radici Chimica Deutschland (Germany)

Works together with local authorities to design infrastructure for collective use to sustainably develop the local area using green hydrogen.

Collection of plastic materials to support children's cancer care

Radici Plastics S. de R.L. de C.V. Mexico (Mexico)

Supports its Employees in collecting plastic caps which are placed in a container and donated to a local association which uses the proceeds from their sale to support children with cancer and their families.

Collaboration with municipal authorities on socio-environmental projects

Logit s.r.o. (Czech Republic)

Collaborates with the local municipality on numerous projects, including the redevelopment of urban green space through the planting of an area of the city, the organisation of a "children's day" and the creation of a recreational centre with social-based games for younger children.

Environmental awareness in children

Radici Plastics Ltda (Brazil)

Works with the youngest children in the local area to teach them to respect nature and care for the environment through guided sessions of tree planting and maintenance.

Scientific and cultural education for the citizens of Novara

Radici Chimica SpA (Italy)

Through the Donegani Club, contributes to the development of the annual programme of scientific and cultural education open to the citizens of Novara, the company's headquarters.

Yarnea focuses on sport to support the territory

For many years, Yarnea, a company in the ATS area of RadiciGroup based in Săvinești (Romania), has played an active role in its local area through not only its industrial activities but also through a special connection to sport – something that is in line with the Group's social policies. In Yarnea's view, support for sporting activity contributes to increasing the quality of life in the local community, as well as being a tool for personal growth and social cohesion for young people.

For this reason, in 2023 Yarnea focused on two main objectives: supporting the development of local sporting talent and promoting an active lifestyle among young people. To this end, the company provided support for swimming, martial arts and tennis, all disciplines that require commitment and dedication, as well as a constant commitment to improvement – values that both sport and the corporate culture share. There was also a particular focus on climbing and hiking initiatives in the mountains; the Company chose to support these disciplines because, in addition to developing physical qualities, they build awareness of the environment and respect for nature.

Roots Plastics Ltda and children: a special bond

For some years, Radici Plastics Ltda, a Brazilian company in the Group's engineering polymers segment, has been working closely with local schools to offer children useful and unique educational experiences.

In 2023, the collaboration with the Escola Municipal Emeif Ilda Vieira de Moraes in Araçariquama, where the company is based, led to the delivery of a multi-phase project. The main objective was to bring education and knowledge to a part of the population that often does not have access to sufficient practical training resources and therefore cannot adequately face issues such as health and the environment.

The work with the municipal school was divided into five phases: the company was directly involved in the creation of a book on the importance of correctly managing waste to stimulate awareness of recycling, which was followed by an actual lesson on the environment and plastic packaging. This is also fully in line with the philosophy of the production site which for some years has been managed on the principle of "zero waste to landfill".

Radici Plastics then supported the school in planting fruit trees with the collaboration of local experts who helped the children. In addition, the company donated recyclable materials for making percussion instruments that were used in a musical project. As the final step, Radici Plastics donated an oral hygiene kit for children, in the belief that a commitment to corporate citizenship can also be expressed through a healthy smile.

Sustainable Research and Innovation

In order **to remain competitive**, RadiciGroup is called upon every day to **deal with the market**, to understand the requests it receives and to **identify** and, where possible, **anticipate the needs of its customers**. And that is not all. The Group also has to deal with the **many sustainability challenges** posed by the global scenario on a daily basis. Climate change, resource scarcity, the circular economy, more restrictive legislative frameworks for chemicals, and the need to reduce the carbon footprint of processes and products can be either a threat or an opportunity depending on how they are addressed.

RadiciGroup invests in research and innovation to meet these challenges and transform them into opportunities for responsible growth, thus offering practical answers for Customers and the value chain. The Group develops numerous research and development activities in-house using the expertise already present in the companies. At the same time, in order to broaden its horizons and undertake radical innovation activities, it relies on the coordination and action of the Radici InNova S.c.a.r.l. consortium.

Radici InNova

Radici InNova was founded in 2019 as **RadiciGroup's Innovation and Research company** and is structured as a consortium company, which makes use of all the Group companies' specific skills, laboratories, pilot plants and production plants. **Radici InNova's mission is to develop radical research and innovation projects** across the Group's three main business areas (Specialty Chemicals, High Performance Polymers, Advanced Textile Solutions), with the **objective of consolidating innovation as the main driver of development**.

The consortium structure and its cross-business nature allow Radici InNova to:

- possess specific technical and scientific skills in the field of PA and PET-based polymers and synthetic fibres, in the chemistry, textiles and high-performance engineering polymer sectors;
- in addition to its own continually expanding analytical laboratories and development of new processes, also have access to the laboratories and pilot plants of all the other RadiciGroup industrial sites belonging to the Consortium.

These skills and technological availability are an important asset in achieving Innovation and Research objectives, helping Radici InNova to develop new processes and products, from Proof of Concept through to process or product industrialisation.

Every year, the consortium carries out numerous projects. In 2023, the main action lines were:

- **The Circular Economy**, with experimental activities and studies that made it possible to acquire further knowledge on the best nylon recycling solutions to treat mixed post-consumer thermoplastic materials, focusing particularly on the industrial scalability of processes and collaborations, with a view also to industrial symbiosis in order to create virtuous supply chains to provide materials for recycling.
- **Ecodesign**, with experiments in collaboration with Customers and Suppliers to support a successful, yet sustainable economic model such as the circular model right from product conception.
- **The study of new polymers**, experimenting with solutions to develop products not currently available in the RadiciGroup portfolio and with specific characteristics (e.g. flame retardant) for use in specific applications in the textiles and plastics sector. There was also a special focus on the study and development of solutions that can be applied to materials that ensure traceability along the entire supply chain.
- **Nylon-based biopolymers**, seeking solutions to improve know-how acquired to date on new bio-based polymer matrices and the analysis of alternative and sustainable processes to make the intermediates necessary for the production of biopolymers available.

- **Filtration materials**, especially polypropylene nonwovens for the automotive sector for cabin air filtration and air-conditioning systems.

During 2023, Radici InNova also intensified its participation in working groups on the circular economy and advanced materials, working with various stakeholders in the chemical, plastic and textile sectors to build circular supply chains for high-performance polymers, for recycling and for bio-based materials, as well as to create synergies in the field of funded design for collaborative projects.

Radici InNova continued its activity on a number of topics with a medium to long-term horizon, which are essential for the ecological transition. It contributed to establishing the objectives and concrete actions for the definition of the Group's Sustainability Plan on environmental issues (**"From Earth to Earth": RadiciGroup's roadmap for a sustainable future**). Working in collaboration with Radici Chimica Deutschland on the topic of the **mass balance approach**, it contributed to securing ISCC Plus certification for the production of Bio, Circular and Bio-circular Adipic Acid by evaluating the possible reductions in environmental impact that can be obtained with the use of sustainable raw materials.

To meet the needs of its consortium members and downstream Customers, Radici InNova has implemented measurement of the environmental impacts of its processes and products by expanding the scope of certified LCA studies. Since the establishment of the Working Group dedicated to this activity, several studies have been carried out that have contributed to achieving almost complete coverage of the Group's European sites.

Radilon® Chill-fit, innovating for comfort

Radilon® Chill-fit is RadiciGroup's 2023 offering to maximise the qualities of breathability and freshness that a fabric can deliver. The result of a significant research and development process that led to the creation of a highly functional nylon yarn, it guarantees thermal regulation of the fabric without the need for additional treatments.

Radilon® Chill-fit, launched by the Apparel and Technical Business Line to coincide with the Techtextil fair, leaves those who use it with a pleasant and long-lasting feeling of comfort and freshness. The innovative technology, implemented by the Group, combines the yarn's quality of generating intrinsic freshness with the ability to absorb sweat by evaporating it quickly.

This gives a particular "flow" to garments made with Radilon® Chill-fit. This new engineering process ensures that thermal regulation is an intrinsic and permanent part of the yarn without the need for additional fabric treatments, all while offering high UV protection.

Open innovation

Open innovation, based on the concept of co-evolution, promotes collaboration and resource sharing, as well as ideas that go beyond traditional organisational boundaries. This approach encourages companies to seek out innovation through collaboration with Customers, Suppliers, scientific partners or independent experts. This strategic approach is based on the idea that innovation can benefit from the diversity of technologies, perspectives and skills found outside the organisation. It acts as a bridge, involving a global network of external innovators to make the organisation more receptive to a potentially unlimited range of stimuli. It also helps to mitigate and share the risk associated with the most innovative research projects.

Recently, **RadiciGroup** has used open innovation as an additional resource to its own **on several occasions to develop innovative technologies or materials and explore shared solutions with business partners or with the Group's internal partners.** This Sustainability Report features some examples of open innovation activities dedicated to sustainability and innovation in 2023:

- The **High Performance Polymers** area worked with a partner in the automotive area on strategic applications in the e-mobility sector using polymers with high EMI shielding power. The BA then worked with another customer in the automotive sector to train both its own technicians and the customer's technicians in agile methodology, before going on to jointly design limited-impact tyre reinforcement materials that can replace traditional market solutions. Finally, together with the **Specialty Chemicals Business Area**, the HPP division studied the formulation of intrinsically flame-retardant polymers as part of open innovation within the Group.
- The Advanced Textile Solutions area, meanwhile, launched a **"Call for Textile Sustainability"** in partnership with customer Decathlon to research sustainable and circular textile solutions, as described in the case study below.
- For its part, the **Organization and ICT function** participated in the first hackathon in the history of RadiciGroup, in collaboration with supplier Var Group.

In 2023, therefore, open innovation was a decisive factor in stimulating a Group culture that is increasingly open to change and contact with different areas of knowledge.

Made in Italy Cluster Open Innovation Call features RadiciGroup among the protagonists

"Demo Day", a presentation event at the headquarters of Confindustria Moda in Milan, marked the successful conclusion to the Open Innovation Call supported by the Made in Italy Cluster in collaboration with RadiciGroup and Decathlon Produzione Italia, dedicated to the promotion of sustainability in the textile supply chain.

The event marked the end of nine months of activity, during which the Call created connections between Italian and international realities, including startups, companies, public and private research centres and individual innovators, with the support of member companies RadiciGroup and Decathlon Produzione Italia.

The key theme of the Call was Innovation for Sustainability in the Textile Sector – a set of solutions, know-how, technologies, processes and ideas that can boost companies' journey towards the ecological transition.

During the various stages of the Call, which took place from February to November 2023, there were more than 136 proposals, divided into four main categories: Circular Economy, Materials, Digital and New Business Models for Sustainability. The Call was also supported by the collaboration of institutions and organisations involved in research and innovation across Italy. Innovation proposals were received from 61 startups, 40 small and medium-sized enterprises, 18 institutions, organisations and research groups, 9 business projects and 8 individual innovators. They focused mainly on circular economy topics, innovative materials, digital solutions and new sustainable business models, demonstrating the resounding success of the initiative.

The circular economy

The circular economy, the principles of which the Group has been applying since the 1950s when wool waste from its blanket manufacturing companies was recycled, now guides most of RadiciGroup's sustainability choices:

- **A driver for process and product innovation**, especially when implemented by adopting eco-design, that creates opportunities for product development in unexplored sectors, such as the range of 100% recyclable products and portfolio of products made from recycled and bio-based materials.
- It supports **production and system efficiency** by reducing waste and operating costs, and **strengthens the industrial synergies** that already exist between the different Business Areas, broadening their prospects.
- It is an important **lever for value chain transformation and integration**, through partnerships for the implementation of best-practices or the support of the best technologies and transport optimisation.

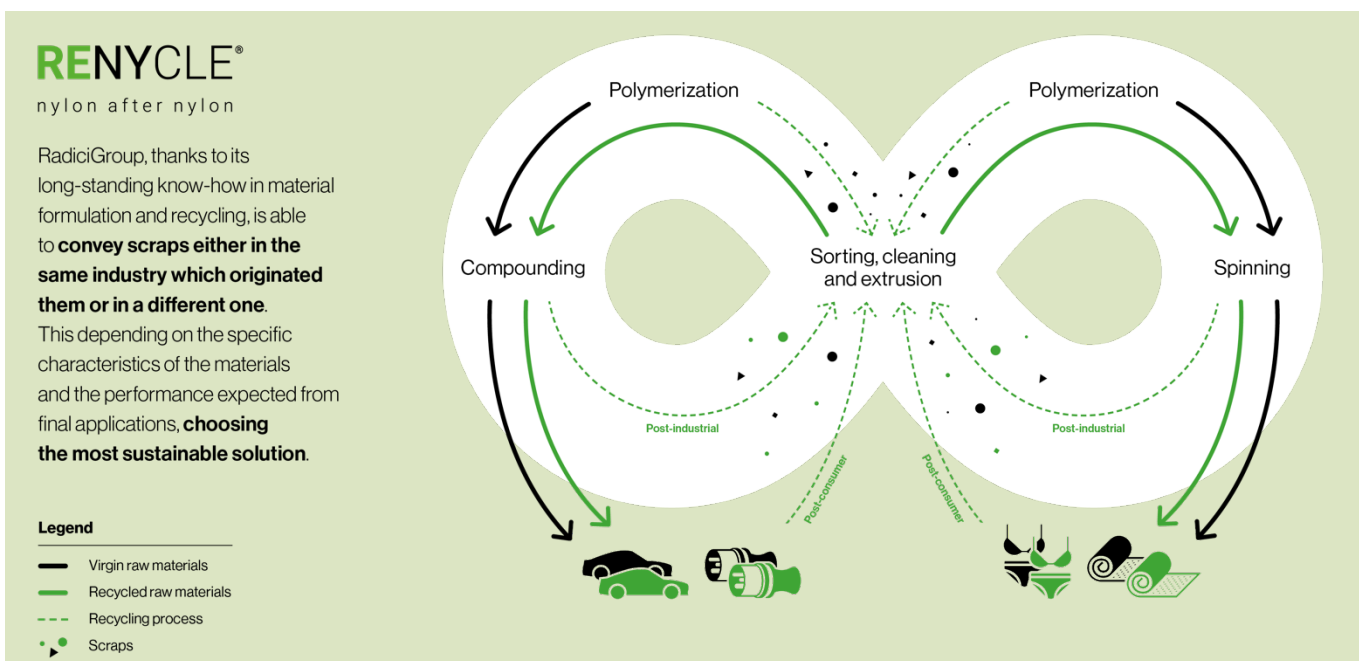
Ecodesign: as noted, RadiciGroup collaborates in the value chain to design circular products. There is a particular focus on the concept of monomateriality. The concept is based on the creation of products using a single material, or a few different chemically related materials, that can meet all the necessary performance needs and be immediately recycled at the end of life, possibly mechanically, requiring only the disassembly of the different components.

Materials: durable, recyclable and recycled materials are widely represented in RadiciGroup's offering. Bio-based materials are also gaining in importance: thanks to their additional properties, the performance of RadiciGroup biopolymers is comparable to that of materials made from fossil components.

Processes: the Group invests to optimise every aspect of production. Processes are scientifically and rigorously measured to verify their impact. The latter are managed using certified Quality, Environmental and Energy Management Systems, which help to keep Group companies in step with the world's best practices.

Durability and longevity: RadiciGroup products are based on high-performance, carefully selected raw materials from traceable and qualified supply chains. Nylon, in particular, is designed to last over time while maintaining performance and confer the same characteristic to its Customers' products.

Recyclability: all Group materials, thanks to their thermoplastic nature, are intrinsically recyclable and, if used alone or in combination with different but compatible materials, can be recycled at the end of their life through mechanical processes with limited energy and environmental impact. They can thereby be transformed into new polymers for the most challenging sectors, from automotive to technical textiles.



Quality recycling: thanks to RadiciGroup's recognised experience in waste recovery and re-utilisation, waste is processed into new resources. The Group is able to sort the various waste materials internally, thus enhancing their intrinsic qualities and directing them to the most appropriate second life, based on the desired technical, environmental and market performance.

Renewable resources: renewable energy resources are a key factor in RadiciGroup's sustainability policy. Thanks to its 20-year partnership with Geogreen, the Group has long had more than 40% clean energy in its mix, and in 2023 this figure was 59%, a figure in line with the previous year.

Fibre-to-fibre recycling in polyester is possible too!

In 2023, RadiciGroup and some of its supply chain partners conducted an innovative research and development project on "fibre-to-fibre" recycling in the polyester sector. This initiative came out of the collaboration between RadiciGroup and Sportstex, a sportswear manufacturer. The companies aimed to study methodologies to recover polyester textile waste from, for example, clothes used for sport.

Pure Loop, an expert in recycling machinery, was involved to identify the optimal technology to obtain new textile fibres. The R&D teams of the three companies, coordinated by Radici InNova, have conducted numerous experiments to produce a recycled fabric with high technical performance. The initial result was obtained using a mixed recovery technique, i.e. "dosing" variable percentages of polyester granules from bottle recovery (a practice that is very well established at RadiciGroup) with granules from fabric recovery. This experience has made it possible to gradually fine-tune the processes to obtain a yarn that comes entirely from the recovery of textile waste.

Once industrialised, this circular system will mean that recycled polyester garments can be produced and then recovered again at the end of their life cycle. One company, Shimano, immediately embraced this initiative, putting its own brand on the first t-shirts to result from the collaboration, presented during the Itma fair in Milan. The research project has highlighted a new form of recycling that makes it possible to obtain quality polyester fibres from, for example, used clothes. This results in a textile-on-textile Closed Loop with no effect on the quality and technical performance of the products.

RadiciGroup's low-environmental impact products

RadiciGroup is a business-to-business company, its products only reach consumers after a certain amount of processing. The Group does not, however, disregard its responsibility to end users. On the contrary, **it uses its upstream position in the value chain, its expertise in polymer chemistry and its R&D and innovation work to support all downstream players in the production of low-impact, safe and high-performance products.**

In addition to its collaborative work with the value chain, the Group, through its own initiatives and actions in the associations of which it is a member, engages in dialogue with the consumer to understand their needs and expectations and to explain to them how its products are conceived and manufactured.

RadiciGroup's low environmental impact products are developed and produced with the innovation work described above, while focusing on the following commitments:

- Develop **a circular offer** with a life cycle thinking approach, that is, thinking of **eco-design** from the outset, favouring the use of **recyclable raw materials with limited environmental impact** and designing formulations that ensure long **durability and high performance**, as well as high value-added **recyclability**, during the full life cycle of products.
- **Rationalise the use of raw materials**, choosing renewable sources and **secondary raw materials, reducing scrap and waste.**
- **Optimise processes and measure their impacts** with scientific methods, so as to ensure the Group can make sound decisions and act with transparency in the market.

- **Measure** the specific **impact of products** through the scientific and recognised **Life Cycle Assessment** methodology and make this data available to the supply chain in the interests of transparency.

The Group's thermoplastic products, which are the result of this philosophy, boast two main common characteristics, durability and recyclability, which make them a significant choice for Customers and end-users in terms of reducing impact. In addition, there are a number of specific features for any single product.

Why choose RadiciGroup low environmental impact products?

Because they are based on **thermoplastic** materials, all **recyclable** and **durable**, key features in the light of circular economy.

Because they can be:

- Manufactured using **recycled materials** to reduce the use of valuable virgin raw materials and give new life to pre and post-consumer scrap.
- **Solution-dyed**, thus reducing water and energy usage.
- Characterized by a **limited carbon footprint**, measured with the **LCA methodology**, an advantage for the entire value chain .
- Manufactured using **green energy**, which decreases dependence on fossil fuels.
- **Bio-based**, fully or partially manufactured using renewable, **natural raw materials**.
- **Bio-degradable**: able to **separate into their different components** thanks to biochemical processes.

Table 47

Product	Business Area	Energy from renewable sources	Bio-based	Solution -dyed	Recycled	Durable Recyclable	Biodegradable
Renycle®	Cross-Business Area	●		●	●	●	
Repetable®	Cross-Business Area			●	●	●	
Responsibile®	Cross-Business Area	●		●	●	●	
Biofeel®	Cross-Business Area	●	●	●		●	
Biofeel® PLA	Cross-Business Area		●	●		●	●
Biofeel® Eleven	Cross-Business Area	●	●	●		●	
Radipol®	Specialty Chemicals	●				●	
Radipol® 6.10	Specialty Chemicals		●			●	
Radilon®	High Performance Polymers	●				●	

Radilon® D	High Performance Polymers		●			●	
Radilon®	Advanced Textile Solutions	●		●		●	
Radifloor®	Advanced Textile Solutions	●		●		●	
Dorix®	Advanced Textile Solutions			●		●	
Radyarn®	Advanced Textile Solutions			●		●	
Starlight®	Advanced Textile Solutions			●		●	
Dylar®	Advanced Textile Solutions	●		●		●	
Radimelt®	Advanced Textile Solutions	●		●		●	

RadiciGroup's water management products: an ethical and strategic choice

Water is an increasingly limited and vital resource, and industrial production can require large quantities. For this reason, adopting practices that conserve water reserves has become absolutely key. In addition, the creation of products that respect water – especially where drinkable – has become both an ethical and strategic factor.

For some time now, RadiciGroup has been working not only on saving water in its processes, but also on a product portfolio specifically designed for the construction, industrial and food industries that can guarantee water quality or help to maintain its availability. Companies in the HPP Area provide a complete range of engineering polymers that meet the most stringent water management criteria and constitute viable alternatives to traditional materials, such as brass and metal alloys, for numerous applications, including components for water meters, taps or boilers. The polymers designed by the Group offer a cost-effective solution, which extends the adoption possibilities without compromising on long-term performance, and maintains water quality over time – even in harsh conditions.

Tessiture Pietro Radici's Radimelt® filter materials, on the other hand, are specifically made to meet the most complex water purification needs. They are an integral part of technical solutions to minimise the risks of contamination and consequently improve water quality for public health and production processes. The range comprises nonwovens designed for water-management applications in critical sectors, such as the food and beverage industry, industrial processing and filtration.

Cooperation in the value chain for sustainability in flooring

In 2023, Radici Fil, RadiciGroup's flooring solutions specialist, together with customers Kleen-TEX and Lindström, designed a range of sustainable products based on value chain cooperation. This led to a fruitful exchange of knowledge and the development of common values inspired by environmental responsibility.

The use of recycled materials is one of the most effective means of helping textile solution provider Lindström move forward on its path to net-zero. The RadiciGroup Renycle® yarn, made from pre-consumer recycled nylon 6, proved to be the ideal solution in terms of reducing waste, conserving resources and reducing the carbon footprint. Carpet manufacturer Kleen-TEX is similarly committed to minimising its impact on the environment. Currently, all of its new products include recycled content, with Renycle® once again proving the optimal solution.

In addition, solution dyeing was chosen by the partners as an option to create an interesting selection of colour tones. In the solution dyeing process, colour is added upstream, in the spinning phase, with significant savings in terms of water, dyes and chemicals, which all contributes to improving the environmental profile of the product.

This multi-stakeholder collaboration led to the launch of a sustainable rug collection in which sustainability principles have been translated into concrete commitments.

Measuring product environmental impacts (Life Cycle Assessment)

RadiciGroup considers it essential for itself and the entire value chain to have robust, accurately and scientifically obtained reference values for the environmental impact of its products. For this reason, **RadiciGroup has long used LCA studies and has set up a team of in-house experts, coordinated by Radici InNova**, to provide a specialised and strategic Life Cycle Assessment service to all its companies.

Life Cycle Assessment (LCA) is an analytical and systematic methodology that assesses the environmental footprint of a product throughout its entire life cycle, from the extraction of raw materials, to production, distribution, use and final disposal or second life, giving the environmental impact values associated with each phase.

This makes it possible to:

- **Objectively measure the environmental impact** of the product/organisation;
- introduce **robust and focused mitigation solutions** to concretely improve the environmental footprint, in line also with the best available techniques (BAT);
- **provide customers with an environmental profile** on a scientific basis and **data that can be used** for the Customers' own impact assessments;
- **communicate environmental performance transparently and truthfully** and obtain certified environmental labels (e.g. Environmental Product Declarations) or recognised environmental footprint assessment protocols (e.g. Carbon Footprinting), thus contributing to transparency for the benefit of the entire value chain.

RadiciGroup also uses the LCA system in a predictive way to strategically assess potential impacts in the design or redesign phase of a specific product, often in collaboration with customers.

Through LCA studies **RadiciGroup intends to make an active contribution to Goal 12 of the United Nations 2030 Agenda** for a sustainable and circular production system. **The Group has also aligned itself with the most recent developments in European legislation.** The upcoming change adopts the product life cycle study system as an important element for measurement, to be used in formulating environmental claims or providing data for the purposes of the digital product passport. Below is an overview of the LCAs, or LCA-based environmental impact studies, carried out on strategic products for the Group up to 2023 and planned for 2024:

Radici Chimica SpA

- Third-party verified PEF study for nitric acid, adipic acid, hexamethylenediamine, bicarboxylic acid mixture (Radimix®).
- Third-party certified CFP study for PA66, PA610, PA66/6 5% CPL, PA66/6 10% CPL, PA66/6T, PA510.
- LCA certified by a third party for PA56, PA59, PA69.

Radici Chimica Deutschland GmbH

Third-party verified PEF study for Ka oil, adipic acid, bicarboxylic acid mixture (Radimix®).

An updated LCA study is planned for KA oil, adipic acid, dicarboxylic acid mixture (Radimix®) in 2024.

Radici Novacips SpA

EPD (Environmental Product Declaration) certificates for:

- Radilon® A and S 25%, 30% and 35% glass fibre compounds.

- The Polyamide Scrap Recovery Service.
- Compound Renycle® S T203K 3030BK, Renycle® S GF3501 3030BK, Renycle® S N101 3030BK, Renycle® S GF3003 3033BK, Renycle® S GF3003K 3033BK, Renycle® S GF15001K 3030BK.

For the HPP area, in addition to the above, predictive LCA studies were carried out in collaboration with the Customer, whenever requested, to assess the impact of a particular type of compound prior to its actual realisation and to assess the best choices from the point of view of environmental performance.

Radici Yarn Spa

- Third-party verified LCA study with critical review for Radipol® - PA6 polymer, Radipol®-based POY masterbatch, Radipol®-based staple masterbatch, Radilon® - PA6 Poy, Radilon® - PA6 SO, Radilon® - PA6 staple, Radilon® - PA6 Soir, Renycle® - POY, Renycle® - staple, Renycle® - SO, Renycle® - SOIR, Radilon® - PA66 Poy, Radilon® - PA66 SO, Radilon® - PA66 staple and Radilon® - PA66 SOIR.

Noyfil SA

Third-party verified LCA study with critical review of the masterbatch product families, PET Starlight® wire, PLA Biofeel® wire, r-PET Repable® wire, PET FR Starlight® wire.

Noyfil SpA

Third-party verified LCA study with critical review planned in 2024 for the Radilon® PA66 filo product families (DTY; ATY), Radyarn® FR PET yarn (DTY; ATY), Repetable® r-PET wire (DTY; ATY), Radyarn® PET yarn (DTY; ATY), Biofeel® PLA DTY, Radilon® PA6 ATY, Renycle® ATY, Starlight® PET FDY, Repetable® r-PET FDY, Biofeel® PLA FDY, Radyarn® PET twisted, Repetable® r-PET twisted, Radyarn® FR PET twisted

Tessiture Pietro Radici Spa

Comparative LCA study certified by a third party for Responsible® non-woven fabric containing various percentages of recirculated waste.

Yarnea SRL

LCA study of PA6, PA66, Renycle® yarns, LOY, POY, FDY, warped, twisted, textured, is planned for 2024

Transparency

Disclosure 417-1

Accessibility to **relevant information** for **products** is essential to:

- Ensure **increased security** and allow the user to **make informed choices**.
- Convey **information** about the **characteristics and performance** of the product itself.
- Contribute to the overall **transparency** of the **value chain** and nurture **fair competition**.

RadiciGroup works for transparency in product formulation and communication at every level by using language that is as accurate as possible and not misleading.

All Group products must meet the general safety and labelling regulations of the European Union and the laws of the countries where they are produced or sold.

In many cases, the products can also be subjected, on a voluntary basis, to additional safety specifications or provisions, more restrictive than the mandatory provisions in force.

As far as the **Specialty Chemicals Area is concerned, all substances** produced at the Novara and Zeitz (Germany) plants **comply with the registration requirements of the REACH regulation**. This European Union regulation was adopted to strengthen the protection of human health and the environment from the risks that may arise from chemicals

and is implemented by ECHA, the European Chemicals Agency. The product registration dossiers of the two plants are kept constantly updated according to the new regulatory requirements and indications deriving from ECHA. **The safety data sheets that are provided to downstream users of products contain guidance on correct and safe use, consistent with the registration dossiers.**

Radici Chimica Deutschland has also joined Eco Vadis, an international sustainability rating platform, thereby qualifying for the “silver medal” awarded by the system as a company that can show customers and the market that it is attentive to ethics, the environment, the supply chain and human rights. In 2023, It also secured **ISCC - International Sustainability and Carbon Certification for adipic acid (Bio Adipic Acid, Circular Adipic Acid and Bio Circular Adipic certification)** allocated through the mass-balance approach. This certification provides traceability along the supply chain, verifying that certified companies meet high environmental and social standards.

As far as the **Advanced Textile Solutions area** is concerned, all production complies with REACH requirements. In addition, **PA6/PA66 polymer matrix yarns for textile use are certified according to the Oekotex® 100 annex 6 class I standard, and Pet and Pla polymer matrix fibres according to the international Oekotex® 100 annex 4 class I standard.**

Furthermore, **in the two-year period 2018-2019**, the yarns of the **Renycle® (nylon) and Repeable® (polyester) families of products were certified to the Global Recycled Standard (GRS), a certification of the recycled content in products.** The GRS includes the Zero Discharge of Hazardous Chemicals (ZDHC) provisions and requires that, for each item sold, a declaration of actual recycled content be provided.

From 2022 onwards, GRS has also required the indication of the origin of certified materials and the last country of processing for materials accompanied by a Transaction Certificate, the certificate for proper circulation within the supply chain, for even greater transparency and traceability.

RadiciGroup's **Nonwovens area**, having joined the ISCC PLUS certification scheme, offers spunbond and meltblown nonwovens made of bio, bio-circular or circular polypropylene, where the sustainable material is allocated via the mass balance principle. **Medical devices manufactured by RadiciGroup are accompanied by declarations of conformity with Regulation (EU) 2016/425 on personal protective equipment.**

Lastly, **Tessiture Pietro Radici and Radici Fil have also joined Ecovadis**, in 2023 and between 2023 and 2024 respectively. Both provided a large amount of ESG information through the platform, with both obtaining the “silver medal”.

For all products in the **High Performance Polymers Area**, a safety data sheet is issued in accordance with Annex II of the REACH Regulation and the REACH Compliance Statement (1907/2006), which certifies that all substances contained in the products have been registered or are exempt from registration, and the Declaration of the Absence of Hazardous Substances (Annex XIV and XVII and SVHC).

In addition, depending on the area of application, the product is accompanied by specific documentation certifying its conformity of use. For example:

- Products for the **electrical sector** must **comply** with the **RoHS Directive** (2011/65/Eu) on the restriction of the use of hazardous substances in electrical and electronic equipment.
- Products destined for the **automotive sector** are entered in the **IMDS portal of the automotive supply chain**, which enables car manufacturers to have information available on all materials used in the vehicle in relation to the hazardous substances contained (GADSL list), especially with a view to future recycling.
- Products intended to come into **contact with food** are instead accompanied by a **declaration of suitability for food contact according to international regulations** (EU Regulation 10/2011, FDA Title 21, etc.).

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Thanks to the effort spent on environmental labelling and communication, in the reporting period no Group company reported either incidents of non-compliance concerning product and service information and labelling, or incidents of non-compliance with rules concerning marketing communications.

Traceability

In recent years, as a result of the growing awareness of the importance of each production step from the standpoint of Quality, Health, Safety and compliance with applicable environmental and Human Rights regulations, **the ability to precisely trace the various steps in the procurement or processing of materials has become a key factor in RadiciGroup's sustainability strategy.**

With regard to the traceability of Group products:

- **Full for virgin and post-industrial recycled materials handled in-house.** In fact, RadiciGroup makes use of its own raw materials or polymers/strategic raw materials purchased from large companies, active worldwide, capable of providing detailed information on their supplies also from the point of view of respect for human rights.
- **High traceability of post-consumer recycled materials purchased on the market.** In fact, the presence of GRS or Oekotex certification requires traceability with an increasing degree of accuracy. In addition, the implementation of ISO 9001:2015 at all major Group sites, with its requirement for the identification and traceability of outputs is an additional guarantee. In addition to conformity to the requirements of the above certification schemes, laboratory tests are carried out on incoming materials for qualification and identification of their chemical composition with a view to processability, health and safety.

Every step of the production chain at each production site **is managed by process management software**, which monitors and coordinates the various procurement chains, planning, production and logistics, as well as documentation and reporting for each process. Thus, **for each lot of materials, it is always possible to find detailed information concerning the raw material, the production line and the various processes, together with data on packaging and shipping.**

Products that move among Group companies for processing purposes also have a sizeable traceability history, precisely because of the system used, which contributes to improving the efficiency and quality of production and processing.

A combined physical and digital traceability system through the use of a tracer for nylon yarns was developed in 2023, with its official launch in 2024. RadiciGroup is therefore able to insert an inorganic additive that is uniquely associated with the yarn and remains identifiable during all stages of processing – both on the fabric and on the finished garment – without altering the aesthetic, functional and technical performance of the product in any way.

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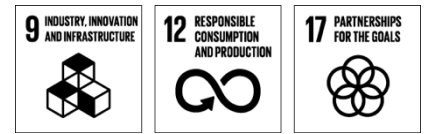
Also with a view to traceability, the **handling of complaints related to the Group's products or services follows a structured path.** Customers can report complaints through different channels, such as email, telephone and direct communication during meetings with RadiciGroup, depending on the relationship with the sales, customer care and technical assistance teams.

The formal opening of the complaint takes place through the entry of the relevant data (mainly the Customer's personal details, the date of the report and the recipient, the nature of the complaint) into an IT management system accessible in real time to the functions that have to contribute to the different management phases.

The next step is the analysis of the specific types of defects identified and the problems encountered. In parallel with the processing of the complaint by the sales, production and technical assistance structures, an identification of the causes is also carried out. Once this is done, it is determined whether or not the goods supplied should be taken back due to nonconformity and whether it is necessary to issue a credit note. As in the case of the previous steps, these steps are tracked on an IT level and remain available over time, even after the complaint has been closed, so that it is always possible to reconstruct its history and dynamics in relation to the specific Customer.

The data and ratios collected (number of complaints, frequency, costs, type, response time) provide a benchmark for the Group's quality assurance systems and form the basis for improvement plans.

G for Governance



MATERIAL TOPICS

- Long-term value creation and business sustainability
- ESG Corporate Governance/Risk Management/Compliance – also covered in part in the "S for Social" section
- Cybersecurity and data protection

2030 GOALS – FROM THE “FROM EARTH TO EARTH” SUSTAINABILITY PLAN

Focused on our Commitments – Governance Objectives

RadiciGroup is underpinned by a **structured governance system that is resilient at the same time**, allowing it to have a widespread presence on the market and be highly competitive. The Group’s concept of business, **however, is not just about financial success**, but is rooted in the **sharing of value added with stakeholders** and actively engaging them in the pursuit of the company’s lasting and sustainable growth.

Topic/SDG	Objective
<p>Long-term value creation and business sustainability</p>	<p>Leadership and competitiveness</p> <p>maintain a leading position in the Group’s key business sectors, underpinned by ESG principles, to create long-term value to be shared with stakeholders.</p>
<p>ESG corporate governance, risk management and compliance</p>	<p>Shared values</p> <p>ensure the Code of Ethics is shared and endorsed at all levels of the Group and throughout the global value chain, to promote the RadiciGroup’s principles and their incorporation into day-to-day business.</p>
<p>Responsible supply chain management</p>	<p>Engagement</p> <p>encourage suppliers to play an active part in the sustainability process by building strategic partnerships for the development and creation of products consistent with ESG principles.</p>

The G of Governance

When analysing environmental, social and governance factors, the “G” factor is often relegated to second place behind the consideration of risks and opportunities related to the environment, represented by the letter “E”, and social aspects, represented by the letter “S”. **However, “good corporate governance” is the cornerstone of a sound system both from a general and from an ESG risk and opportunity point of view.**

RadiciGroup:

- sees the **active participation of top management in sustainability policies**.
- understands **business sustainability** not only in terms of return on invested capital, but also in terms of **sharing added value with Stakeholders**.
- uses **robust management systems in each company** to base its choices and operations on recognised models aligned with international best practices.
- increasingly considers **digitalisation** not only as a part of business management, but as an **enabling factor of its environmental and social sustainability policies**, and potentially increasingly strategic.

In the initial part of this Sustainability Report, some key factors of corporate governance were described, in particular with regard to decision-making processes, operational delegations, and the systems by which RadiciGroup top management is an active participant in sustainability processes. This chapter adds further material factors related, in particular, to **value creation, risk management and compliance**, and **digitisation** as key in the service of RadiciGroup's sustainable growth.

Long-term value creation and business sustainability

Disclosure 201-1

In RadiciGroup's vision, the **creation of long-term value in a logic of sustainability** goes far beyond the concept that the profit generated must exceed the costs incurred to obtain it. **The economic dimension**, which is focused on increasing profit, **is combined with the environmental and social dimensions**, which have the ultimate goal of generating positive external effects that benefit people, the community and the planet. In addition, this approach requires that the **sustainable value created be shared**, both materially and immaterially, with the Stakeholders (Employees, Customers, Suppliers, Communities, Public Authorities) who have contributed to the Group's success.

By translating these principles into tangible actions, RadiciGroup:

- Pursues a logic of **prudent investment** with a **medium- to long-term return** without chasing immediate profit. This provides "breathing space" for the projects undertaken, and is a **guarantee of security and continuity for RadiciGroup employees as well as Suppliers and Customers**.
- **Promotes the training and upskilling of its staff** to increase its attractiveness and "retention" of top talent.
- Maintains a **strong presence in the "traditional" territories** where it was founded, has developed and is a strong point of reference, but also implements **internalisation logics** to increase the physical proximity to outlet markets.
- Invests in **BATs** (Best Available Techniques) and pursues the **technological and digital transformation** desired at European level to increase its competitiveness, always in accordance with the logic of sustainable development, as noted in the chapter on Radici InNova and in the section on sustainability and digitalisation.
- Aware that it operates in energy-intensive and carbon-intensive sectors, **has long worked on reducing emissions, containing consumption and using energy from renewable sources** in a business continuity logic that looks at the resources used today, but is concerned about the availability of these same resources for future generations.
- **Works on innovation** to explore and seize **the opportunities offered by the circular economy** mainly in terms of ecodesign, recycling and biopolymers and to make its portfolio increasingly sustainable for the benefit of Customers and the value chain, as reported in the circularity section of this Report.

As mentioned previously, there was a complex backdrop to trading in 2023. This was due initially to energy costs and subsequently to a very aggressive competitive environment and the multiple geopolitical instabilities driven by conflicts. The Group's financial results remained positive overall, despite the inevitable effects of the broader situation mentioned above.

In terms of environmental sustainability, in 2023 the Group continued to pursue an environmentally friendly investment policy. This is driven by an ethical commitment to sustainability, the demands of strategic markets and increasingly pressing European legislation to transform the EU into a low-carbon, resource-efficient, green and competitive economy.

Below is an overview of RadiciGroup's **main investments and expenditure**.

- **EUR 278 million**

In investment supporting competitiveness of the Group companies in the five-year period 2019-2023. Of this, **EUR 45 million specifically invested in 2023** (also includes the environmental investments below of EUR 4.2 million in 2023).

- **EUR 4.2 million**

Environmental investments made in 2023 for the introduction of best available techniques, increasing energy efficiency, emissions abatement, and research and development of limited impact processes and products.

- **EUR 9 million**

environmental management and protection costs (such as certification, waste disposal and water treatment costs) at Group companies.

The investments are clear evidence of the Group's sustainable commitment. The **added value** is further evidence showing how, **through the integration of environmental issues and social needs into the Group's core business, new opportunities are being created for RadiciGroup companies and Stakeholders**.

Below is an overview of the added value created and distributed by RadiciGroup. As usual, a very large proportion of this is spent on Employee salaries, in order to reward their contribution to the Group's good performance.

Disclosure 201-1

Table 48 | **Generation of value added**

	Item	31/12/21	31/12/22	31/12/23
€	A) PRODUCTION VALUE	1,542,447,792	1,598,575,559	1,028,199,149
	Sales and service revenue	1,507,508,410	1,542,700,014	1,069,019,308
	Change in work in progress, semi-finished goods and goods inventories	34,668,659	55,582,801	(41,141,558)
	Change in contract work in progress	-	-	-
	Increase in internally generated non-current assets	270,723	292,744	321,400
	Other revenue and income	-	-	-
€	B) INTERMEDIATE PRODUCTION COSTS	1,145,107,360	1,346,838,660	856,603,971
	Raw materials, supplies, consumables and goods for resale	880,164,220	1,039,396,583	587,656,333
	Services	302,281,015	329,543,044	214,137,654
	Lease and rentals	5,702,612	5,638,125	5,836,246
	Change in raw materials, supplies and goods for resale inventories	(46,864,856)	(31,630,511)	46,534,246
	Provision for liabilities and charges	503,550	704,714	212,407

	Other provisions	174,853	196,501	121,711
	Miscellaneous operating costs	3,145,967	2,990,203	2,105,375
€	GROSS VALUE ADDED FROM OPERATIONS (A-B)	397,340,432	251,736,899	171,595,178
	+/- Additional and extraordinary items	16,932,725	43,196,382	67,260,327
€	GROSS TOTAL VALUE ADDED	414,273,156	294,933,281	238,855,506
	- Depreciation and amortisation	57,470,025	60,356,496	61,869,555
€	TOTAL NET VALUE ADDED	356,803,131	234,576,786	176,985,950

Table 49 | **Generation of value added by region 2023***

	Item	Italy	Rest of Europe	Asia	America	Tot. World
€	A) PRODUCTION VALUE	462,950,121	272,269,738	113,864,086	179,115,205	1,028,199,149
	Sales and service revenue	482,022,178	293,699,061	112,727,797	180,570,272	1,069,019,308
	Change in work progress, semi-finished goods and goods inventories	(19,347,549)	(21,475,231)	1,136,289	(1,455,067)	(41,141,558)
	Change in contract work in progress	-	-	-	-	-
	Increase in internally generated non-current assets	275,491	45,908	-	-	321,400
	Other revenue and income	-	-	-	-	-
€	B) INTERMEDIATE PRODUCTION COSTS	456,100,129	184,825,441	87,396,213	128,282,188	856,603,971
	Raw materials, supplies, consumables and goods for resale	298,612,875	121,941,967	76,422,721	90,678,770	587,656,333
	Services	134,272,074	51,017,380	9,630,231	19,217,968	214,137,654
	Lease and rentals	3,552,728	712,320	727,064	844,134	5,836,246
	Change in raw materials, supplies and goods for resale inventories	17,813,574	10,941,101	593,316	17,186,256	46,534,246
	Provision for liabilities and charges	208,699	3,708	-	-	212,407
	Other provisions	55,000	66,711	-	-	121,711
	Miscellaneous operating costs	1,585,179	142,254	22,881	355,060	2,105,375
€	GROSS VALUE ADDED FROM OPERATIONS (A-B)	6,849,992	87,444,297	26,467,872	50,833,017	171,595,178
	+/- Additional and extraordinary items	97,796,617	(20,898,187)	(3,327,623)	(6,310,479)	67,260,327
€	GROSS TOTAL VALUE ADDED	104,646,608	66,546,110	23,140,249	44,522,538	238,855,506
	- Depreciation and amortisation	39,192,451	12,790,603	4,988,762	4,897,739	61,869,555
€	TOTAL NET VALUE ADDED	65,454,157	53,755,507	18,151,487	39,624,799	176,985,950

Disclosure 201-1

Table 50 | **Distribution of value added***

	Item	31/12/21	31/12/22	31/12/23
€	A) PERSONNEL WAGES AND BENEFITS	149,042,091	153,848,590	149,445,514
	Contract Workers	7,290,503	7,422,809	6,609,470
	Employees	141,751,588	146,425,782	142,836,043
	Direct compensation	114,086,091	117,002,249	114,230,894
	Indirect compensation	27,665,497	29,423,532	28,605,149
€	B) PAYMENTS TO GOVERNMENT	52,856,534	(4,515,136)	(21,588)
	Current taxes	56,091,602	21,758,717	11,522,948
	Direct taxes	52,754,312	17,971,746	8,702,561
	Indirect taxes	3,337,290	3,786,971	2,820,387
	Deferred taxes	(1,621,685)	123,478	(2,528,881)
	Revenue grants	(1,613,383)	(26,397,331)	(9,015,655)
€	C) PAYMENTS TO LOAN PROVIDERS	2,296,089	4,100,952	5,782,566
	Short-term loan interest	2,296,089	4,100,962	5,782,566
	Long-term loan interest	-	-	-
€	D) PAYMENTS TO SHAREHOLDERS	40,200,000	49,980,000	-
€	E) RETAINED VALUE ADDED	111,798,810	30,581,430	21,234,910
	+/- Changes in reserves	111,798,810	30,581,430	21,234,910
€	F) CONTRIBUTIONS AND DONATIONS	609,608	580,949	544,548
€	TOTAL NET VALUE ADDED	356,803,131	234,576,786	176,985,950

Disclosure 201-1

Table 51 | **Distribution of value added by region 2023***

	Item	Italy	Rest of Europe	Asia	America	Tot. World
€	A) PERSONNEL WAGES AND BENEFITS	86,655,688	41,633,528	6,738,230	14,418,068	149,445,514
	Contract Workers	4,605,830	568,238	162,597	1,272,805	6,609,470
	Employees	82,049,857	41,065,290	6,575,633	13,145,264	142,836,043
	Direct compensation	63,549,610	34,680,202	4,750,869	11,250,213	114,230,894
	Indirect compensation	18,500,247	6,385,088	1,824,764	1,895,050	28,605,149
€	B) PAYMENTS TO GOVERNMENT	(14,452,403)	4,038,632	3,191,593	7,200,589	(21,588)
	Current taxes	(3,852,632)	4,593,259	3,259,386	7,522,934	11,522,948
	Direct taxes	(5,659,800)	4,214,364	3,101,540	7,046,458	8,702,561
	Indirect taxes	1,807,168	378,895	157,846	476,477	2,820,387
	Deferred taxes	(1,863,441)	(294,113)	(48,982)	(322,345)	(2,528,881)
	Revenue grants	(8,736,330)	(260,514)	(18,810)	-	(9,015,655)
€	C) PAYMENTS TO LOAN PROVIDERS	5,618,923	157,813	1,096	4,735	5,782,566
	Short-term loan interest	5,618,923	157,813	1,096	4,735	5,782,566
	Long-term loan interest	-	-	-	-	-
€	D) PAYMENTS TO SHAREHOLDERS	-	-	-	-	-
€	E) RETAINED VALUE ADDED	(12,900,599)	7,913,534	8,220,568	18,001,407	21,234,910
	+/- Changes in reserves	(12,900,599)	7,913,534	8,220,568	18,001,407	21,234,910
€	F) CONTRIBUTIONS AND DONATIONS	532,548	12,000	-	-	544,548
€	TOTAL NET VALUE ADDED	65,454,157	53,755,507	18,151,487	39,624,799	176,985,950

* The above value-added schedules follow the method provided by GBS – Study Group for Social Reporting (www.gruppobilanciasociale.org).

The data are from the Radici Partecipazioni SpA. consolidated financial statements. As noted in the consolidated financial statements, the economic flows related to intercompany transactions included in the scope of consolidation have been eliminated. The financial statements are voluntarily audited by Deloitte&Touche and include, in addition to the parent company, the Italian and foreign companies in which Radici Partecipazioni directly or indirectly owns the majority of the share capital and controls the management pursuant to Article 2359 of the Italian Civil Code.

In the 2023 consolidated financial statements, Argentine companies were valued using the equity method. This means that they did not contribute to individual items in the consolidated financial statements in terms of costs/revenues and receivables/payables.

Together with the Group's performance in terms of value added generation, which was positive overall despite the difficulties of 2023, it is important to emphasise, as in previous editions of the Report, **RadiciGroup's financial stability, which is also evidenced by the ratio of debt to equity shown below.**

Table 52 | **Breakdown of equity and debt - year 2023**

Net financial debt*	EUR/1000	-114,396
Net shareholders' equity	EUR/1000	845,592
Net invested capital	EUR/1000	731,195

* Positive net financial position, any minus sign represents greater liquidity than financial debts.

Intensities

In order to highlight the close relationship between added value and sustainability choices, in addition to the disclosures required by the GRI model, **ratios on water resources and waste production subject to disposal (without recovery) were also calculated in order to provide, for the main environmental impacts, a measure of intensity from an economic point of view.**

The latter shows the relationship between different environmental aspects and value added, with the aim of growing while using ever fewer resources. 2023 shows worsening figures compared to the previous year, due to the lower level of efficiency in the Group following production stoppages and plant operations which were not at full capacity in some periods of the year.

Disclosure 302-3

Table 53 | **GRI 302-3 Ratio of total energy consumption to total net value added**

		2021	2022	2023
GJ	Total energy consumption (GRI 302-1)	5,586,749	4,531,932	3,691,141
€	Total net value added	356,803,131	234,576,786	176,985,950
GJ/€	Total energy consumption (direct+indirect) in relation to total net value added	0.016	0.019	0.021

Disclosure 305-4

Table 54 | **GRI 305-4 Ratio of GHG emissions to total net value added**

		2021	2022	2023
tCO₂eq	Total emissions to the atmosphere (GRI 305-1 and GRI 305-2)	416,701	343,690	288,672
€	Total net value added	356,803,131	234,576,786	176,985,950
kgCO₂eq/€	Total emissions to the atmosphere (direct + indirect) to total net value added	1.17	1.47	1.63

Table 55 | **Ratio of water resources to total net value added**

		2021	2022	2023
ML	Water resources (GRI 303-3)	83,100	73,335	65,708
€	Total net value added	356,803,131	234,576,786	176,985,950
ML/€	Water resources to total net value added	0.00023	0.00031	0.00037

Table 56 | **Ratio of waste subject to disposal without recovery in relation to total net value added**

		2021	2022	2023
t	Waste subject to disposal without recovery (GRI 306-2)	5,003	4,438	4,357
€	Total net value added	356,803,131	234,576,786	176,985,950
Kg/€	Waste subject to disposal without recovery to total net value added	0.014	0.019	0.025

Tax Policy

Disclosures 2-1, 207-1, 207-2

Radici Partecipazioni SpA is the parent company for industrial activities in the fields of chemicals, high-performance polymers and advanced textile solutions, and is directly controlled by the group's parent company, Radicifin S.A.p.A.

Radici Partecipazioni SpA manages and coordinates the activities of all its subsidiaries along the guidelines set forth by the Board of Directors. RadiciGroup is engaged at an international level in the production and sale of chemicals, engineering polymers and advanced textile solutions.

The choice of the countries where the Group operates is guided by business considerations related to commercial opportunities and proximity to customers, not by tax considerations. In the respect of and independence of its management choices and in line with its sustainability policy, RadiciGroup:

- pursues a **tax strategy founded on principles of honesty, fairness and regulatory compliance;**
- bases this strategy on **collaborative and transparent behaviour towards the tax authorities and third parties;**
- implements these behaviours and **all necessary measures to exclude any significant impact in terms of fiscal or reputational risk;**
- is fully aware that **tax revenues are one of the main sources of contribution to the economic and social development** of the countries in which the Group companies operate.

Responsibility in tax matters

The Board of Directors defines the Group's principles of conduct and promotes and ensures their application, thereby assuming responsibility for guiding the dissemination of a corporate culture marked by the values of honesty and integrity and the principle of legality.

At RadiciGroup, the management of tax matters is the responsibility of the "Administration" function of the individual companies reporting to the Group CFO and is inspired by the principles of legality, responsibility and transparency also referred to in the Code of Ethics. The Group is attentive to strict compliance with national regulations and the transposition of directives of national and international tax bodies. The Group oversees and mitigates tax risks by managing them in the overall context of risk management.

Strategy

Group companies must operate in accordance with the principle of legality, applying the tax legislation of the countries in which they operate in a punctual manner, to ensure respect for the letter, spirit and purpose of the law on the matters in question.

Specifically, regarding its business operations, RadiciGroup:

- **has adopted a transfer pricing policy aimed at ensuring fairness and respect for the market** in intercompany transactions, thus guaranteeing the non-erosion of taxable income, implementing the alignment between the location of taxable income and the place where the economic activity is exercised and respecting the arm's length principle according to which, as per the OECD Guidelines, the fair and applicable price in intercompany transactions is that which would have been agreed for similar transactions carried out by independent companies.
- **prepares annually**, supported by consultants of primary professionalism, the **Group Masterfile** and, in Italy and in most countries in which it operates, the national documentation for companies with significant intra-group transactions. According to the provisions of a specific provision of the Italian Revenue Agency, the Masterfile is intended as a document that provides a comprehensive overview of the International Group and its transfer pricing policies as a whole, including the organisational structure of the group aimed at representing the legal and ownership structure of the multinational

group and the geographic location of the local entities composing it, the nature of business operations at a global level and the allocation of income and economic activities at a global level.

- **prepares annually, as required by tax legislation, as well as by Action 13 of the BEPS*, the Country by Country Report** in which the profits made in the various countries in which the Group companies operate are reported and disclosed, together with a whole series of quantitative data broken down for each country;
- **does not use companies located in tax havens;**
- **does not adopt aggressive tax plans.**

* Base erosion and profit shifting (BEPS) - tax-related strategies that certain companies employ to erode the tax base and thus evade taxes from the tax authorities

The table below shows the data considered to be material by RadiciGroup. The data are extracted from the **official declaration submitted to the Inland Revenue on 27/12/2023**. The **data are for 2022 and are in euro**.

Disclosure 207-4

Table 57 | Country by country report extract

Tax Jurisdiction	Unrelated revenue share	Related revenue share	Total revenue	Income taxes paid (based on cash accounting)	Number of employees
Argentina	30,862,101	1,053	30,863,154	780	41
Brazil	75,853,135	2,765,656	78,618,790	2,342,942	228
Switzerland	14,336,573	16,553,341	30,889,914	50,532	93
China	96,832,519	3,277,037	100,109,555	3,454,372	116
Czech Republic	788,373	10,254,438	11,042,811	19,124	192
Germany	368,177,459	15,393,394	383,570,853	6,021,910	329
Spain	10,776,900	104,742	10,881,642	0	4
France	33,553,597	773,385	34,326,982	318,494	8
United Kingdom	8,915,630	43,799	8,959,428	185,119	3
Hungary	1,191,951	0	1,191,951	11,342	5
India	20,562,287	6,511	20,568,798	205,515	23
Italy	811,321,228	345,350,837	1,156,672,065	18,522,106	1,642
Mexico	26,951,458	2,596,166	29,547,624	1,534,093	67
Romania	7,003,415	48,025,569	55,028,984	456,486	381
United States	116,796,419	8,993,950	125,790,369	2,574,157	93

* Revenues generated from transactions with other entities belonging to the Radici Partecipazioni group.

Disclosure 207-3

Relations with the Public Administration

The extract from the RadiciGroup Code of Ethics set out below clearly and exhaustively highlights both **the importance of the Public Administration as a Group Stakeholder and the conduct that must be maintained when dealing with its Officials.**

From the RadiciGroup Code of Ethics:

RadiciGroup deals with the Public Administration in accordance with the strictest principles of legality, fairness and transparency, and in full compliance with the principles of impartiality due to the Public Administration. (...) The Personnel in charge shall deal with the officials and representatives of the Public Administration in a transparent manner, ensuring timeliness in replies, avoiding any kind of collusive or ambiguous behaviour, guaranteeing completeness and concrete verifiability in the sharing of requested information.

In order to ensure full traceability, the Personnel in charge must keep records of meetings and contacts with officials and representatives of the Public Administration (minutes issued, official communications, via @mail and certified email).

In the context of a business negotiation, a request or a relationship with the Public Administration, no conduct intended to obtain an undue or illegal advantage for the Company must be engaged in for any reason whatsoever.

(...) All the activities described above are to be carried out in full compliance with the relevant regulations, both vis-à-vis the Italian and foreign Public Administration.

In 2023, a specific risk management policy was also formulated for the Group's Italian companies relating to relations with the Public Administration. Specifically, this established the behaviour that Employees must adopt in the event of inspection visits.

Compliance

From the RadiciGroup Code of Ethics:

RadiciGroup respects and is committed to ensuring that its companies comply with all the laws in force in the countries where it does business, together with commonly accepted ethical principles according to international standards. It also supports the dissemination of a culture of "active" legality, firmly believing that, in the workplace as in any other environment, everyone must contribute to the values of dignity, freedom, safety and solidarity.

Compliance, i.e. the observance of mandatory or voluntary rules adopted to improve and enhance the organisation of activities, concerns every aspect of corporate life. From the **general principle of regulatory compliance** to the **scrupulous application of health regulations**, from product safety regulations to regulations on the use of chemicals. All these areas, and many more, form the context in which RadiciGroup applies the compliance principle.

The purpose of the latter is not only to support operational management, but also to ensure that intentional or unintentional misconduct or violations can be detected or prevented, before serious consequences occur. Should problems be encountered, through compliance it is in fact possible to put in place preventive, or mitigation activities, adopting the most suitable solutions to protect the Group from legal and reputational risks.

Within RadiciGroup there is a **specific function, formally independent to ensure its freedom of action**, called "**Compliance**" which, through its cross-functional skills and constant dialogue with the other functions, supports them in defining and managing corporate policies, assists the Group in identifying the actions necessary to ensure compliance with applicable regulations, identifies and suggests areas of action to mitigate risk, and supports the sites in managing operational governance.

The RadiciGroup Code of Ethics, the 231 Model, the specific monitoring procedures and the Whistleblowing system, described at the beginning of this Report, constitute the main tools through which the

RadiciGroup compliance function operates. All these tools are dynamic and are kept up-to-date following the Group's cultural growth and regulatory developments.

Disclosure 2-27

In the reporting year, the Group did not encounter any instances of non-compliance with laws or regulations.

ESG Corporate Governance and Risk Management

The Management Systems

Voluntary quality, health and safety, environmental and energy management systems, structured according to the **most advanced and recognised international standards**, provide a framework of best practices for controlling processes and activities that touch every aspect of corporate life.

In recent years, in the face of an extremely complex geopolitical and competitive scenario, compounded by **pressing climate and societal challenges**, companies must increasingly define **forward-looking policies and choose structured action methodologies**.

In this context, Management Systems, in addition to their traditional role, are increasingly set up to be **governance support tools** for a **systemic-oriented management approach** to business processes, but **increasingly also to sustainability**.

Like many industrial businesses, **RadiciGroup** is increasingly reorienting its business models by defining objectives and actions that take into account **ESG aspects as a key element of governance and value creation**. In doing so, the Group uses **Management Systems** – one of the **most relevant governance tools** – which support it by applying sound principles and a proven approach.

Management Systems have formally been in place at RadiciGroup since 1993, the year of the first certification, and offer numerous advantages:

- as mentioned, they are one of the Governance cornerstones in the Group's **ESG transformation**, in monitoring and in maintaining its **compliance with legislation**;
- through "**The RadiciGroup Policy**" they are an important **guideline** for all Companies and Employees, who are expected to identify with its principles;
- They bring a **systemic, process-based approach** to the organisation, **streamlining processes** and **creating synergies between different companies** or Business Areas to manage common goals;
- they ensure the **principle of continuous improvement** that drives RadiciGroup to set ambitious targets;
- they contribute to **activating and maintaining the involvement of internal (Workers) and external Stakeholders** in the Group's quality, health, safety and environmental policies and ensure a **response to stakeholders' concerns**.

In the context of management systems, **the principle of risk-based thinking** is of further relevance to governance, as a tool that enables users to approach decisions with the support of a structured assessment of the possible consequences, positive or negative, of the choices to be made. For RadiciGroup, it is a **valuable tool for approaching the whole spectrum of possible decisions** in the field of sustainability and beyond, with a **rational vision that takes into account the present and future context**. The **GRI 3 section** on the management of material topics **highlights** in a tabular and summary manner **the application of risk-based thinking to material topics**.

Management system **certifications confirm and substantiate RadiciGroup's commitment** to quality, health and safety, the environment, energy and multiple product-related aspects, as well as to **transparent, Stakeholder-oriented communication that is verified by third parties**.

Table 58 (updated on 1 June 2024)

RadiciGroup Site	ISO standard 9001:2015	IATF Standard 16949:2016	ISO standard 14001:2015	ISO standard 45001:2018	ISO standard 50001:2018	VDE	ISO IEC standard 17025:2017
Corporate							
Radici Partecipazioni SpA	•						
Business Area Specialty Chemicals							
Radici Chimica Novara SpA	•		•	•	•		
Radici Chimica Deutschland GmbH	•		•	•	•		
Business Area High Performance Polymers							
Radici Novacips SpA (Villa d'Ogna)	•	•	•	•		•	
Radici Novacips SpA (Chignolo d'Isola)	•		•	•			
Radici Plastics GmbH (D)	•	•	•	•	•		
Radici Plastics Ltda (Brazil)	•	•	•	•			
Radici Plastics (Suzhou) Co., Ltd.	•	•	•	•			
Radici Plastics Usa, Inc.	•	•	•	•			•
Radici Plastics Mexico S. de R.L. de C.V.	•	•	•	•			
Radici Plastics India – Private Limited	•						
Radici EcoMaterials Srl	•						
Business Area Advanced Textiles Solutions							
RadiciFil SpA	•		•	•	•		
Logit s.r.o.	•		•	•	•		
Radici Yarn SpA (Villa d'Ogna)	•		•		•		
Radici Yarn SpA (Ardesio)	•		•		•		
Yarnea SRL	•		•	•			
Radici Chemiefaser GmbH					•		
RadiciFibras Ltda (Nylon - Brazil)	•						
Noyfil SpA (Chignolo d'Isola)	•			•			
Noyfil SA (Stabio)	•		•				
Cordonsed SA							
Tessiture Pietro Radici SpA	•		•	•			

Sustainability and digitalisation

The **link** between **sustainability and digitalisation** is now recognised as **key** to addressing environmental, social and economic challenges. Indeed, digitalisation has become a driving force in supporting more effective resource management, better data security, greater transparency and more widespread Stakeholder participation in business processes.

Considering this vision, the Group:

- promotes experimental initiatives in the field of automation and industry 5.0 aimed at **optimising processes, including in terms of sustainability**;
- collaborates in supply chain projects for the **responsible management of the value chain and traceability**, including through the use of emerging technologies;
- implements procedures and practices for **managing compliance** with legislation for the benefit of a transparent relationship with stakeholders;
- adopts **IT security** measures to ensure the confidentiality, integrity and availability of the data and information managed;
- promotes building an **inclusive work environment** in which differences are valued and digital innovation supports collaboration, the development of professional activities and the work-life balance.

RadiciGroup is exploring **digital initiatives to support environmental sustainability**, in particular thanks to investments in industrial automation and industry 5.0.

In 2023, the implementation of Manufacturing Execution Systems (MES) for **data analysis and process optimisation** represented a reference framework of application. Improvements in the timeliness and accuracy of the detection of production defects and the possibility of experimenting with applications for traceability have been the main positive effects of MES. It has also significantly impacted the optimisation and sustainable management of material, energy and water resources.

From the point of view of **traceability**, the progressive adoption of solutions to support management processes has made it possible to improve **Data Management**, in terms of the punctuality, integrity and traceability of individual data points throughout the processes that generate them. This is an undoubted advantage not only for the Group, which has seen its operations improved, but also for its partners in the value chain, who can count on increasingly complete and reliable information.

In light of these considerations, the further extension of the **ERP SAP** system in 2023 to replace fragmented on-premises installations was of particular significance. Thanks to the adoption of an integrated system, **access** and **approval flows** can be better controlled, simplifying **tracking**, as well as more structured and easily documentable management of **measures to comply with internal and external regulations**. In addition to contributing to an improvement in **process governance**, the scalability of SAP Solutions has led to the adoption of modules that also have tangible benefits on environmental sustainability. For example, activating the **Document Management module** to speed up and simplify the sharing, approval and archiving processes has helped to **significantly reduce the flow of paper documents** typically used.

Remaining on the subject of traceability, in 2023 the **Metrics module of the Enablon system** was selected for data collection by management systems and **the development of indices for LCA studies and the Sustainability Report** itself, as already indicated in the 2022 Report. The 2023 data were therefore collected thanks to modules specifically set up on the basis of disclosures relating to the Global Reporting Initiative model.

To enhance the **human resource management processes**, in 2023 a project to adopt the SuccessFactors application was launched, with ambitions for its use that extend beyond regulatory compliance, aggregation and accessibility of personnel data. In addition to providing more information on meritocracy, the formalisation and usability of training and

career development processes will contribute to making the work environment fairer and more inclusive, with positive effects in terms of **attracting, valuing and boosting the well-being of human resources**.

Finally, in the reporting year, in line with previous years, initiatives continued to **bring digital and physical workspaces closer together**. These projects, in addition to the Group's smart working policies, are primarily aimed at promoting a **healthy work-life balance**. Furthermore, thanks to the flexibility of the technologies put in place, **they actively support professional activities**.

The projects on these topics, which are increasingly widespread in the Group, are in fact part of the broader concept of **"Digital Adoption"**: they spread awareness of the use of the latest tools, stimulate the development of digital skills and **enable effective dynamics for collaborative work**, regardless of the physical proximity between People. The impacts are considerable: alongside better interaction between Group Employees, it also promotes greater fluidity in exchanges with business partners. Greater responsiveness in responding to the needs of external stakeholders, such as customers, improves relationships and boosts RadiciGroup's reputation.

Cybersecurity and data protection

As regards **Cybersecurity and data protection**, the Group continued last year with its existing development plan, underlining the importance it attributes to a **holistic approach to investing on the topic**. These investments were aimed, on the one hand, at **improving the security of systems (software and hardware)** and, on the other, at **reducing the risk of vulnerability by intervening at a human level** through training.

These were important measures, aimed partly at **preventing the risk of another cyber attack** following an event in 2022, when the Group suffered a global attack as reported in last year's Sustainability Report. This episode was managed through a dedicated operations centre, the removal of the malware, the rapid restoration of company functions, reporting to the competent authorities and appropriate communication to Stakeholders, in particular to Customers. Following these immediate actions, an in-depth analysis of the event led to the adoption of several key measures, including:

- the **strengthening of the cyber security operations centre** and **technology** for **detecting and responding to cyber attacks**;
- the progressive **roll-out of a multi-factor authentication approach**, aimed at creating multi-layered defence systems through independent credentials;
- the activation of a **state-of-the-art antivirus platform**.

These measures, which are mentioned here by way of example, along with a broader cybersecurity management program, have helped to mitigate **RadiciGroup's vulnerabilities** that could potentially cause inefficiencies or interruptions to services **while also increasing resilience in response to crisis situations**. In addition, they have led to **better guarantees of confidentiality, integrity and the immediate availability of data** and services, both in relation to the Group and to its upstream and downstream partners.

The other element of the organisational system on which the Group has worked is, as mentioned, the **human element**, which is essential for the protection of an organisation's IT security. RadiciGroup has been working on this for some years through the use of the **Kaspersky online training platform** which provides training to everyone in the company with an e-mail address. This course continued in 2023, as indicated in the section of the Report on training.

Disclosure 418-1

Thanks partly to the measures put in place, there were no cyberattack incidents in 2023, nor were there any substantiated complaints regarding customer privacy violations or loss of customer data.

Time to build, be brave and move a step beyond: the first hackathon involving RadiciGroup

The first hackathon involving RadiciGroup took place in October 2023. This intensive event, dedicated to collaboration and design, and open to computer experts, aimed to develop, in a highly concentrated timeframe, concrete solutions based on digitisation and advanced technologies. 10 teams made up of five young people with cross-functional skills from leading Italian universities and innovation laboratories worked together in a limited period of time – over just 32 hours – to take on “challenges” posed by a selection of leading companies in their respective sectors, including RadiciGroup. This was an example of open innovation specifically connected to young people, in line with engaging new generations – which the Group considers crucial for its future development.

The challenge set by RadiciGroup was to develop a system to speed up and facilitate the data collection phase required for the Life Cycle Assessment methodology, widely used to measure the environmental footprint of products, all while ensuring the integrity and reliability of the data. The final results were highly promising, with the presentation by a team of experts of a solution with a high degree of usability to orchestrate data collection, certify the origin using blockchain technology and make it more directly accessible to the relevant Stakeholders.

Building the Report

Disclosure 2-1, 2-2, 2-3, 2-4

This document is the Sustainability Report of Radici Partecipazioni S.p.A. and its associated companies, herein jointly referred to as “RadiciGroup” or “the Group”. It was prepared in accordance with GRI Standards for the period from 1 January 2023 to 31 December 2023.

The following companies are included in the reporting scope:

HOLDING:

Radici Partecipazioni SpA - Italy

ASSOCIATE (productive):

Production companies:

Radici Chimica SpA - Italy - Specialty Chemicals Business Area

Radici Chimica Deutschland GmbH - Germany - Specialty Chemicals Business Area

Radici Novacips SpA (2 locations) - Italy - High Performance Polymers Business Area

Radici Plastics GmbH - Germany - High Performance Polymers Business Area

Radici Plastics India Pvt. Ltd - India - High Performance Polymers Business Area

Radici Plastics Ltda - Brazil - High Performance Polymers Business Area

Radici Plastics Mexico S. de R.L. de C.V. - Mexico - High Performance Polymers Business Area

Radici Plastics (Suzhou) Co. Ltd. - China - High Performance Polymers Business Area

Radici Plastics USA Inc. - Usa - High Performance Polymers Business Area

Cordonsed Sa - Argentina - Advanced Textile Solutions Business Area

Logit s.r.o. - Czech Republic - Advanced Textile Solutions Business Area

Noyfil SpA (2 locations) - Italy - Advanced Textile Solutions Business Area

Noyfil Sa - Switzerland - Advanced Textile Solutions Business Area

Radici Chemiefaser GmbH - Germany - Advanced Textile Solutions Business Area

RadiciFibras Ltda - Brazil - Advanced Textile Solutions Business Area

Radici Yarn SpA (2 locations) - Italy - Advanced Textile Solutions Business Area

RadiciFil SpA - Italy - Advanced Textile Solutions Business Area

Yarnea SRL - Romania - Advanced Textile Solutions Business Area

Tessiture Pietro Radici SpA - Italy - Advanced Textile Solutions Business Area

Radici EcoMaterials S.r.l. - Italy

Commercial companies:

Radici Chem Shanghai Co. Ltd - China - Specialty Chemicals Business Area

Radici Plastics UK Ltd - UK - High Performance Polymers Business Area

Radici Plastics Iberica SI - Spain - High Performance Polymers Business Area

Radici Plastics France Sa - France - High Performance Polymers Business Area

Financial and service companies:

Compagnia de Acrilico - (Comacsa Sa) - Argentina - Advanced Textile Solutions Business Area

FibreXnylon Sa - Romania - Advanced Textile Solutions Business Area

Lurotex Textilipari Kft - Hungary - Advanced Textile Solutions Business Area

Radici InNova S.c.a.r.l. - Italia

The material topics identified apply to all companies within the reporting scope.

With regard to disclosures, the production companies and the parent company provided data for 2023 and the two previous years. Commercial companies, being small and without production activities, provided a reduced data set, consistent with the nature of their activities.

Reporting principles

The Report has been prepared in such a way as to comply with the following principles:

- Accuracy
- Balance
- Clarity
- Comparability
- Completeness
- Sustainability context
- Timeliness
- Verifiability

Accuracy, Balance and Clarity

Numerical data was collected in disaggregated form. Each site or Company provided its results, which were then aggregated centrally, reporting three-year trends. Wherever reference is made to data over a several year period, the relevant data can be found in previous editions of the Sustainability Report posted on the RadiciGroup website in the Sustainability section. Numerical data are presented and commented on in a transparent and balanced manner. Units of measurement are always indicated, calculation methods are explained where appropriate, as are any estimates or assumptions. Data with the highest available accuracy available at the time were used.

A similar system was used for the collection of non-numerical indicators, identified by sending questionnaires in Italian or English to the different sites, collected and presented in a summary form aimed at highlighting the common factors that cut across the various companies. Throughout the text, extensive use is made of tables and graphs to visually represent trends and results and facilitate a more immediate understanding. The Report is prepared and published in Italian and English to facilitate the widest possible use by Stakeholders worldwide.

Comparability

Any changes in the indicators due to a change in the reporting boundary, reformulation of information or correction of calculation errors are highlighted in the text where significant. Numerical data are always presented with a three-year trend in order to allow Stakeholders to see the change in trends.

Completeness and timeliness

Disclosures 2-2, 2-3

RadiciGroup prepares its Sustainability Report annually. The scope and reporting period of the Sustainability Report coincide with the Consolidated Financial Statements of Radici Partecipazioni. Note that Comacsa and Cordonsed are valued using the equity method where economic and financial aspects are concerned.

100% of the Group's turnover and Employees are covered in the sustainability report.

All data and information presented refer to the reporting period except for certain aspects duly reported in the text. In case histories and explanatory texts, the period of the year in which the described events or results occurred is also often indicated. This report is being published in July 2024, approximately one year after the publication of the previous edition.

Sustainability context

An in-depth materiality analysis was conducted in 2022, which is described in the section of the Report with the same name. This remains valid for this edition of the Report. As a guideline for the analysis, the topics set out in the United Nations 2030 Agenda were adopted as the starting point for both the analysis and the formulation of sustainability targets. The latter have been given material form in the "From Earth to Earth" plan illustrated several times in this report, and put together according to the methods indicated in the paragraph with the same name.

Verifiability

RadiciGroup supports its processes with documented information. These form the basis of the Report. Numerical files, records and data sources are randomly and routinely checked year after year during the external document attestation process.

Materiality analysis

Disclosure 3-1

Materiality analysis is a fundamental tool to guide organisations in identifying and assessing relevant sustainability topics, in relation to impacts generated or suffered by the business, actual and potential, positive and negative, with the generation of external effects for all Stakeholders.

In 2022, RadiciGroup updated its materiality analysis, beginning the process of identifying the impacts of the business in accordance with the new GRI Standards 2021, using a dual materiality approach, to strengthen the Group's ESG disclosure, in line with current regulatory developments.

The 2022 materiality analysis, also considered valid for 2023, was carried out under the coordination of Communication & External Relations and with the support of special Working Groups of experts representing the main corporate functions responsible for managing or reporting on specific sustainability topics.

The main stages of the materiality analysis

The process of updating the materiality analysis carried out in 2022 by the Group was aimed at incorporating the requirements of the latest version of the GRI Standards and capturing relevant changes attributable to the most recent regulatory changes in the field of sustainability. With this in mind, anticipating the entry into force of the European Corporate Sustainability Reporting Directive and the ESRS standards developed by EFRAG, RadiciGroup set up the analysis according to a dual materiality approach. The dual materiality approach requires that material topics be defined and evaluated from a dual perspective: impact materiality and financial materiality. A sustainability topic is material from the perspective of impact materiality when it reflects current or potential relevant impacts, positive or negative, on society and the environment, directly and indirectly related to the organisation's operations, business and value chain. On the other hand, a sustainability topic is material from the point of view of financial materiality when it reflects risks and opportunities from outside that can positively or negatively affect an organisation's development and performance in the short, medium and long term, creating or destroying value.

RadiciGroup followed the following steps in the process of identifying and evaluating material topics:

- **Understanding of sector and organisation context ESG trends;**
- **Identification of relevant topics and their current and potential, negative and positive, generated and suffered impacts;**
- **Evaluation of the relevance of the topics** through a vote by Top Management and later by Stakeholders;
- **Creation of the RadiciGroup Materiality Matrix.**

Understanding of sector and organisation context ESG trends

With the aim of understanding the approach to the main sustainability topics of the organisations operating in RadiciGroup's various target sectors, as well as, from a general point of view, to take an in-depth look at national and international best practices, a preliminary benchmark and context analysis was conducted. More than thirty industry players, Competitors and Customers were considered, for which publicly available ESG information was examined, including the respective Stakeholders and material aspects identified in the non-financial disclosure documents.

Identification of relevant topics and their current and potential impacts

Disclosure 3-2

The results of the preliminary context analyses were submitted to and shared with the entire Working Group, which provided important feedback. This process led to the definition of 24 potentially material topics, which were then submitted for assessment, divided into categories: environment, social, governance. In line with the GRI Standards 2021 and the dual materiality approach promoted by the Corporate Sustainability Reporting Directive, the topics were further examined in terms of the impacts suffered by RadiciGroup and the impacts generated on the environment, people and the economy.

Evaluation of the relevance of the topics through a vote by Stakeholders and Top Management

In light of the impacts generated by RadiciGroup on the economy, society and the environment, the RadiciGroup Steering Committee and Working Group assessed the 24 sustainability topics, prioritising them in terms of relevance, through a dedicated materiality workshop.

Disclosure 3-2

Compared to the previous version of the matrix, which was used for the 2021 Report, the environmental topics were adapted in form and substance to mirror what really drives the Group's choices, e.g. the circular economy and the environmental footprint of products. In the social section, in addition to the traditional RadiciGroup topics of health and safety and enhancing the value of human resources, respect for human rights has been included as relevant, in line with regulatory developments. Compliance, ESG risk management together with responsible supply chain management have entered the Group's material topics in the governance part, and will be the subject of projects in the years to come.

Disclosures 2-29, 413-1

The topics were then submitted to the Group's main Stakeholders for evaluation. By means of ad hoc questionnaires and surveys, different categories of Stakeholders were involved, including:

- Trade associations
- Group companies
- Customers
- Local communities and territories
- Bodies, Institutions and Public Administration
- Suppliers and business partners
- Financial institutions
- Workers and their families
- Media
- Trade union organisations
- Schools, universities and research and innovation centres
- Third sector

The engagement activities, which involved about 200 Stakeholders, registered a response rate of about 70% of the identified Stakeholders. In order to assess the materiality of ESG topics from a financial perspective, specific questions were submitted to the Steering Committee, the Working Group and the Stakeholder category of financial institutions. In detail, they were asked to assess sustainability topics in light of risks and opportunities that may positively or negatively affect RadiciGroup's development and performance in the short, medium and long term. They were also asked which sustainability topics had the greatest impact on economic and financial performance.

Creation of RadiciGroup's Materiality Matrix

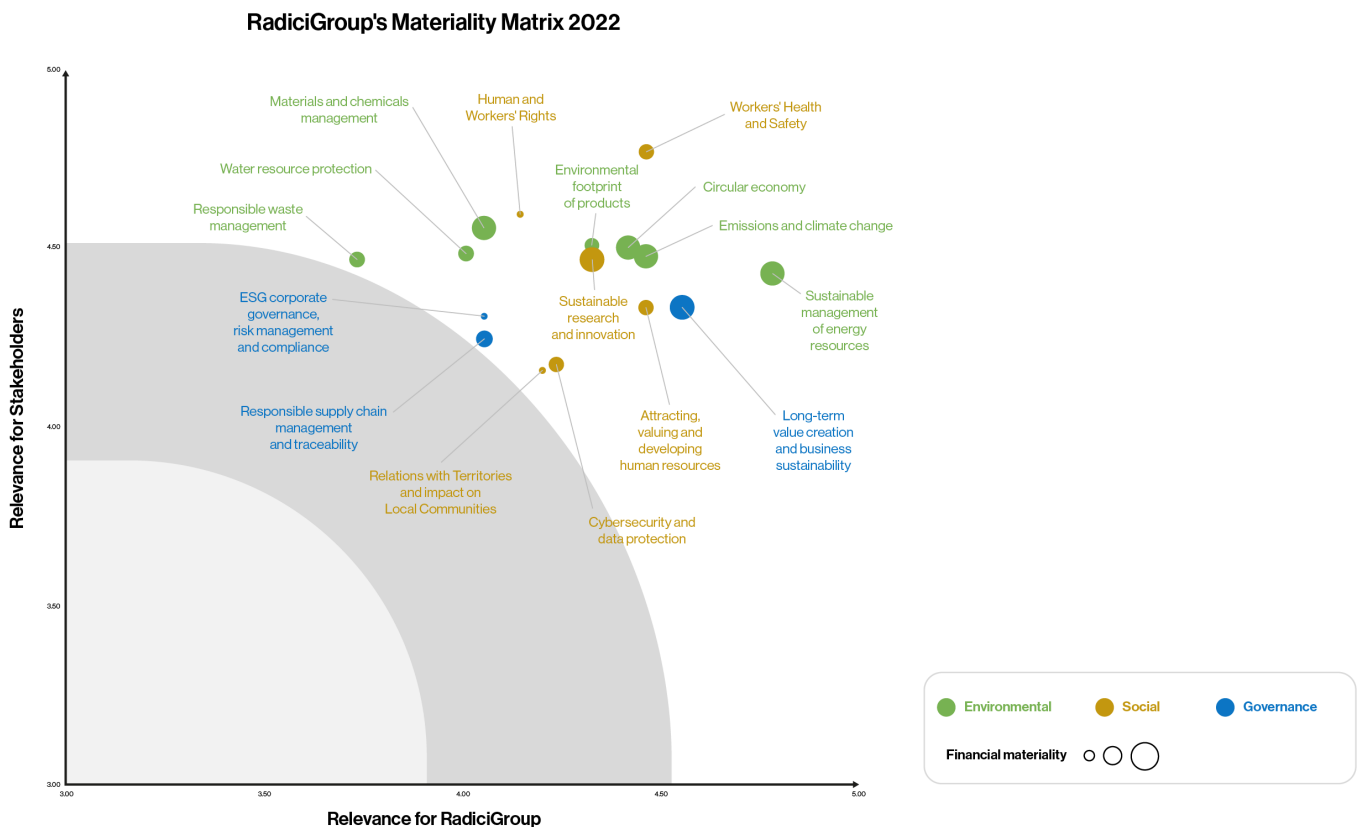
The assessment process and the results that emerged during the materiality analysis led to the determination of a materiality threshold and consequently to the **identification of 16 material topics**, which are reported in RadiciGroup's Materiality Matrix 2022.

The x-axis of the matrix, "Relevance for RadiciGroup", is representative of the relevance ratings that RadiciGroup Top Management and the RadiciGroup Working Group have attributed to each topics.

The y-axis of the matrix, "Relevance for Stakeholders", on the other hand, is representative of the relevance ratings given by the **Group's Stakeholders**. The dimension of financial materiality, in a dual materiality perspective, was graphically integrated within the matrix through the dimension of markers, corresponding to each topic. In fact, three levels of relevance were found for the financial dimension: low, medium and high.

The dual materiality matrix and its 16 material topics were approved and validated by the Steering Committee and President Angelo Radici on 8 November 2022.

The approval of the topics also formed the basis for the start of the definition of RadiciGroup's sustainability goals in its "From Earth to Earth" sustainability plan.



The list of identified material topics with their respective definitions and related macrocategories is presented below:

Environmental

- **Sustainable management of energy resources**

Promote efficient energy management policies and activities, through actions, programmes and management systems. Encourage the use of energy from renewable sources, especially if certified.

Carry out training and awareness-raising projects for Stakeholders (e.g. Employees, Schools) on the topic.

- **Emissions and climate change** - Supporting the decarbonisation process and contributing to the fight against climate change by reducing greenhouse gases and the Group's overall environmental impact.

Implement strategies and actions to mitigate possible impacts generated and suffered in relation to climate change.

Carry out training and awareness-raising projects for Stakeholders (e.g. Employees, Schools, Customers) on the topic.

- **Circular economy** - Integrate elements that accompany decarbonisation processes into activities that support a low-carbon economy.

Implement responsible production from the beginning of the product life cycle to the end, promoting eco-design and recycling to contribute to the transition to a circular business model.

Invest in the implementation of innovative processes to support circularity.

Carry out training and awareness-raising projects for Stakeholders (e.g. Employees, Schools, Customers, Suppliers) on the topic.

- **Materials and chemicals management** - Responsible management of materials, including raw materials, process aids and packaging, with a special focus on the use of chemicals.

Favouring the optimisation of resources used while safeguarding product quality and performance, facilitating the identification and elimination of unsafe practices.

- **Water resource protection** - Develop policies, practices and processes aimed at water resource protection in all business activities (reuse, consumption reduction, waste elimination, discharge monitoring).

Carry out training and awareness-raising projects for Stakeholders (e.g. Employees, Schools) on the topic.

- **Responsible waste management** - Manage process waste responsibly with the aim of reducing its total production and, in parallel, increasing its share for recycling.

Carry out training and awareness-raising activities for Employees on sustainable product design, recovery of waste materials from production processes, proper waste management and disposal.

Social

- **Workers' Health and Safety** - Adopt procedures and management systems to protect the health and safety of Employees and Stakeholders involved in the Group's activities (e.g. Suppliers, Contractors).

Implement training plans to develop the level of awareness and knowledge of the risks to which Workers are exposed, thus developing a culture of prevention.

Raise staff awareness of the importance of each individual's contribution to the overall safety level of the Group.

Promote and support healthy lifestyles for Employees, including those aimed at prevention.

- **Sustainable research and innovation** - Develop innovative technological solutions through R&D activities and collaboration with external partners such as Customers, Suppliers, research centres and universities, in order to constantly improve the quality, design, performance and safety of the company's products, including through the adoption of sustainable materials and production techniques, in response to evolving market needs.

- **Environmental footprint of products** - Quantify the potential and actual environmental impacts of products at all stages of the life cycle, through the use of scientific systems based on Life Cycle Assessment (LCA).

Promote production systems that protect resources and local biodiversity.

Carry out training and awareness-raising projects for Stakeholders (e.g. Employees, Schools, Customers, Suppliers) on the topic.

- **Attracting, valuing and developing human resources** - Promote the involvement of Human Capital, through the dissemination of policies for valuing Employees (e.g. remuneration policies, performance appraisal).
Promote development and training paths aimed at strengthening the technical, managerial and organisational skills of Employees.
Support the training and onboarding of young talent into the RadiciGroup world.
Define policies and actions focused on the well-being of Group Employees, welfare initiatives aimed at ensuring a positive working environment and solutions to promote work-life balance.
- **Human and Workers' Rights** - Ensure respect for fundamental Human Rights and in particular for the rights of Worker Employees within the Group and along the supply chain.
- **Relations with Territories and impact on Local Communities** - Contribute to the socio-economic development of the communities in which the Group operates, through investments, projects, programmes and initiatives (e.g. charitable initiatives, collaborations with schools and universities).
Promote initiatives to involve and continuously listen to the Group's Stakeholders in order to undertake growth strategies with positive impacts on the territory, including through activities to identify needs and expectations.
Share the Group's know-how for local development.

Governance

- **Long-term value creation and business sustainability** - Commitment to fostering sustainable development, fundamental to the Group's growth and competitiveness, which also benefits Stakeholders in terms of distributed added value, job creation, investment in the territory, related industries and generation of resources for local administrations, dissemination of know-how and innovation.
- **ESG corporate governance, risk management and compliance** - Formalise a long-term vision that integrates ESG expectations and Stakeholder interests, ensuring transparency, control processes for ESG risk management, tools to improve sustainability performance and an active dialogue with Stakeholders.
Ensure compliance with mandatory or voluntary ESG standards through the implementation of appropriate organisational management structures and the empowerment of people.
- **Responsible supply chain management and traceability** - Implement ESG policies aimed at responsible supply chain management, through procedures for selecting Suppliers and business partners, integration of common sustainability criteria in the qualification phase of Suppliers and business partners, and specific preventive tools such as contractual clauses and possible audit programmes.
Promote purchasing processes that allow traceability of the main raw materials used by the Group, in order to ensure responsible resource management and business continuity, also in view of the impacts in the international social and economic context of supply chain management.
- **Cybersecurity and data protection** - Prevent and mitigate the possible effects of cyber attacks and ensure service continuity. Comply with data privacy laws and regulations and implement processes and safeguards to ensure the security and confidentiality of sensitive Stakeholder data.

The main changes found between the materiality analysis results and the material topics for RadiciGroup in 2021 can be attributed to the different assessment approach and emerging market trends that increase expectations for some specific topics, including: climate change, circular economy, chemicals management, human rights, impacts on local communities, cybersecurity and data protection, business sustainability, ESG corporate governance, traceability and responsible supply chain management.

In the coming years, RadiciGroup will strive to update its materiality analysis, further conforming its analyses to the recommendations of reporting standards and the requirements of current regulations.

The management of material topics

Disclosure 3-3

The table "Management of material topics - Disclosure 3" which provides an overview of the various material topics illustrated in this Report can be consulted in Annex 1, at the end of this document.

The GRI content index

Table 59

RadiciGroup has prepared this report in accordance with the GRI Universal Standards 2021 for the period from 1 January 2023 to 31 December 2023.

GRI standard	Disclosure	Page	Omissions
	GRI 2 General Disclosures 2021		
	2-1 Organizational details	12	
	2-2 Entities included in the organization's sustainability reporting	108 and following	
	2-3 Reporting period, frequency and contact point	108 and following	
	2-4 Restatements of information	108 and following	
	2-5 External assurance	123	
	2-6 Activities, value chain and other business relationships	12	
	2-7 Employees	55	
	2-8 Workers who are not Employees	55	
	2-9 Governance structure and composition	23	
	2-10 Nomination and selection of the highest governance body	23	
	2-11 Chair of the highest governance body	23	
	2-12 Role of the highest governance body in overseeing the management of impacts	26	
	2-13 Delegation of responsibility for managing impacts	28	
	2-14 Role of the highest governance body in sustainability reporting	27	
	2-15 Conflicts of interest	24	
	2-16 Communication of critical concerns	24	
	2-17 Collective knowledge of the highest governance body	28	
	2-18 Evaluation of the performance of the highest governance body	24	
	2-19 Remuneration policies	24	
	2-20 Process to determine remuneration	24	
	2-21 Annual total compensation ratio	62	

	2-22 Statement on sustainable development strategy	10	
	2-23 Policy commitments	6 and following	
	2-24 Embedding policy commitments	9 and following	
	2-25 Processes to remediate negative impacts	26	
	2-26 Mechanisms for seeking advice and raising concerns	26	
	2-27 Compliance with laws and regulations	103	
	2-28 Membership associations	19	
	2-29 Approach to Stakeholder engagement	111	
	2-30 Collective bargaining agreements	57	
Material topics	GRI 3 Material topics version 2021		
	3-1 Process for determining material topics	Annex 1 Table "Material Topic Management"	
	3-2 List of material topics	Annex 1 Table "Material Topic Management"	
	3-3 Management of material topics	Annex 1 Table "Material Topic Management"	
Sustainable management of energy resources	GRI 302 Energy 2016 version		
	302-1 Energy consumption within the organization	41	
	302-2 Energy consumption outside of the organization		<p>Information not available / incomplete: Information not available due to the impossibility of obtaining data for 2023 relating to regions: Italy, Rest of Europe, Americas and Asia (for the list of companies with region and Business Area reference, see the chapter "Building the Report").</p> <p>The following information is not reported:</p> <ol style="list-style-type: none"> energy consumption outside the organisation, in joules or multiples; standards, methodologies, assumptions, and/or calculation tools used. source of the conversion factors used. <p>The data model to be considered for the definition of the indicator and the reporting boundary will be defined, through the definition of an ad hoc working group. The information will be included in upcoming reports.</p>
	302-3 Energy intensity	97	

Emissions and climate change	GRI 305 Emissions 2016 version		Information not available / incomplete: emissions related to the company fleet are not indicated. It is expected that this will be included in the 2024 report.
	305-1 Direct (Scope 1) GHG emissions	Direct (Scope 1) GHG emissions	
	305-2 Energy indirect (Scope 2) GHG emissions	44	
	305-3 Other indirect (Scope 3) GHG emissions	47	<p>Information not available / incomplete: inherent to 2023 for the Specialty Chemicals and Advanced Textile Solutions Business Areas (for the list of companies with region and Business Area reference, see the chapter "Building the Report").</p> <p>The following information is not reported:</p> <ol style="list-style-type: none"> gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent; If available, the gases included in the calculation: whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all; biogenic CO₂ emissions in metric tons of CO₂ equivalent; other indirect (Scope 3) GHG emissions categories and activities included in the calculation; base year for the calculation, if applicable; Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source; e.g. standards, methodologies, assumptions, and/or calculation tools used. <p>The extension of the scope to include the other RadiciGroup business areas is expected to be completed in time for reporting on 2025.</p>
	305-4 GHG emissions intensity	44	
	305-7 Nitrogen oxides (NO _x), sulphur oxides (SO _x) and other significant air emissions	46	
Circular Economy Responsible waste management	GRI 306 Waste 2020 version		
	306-1 Waste generation and significant waste-related impacts	36	
	306-2 Management of significant waste-related impacts	36	
	306-3 Waste generated	37	
	306-4 Waste diverted from disposal	37	
306-5 Waste directed to disposal	37		
Environmental footprint of products	Additional disclosure - Description	87	

Materials and chemicals management	GRI 301 Materials 2016 version		
	301-1 Materials used by weight or volume	35	
Water resource protection	GRI 303 Water and effluents 2018 version		
	303-1 Interactions with water as a shared resource	49	
	303-3 Water withdrawal	51	
	303-4 Water discharge	51	
Workers' Health and Safety	GRI 403 Occupational Health and Safety 2018 version		
	403-1 Occupational health and safety management system	68	
	403-2 Hazard identification, risk assessment, and incident investigation	68	
	403-3 Occupational health services	74	
	403-4 Worker participation, consultation and communication on occupational health and safety	69	
	403-5 Worker training on occupational health and safety	63	
	403-6 Promotion of Worker health	66	
	403-8 Workers covered by an occupational health and safety management system	68	
	403-9 Work-related injuries	70	
	403-10 Work-related ill health	73	
Sustainable Research and Innovation	Additional disclosure - Description	80	

Attracting, valuing and developing human resources	GRI 401 Employment 2016 version		<p>Information not available / incomplete: partial disclosure, referring only to companies belonging to the Italy region (for the list of companies with region and Business Area reference, see the chapter "Building the Report") due to the impossibility of finding homogeneous data for 2023 relating to the remaining regions (rest of Europe, Americas, Asia).</p> <p>The following information is not reported for non-Italian RadiciGroup companies:</p> <ol style="list-style-type: none"> total number and rate of new employee hires during the reporting period, by age group, gender and region; total number and rate of employee turnover during the reporting period, by age group, gender and region. <p>Based on the analysis carried out for the Italian companies, the data of the other foreign companies of the Group will be consolidated. It is planned to complete this with information on all companies included in the reporting scope for the 2024 report.</p>
	401-1 New employee hires and employee turnover	54	
	401-2 Benefits provided to full-time Employees that are not provided to temporary or part-time Employees	62	
	GRI 404 Training and education 2016 version		
	404-1 Average hours of training per year per employee	63	
	404-2 Programs for upgrading Employee skills and transition assistance programs	65	
Human and Workers' rights	GRI 406 Non-discrimination 2016 version		
	406-1 Incidents of discrimination and corrective actions taken	61	
Cybersecurity and data protection	GRI 418 Customer Privacy 2016 version		
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	105	
Relations with Territories and impact on Local Communities	GRI 413 Local Communities 2016 version		
	413-1 Operations with local community engagement, impact assessments and development programs	76	
Long-term value creation and business sustainability	GRI 201 Economic performance 2016 version		
	201-1 Direct economic value generated and distributed	92	

ESG corporate governance, risk management and compliance	GRI 415 Public Policy 2016 Version			
	415-1 Political contributions	76		
	GRI 417 Marketing and labelling 2016 version			
	417-1 Requirements for product and service information and labelling	88		
	417-2 Incidents of non-compliance concerning product and service information and labelling	90		
	417-3 Incidents of non-compliance concerning marketing communications	90		
	GRI 207 Tax 2019 version			
	207-1 Approach to tax	99		
Responsible supply chain management and traceability	207-2 Tax governance, control and risk management	99		
	207-3 Stakeholder engagement and management of concerns related to tax	101		
	207-4 Country-by-country reporting	100		
	GRI 204 Procurement Practices 2016 version			
	204-1 Proportion of spending on local suppliers	14	Information not available / incomplete: Information not available due to the impossibility of obtaining homogeneous data for 2023 relating to regions: North and South America and Asia. It is expected that full disclosure will be included in reporting for 2024.	
	Additional information	Table 09 Ratio - Direct primary energy consumption per unit processed	41	
		Table 13 Ratio - Total primary energy consumption from fossil sources per unit processed	43	
		Table 55 Ratio - Water resources (GRI 303-3) in relation to value added	98	
	Table 20 Ratio - Water use per unit processed	50		
	Table 56 Ratio - Waste subject to disposal without recovery (GRI 306-2) in relation to value added	98		
	Table 24 Ratio - Water discharge per unit processed	52		
	Table 07 Ratio - Total waste per unit processed	37		
	Table 37 Ratio - Training hours by region	63		

Letter of Assurance

Disclosure 2-5

The Sustainability Report underwent an external assurance process conducted by Certiquality Srl, a certification company with proven competence and independence requirements, which verified its compliance with the reporting model.



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REPORT ON THE 2023 RADICIGROUP SUSTAINABILITY REPORT

Scope

Certiquality S.r.l. has been engaged by Radici Partecipazioni S.p.A. to perform a limited assurance engagement of RadiciGroup's 2023 Sustainability Report – Italian version, to verify its compliance with the GRI (Global Reporting Initiative) Standards 2021 version, consistently with the statement of use “in accordance with GRI”, which requires the reporting of all general disclosures as per the GRI 2-2021 Standard, the materiality analysis according to the GRI 3-2021 Standard, and the quantification of all relevant performance indicators for each aspect identified as relevant (or “material”).

This letter outlines the activities performed, reports the verification results, and provides recommendations for improvement.

The verification was carried out with reference to the “GRI Standards” published in 2021 by the Global Reporting Initiative, specifically covering:

- Verification of the reporting principles (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability);
- Correct definition of the report's scope.
- Compliance of the report's contents with those required by the GRI Standards 2021 guidelines.

The verification was conducted in accordance with the procedures adopted by Certiquality for audits in compliance with the UNI EN ISO 19011:2018 standard. The verification was carried out partly in person and partly remotely (particularly for foreign companies), by interviewing the relevant functions via videoconference and reviewing the documentation shared on-screen.

Methods

The activity was carried out according to the following operational procedures:

- Analysis of the document “RadiciGroup 2023 Sustainability Report” Italian version, with reference to the principles and contents provided by the GRI Standards 2021 guidelines;
- Interviews with the functions involved, directly or indirectly, in the drafting of the document and in the data and information management process (from collection to subsequent processing);
- Examination of documents and records at the operational headquarters of Radici Partecipazioni S.p.A. in Gandino (BG) and at a representative sample of the production plants included in the scope of the Report: Radicifil S.p.A. in Casnigo (BG); Radici Novacips S.p.A. in Villa d'Ogna (BG); Radici Chimica S.p.A. Italy, plant in Novara (NO); Radici Plastics Mexico S. de R.L. de C.V. (from Casnigo); Noyfil Sa Switzerland (remotely); Radici Plastics Ltda Brazil (remotely);
- The analysis covered both the procedures adopted for the collection, storage, and processing of data, and the technical-regulatory aspects of the activities carried out.

The verification activities related to the management of the data and information contained in the Report were carried out on a sample basis, ensuring adequate coverage of all aspects addressed in the document.

Regarding some specific indicators characterized by the absence of specific facts or events (e.g., party financing, various types of sanctions, cases of discrimination), considering the intrinsic difficulty in verifying non-existent events, we requested statements from the management of the companies within the reporting scope.



ORGANISMO
NOTIFICATO
0546



Member degli Accordi di Mutuo Riconoscimento (A) IAF e ILAC,
Signatory of EA, IAF and ILAC Mutual Recognition Agreements.
SGS n. 0084 - SGA n. 0010 - SCR n. 0027 - FSM n. 0060
PSI n. 0088 - DAF n. 0034
SSI n. 0015 - SGE n. 0018 - ISP n. 0066 - GHG n. 0010
EMAS n. 008P - ITX n. 0041 - PRS n. 100C



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The economic-financial data derives from the consolidated financial statements of Radici Partecipazioni S.p.A., which have already undergone voluntary audit (as per Deloitte & Touche S.p.A. letter dated 28/05/2024), and were therefore not further verified.

Results and Recommendations

The RadiciGroup 2023 Sustainability Report Italian version, which encompasses the entire consolidation perimeter of the economic-financial statements (excluding only environmental indicators for purely commercial, financial, and service companies, given the minimal relevance of such aspects), confirms the Group's ability to address global issues, as demonstrated in previous years. The document is clear and provides a comprehensive overview of the Group's approach to sustainability, also referencing the "From Earth to Earth" Sustainability Plan developed in 2023 and presented in 2024.

To further align with the GRI Standards requirements, additional information has been integrated (e.g., governance and organization details of RadiciGroup's new Sustainability function, data on spending with local suppliers, etc.). Indirect greenhouse gas (GHG) emissions (scope 3) have been calculated and reported for most relevant categories for the High-Performance Polymers Business Area, with the aim of extending this reporting to the other two Business Areas. For other numerical indicators not previously included, such as employee turnover and training provided to employees categorized by contractual level, the information has been improved but could be further enhanced. Data on energy consumed outside the organization remains unavailable, justified by the difficulty in obtaining such information in certain Business Areas and geographic regions, where methods and tools for calculation are being implemented in the new data management system.

In several cases, the indicators are reported with more extensive information than the minimum requirement, referencing earlier and more detailed versions of the GRI standards or, as in the case of generated and distributed value, other authoritative sources in sustainability reporting (Social Balance Sheet Group), without compromising the completeness of information required by current standards.

The data collection and processing system is sufficiently structured and documented at the central level. The new integrated data management system, named Enablon, has been implemented in the High Performance Polymers and Specialty Chemicals Business Areas and will gradually replace the previous data management system in all Business Areas. The verification conducted at the Business Areas, Italian and foreign companies, and plants included in the selected sample for this year allowed us to confirm its effectiveness in data collection, processing, and evidence archiving.

Compared to previous years, particularly where the new data management system has been implemented, and also for the sampled foreign sites, there has been an improvement in the homogeneity and quality of the data, despite very different contexts and regulations (for example, regarding the classification and destination of waste, the mandatory nature of health and safety training). There are still areas for improvement, certainly for some entities and foreign sites, but it is worth noting the commitment from the interviewed responsible functions to overcome these difficulties and provide increasingly better-quality information and data. Therefore, it is recommended to continue the process of spreading and implementing the new data management system to support sustainability reporting in all the Group's Business Areas and to continue raising awareness among the involved functions. This approach has undoubtedly contributed to achieving the very positive results obtained so far.

One aspect that is recommended for future editions is to combine the progressive improvement of reported data and indicators with equivalent attention to ensuring that the Sustainability Report meets the equally important need to inform all its intended stakeholders clearly and transparently.



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 Signatory of EA, IAF and ILAC Mutual Recognition Agreements
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 PRO n. 008B - DAP n. 003H
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Conclusions

The verification of the "Radicigroup Sustainability Report" Italian version for 2023 did not reveal significant deficiencies regarding compliance with the principles of the GRI Standards 2021 guidelines and the content in terms of information and performance indicators, although some areas for improvement remain. Specifically, certain indicators related to relevant aspects will be completed in future editions, as clearly stated in the GRI content index. Based on the verifications performed and the above findings, the Radicigroup Sustainability Report for 2023 is declared assured at the "in accordance" application level of the GRI Standards 2021 guidelines.

Milano, 31 luglio 2024

Certiquality S.r.l.
Il Presidente
Marco Martinelli



ORGANISMO
NOTIFICATO
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Sustainability Report 2023

Management of material topics
Disclosure 3

Annex 1



CATEGORY	MATERIAL TOPIC	INDICATOR REFERENCE IN THE SUSTAINABILITY REPORT	POSITIVE IMPACTS	IDENTIFIED NEGATIVE IMPACTS	POTENTIAL NEGATIVE IMPACTS	DIRECT/INDIRECT INVOLVEMENT OF THE GROUP IN NEGATIVE IMPACTS	COMPANY POLICIES ON THE TOPIC	MONITORING/MITIGATION/MANAGEMENT OF NEGATIVE IMPACTS (Disclosure 2-26)	MEASUREMENT OF THE EFFECTIVENESS OF THESE ACTIONS (Disclosure 2-26)	ACTIONS TO MANAGE OR SUPPORT POSITIVE IMPACTS	MAIN STAKEHOLDERS INVOLVED (Disclosure 2-29)	MAIN METHODS OF INVOLVEMENT (Disclosure 2-29)
Environmental	Sustainable management of energy resources	Section "E for Environment" Disclosures GRI 302-1,3	Self production and provision of renewable energy to support territories and Local Communities through Geogreen). Rationalisation of energy consumption.	Consumption of non-renewable sources.	-	Direct + through their own activities that may contribute to resource depletion and emissions.	The RadiciGroup Policy, RadiciGroup Sustainability Plan "From Earth to Earth" ISO 50001 site certification and related policies.	Partnership with Geogreen, growing percentage of energy from renewable sources. Decreased energy consumption per tonne processed. Diversification of green energy supply sources. Transparency and communication on the Group's ESG performance through the Sustainability Report.	GRI Disclosure. Business management KPIs. Monitoring actions of site Energy Managers.	Investments in BAT to reduce energy consumption. Awareness-raising of Workers and schools on the topic of renewable energy and energy saving.	Group Companies, Workers, Suppliers, Authorities, institutions and public administration, Territories.	Collaboration with Geogreen. Awareness-raising of Workers and schools on the topic of renewable energy and energy saving. Transparent communication of Group performance.
Environmental	Emissions and climate change	Section "E for Environment" Disclosures GRI 305-1,2,4,7	Product solutions with limited emissions compared to standard counterparts.	Emissions from business operations (scope 1), energy purchases (scope 2), and for the HPP business area value chain emissions (scope 3) accounted for in this Report.	Environmental and health-related damage to Local Communities and surrounding Territories.	Direct scope 1 emissions + indirect scope 2 emissions.	The RadiciGroup Policy, RadiciGroup Sustainability Plan "From Earth to Earth" ISO 14001 site certification and related policies.	Emission measurement systems at all production sites, abatement systems, investments in BAT, plant efficiency. Energy mix with relevant presence of renewable sources, use of processes with lower carbon footprint (e.g. mass dyeing and mechanical recycling). Transparency and communication on the Group's ESG performance through the Sustainability Report.	GRI Disclosure Business management KPIs ETS System (emissions trading). Monitoring actions of site environmental managers. Measurement of product carbon footprint through LCA methodology.	Design and development of products with a smaller carbon footprint than standard versions, but with comparable performance. Virtuous plant management that allows for carbon credits, emissions below the European emission trading benchmark for the chemical area.	Group Companies, Customers, Suppliers, Authorities, institutions and public administration, Territories.	Collaboration with Customers and Suppliers to create products with a limited carbon footprint. Transparent communication of Group performance.
Environmental	Circular Economy	Section "S for Social" GRI 306-1,2,3,4,5	Promotion along the value chain of partnership and research and development activities for the creation of circular and durable solutions.	Still partially linear system.	Loss of Customers and reduction of market share in the long run for not bringing sustainable and circular products to the market.	Direct + through their own activities.	The RadiciGroup Policy, RadiciGroup Sustainability Plan "From Earth to Earth" ISO 14001 site certification and related policies.	Collaboration with the value chain for eco-design solutions. Exploration through InNova Roots, of all recycling options. Use of renewable energy sources and raw materials (fully or partly bio-based products) in the Group.	GRI Disclosure. Business management KPIs. LCA studies on products.	Proposal of recycled or bio-based products. Awareness-raising actions on circularity in the value chain (advocacy within trade associations). Active participation in the work of numerous industry associations promoting circularity, e.g. Ellen MacArthur Foundation. Awareness-raising actions on circularity for school children (e.g. Education Project).	The entire value chain, in particular Suppliers, Customers.	Collaboration with the value chain for eco-design solutions. Awareness-raising actions on circularity in the value chain (advocacy within trade associations). Active participation in the work of numerous industry associations promoting circularity, e.g. Ellen MacArthur Foundation. Awareness-raising actions on circularity for school children (e.g. Education Project).
Environmental	Environmental footprint of products	Section "S for Social"	Through LCA studies greater knowledge of impacts and transparency available to the value chain.	Environmental impact generated by production activities and the product, at all stages of its life cycle. Consumption of raw materials.	-	Direct + through its own activities that may or may not contribute to placing products with a limited and measured footprint on the market.	The RadiciGroup Policy, RadiciGroup Sustainability Plan "From Earth to Earth"	Measuring the environmental footprint of products through LCA methodology.	Presence and updating of LCA studies and certified environmental labels (EPDs) for RadiciGroup's main products.	Creation of a team of Group LCA experts to support LCA requests from sites and customers, improving the level of service and transparency in the value chain.	The entire value chain, in particular Suppliers, Customers.	Collaboration on primary data collection, sharing of Group data.
Environmental	Materials and chemicals management	Section "S for Social" Disclosure GRI 301-1	Creation of a virtuous circle of supply capable of lowering the use of new raw materials through recycling and material rationalisation.	Use of non-renewable materials. Use of hazardous chemicals.	Dispersion of chemical pollutants and polymers, both inside and outside the company.	Direct + Indirect, through products.	The RadiciGroup Policy, RadiciGroup Sustainability Plan "From Earth to Earth" ISO 14001 site certification and related policies. The Operation Clean Sweep (OCS) programme shared by all RadiciGroup companies.	Substance handling and management procedures. Issuing safety data sheets even for non-hazardous products. Containment measures in plants to counteract material dispersion.	Accidents, near misses and non-conformities. For the chemical area, Responsible Care indicators.	OCS certification being progressively rolled out across the Group.	Group Companies, Workers and then Suppliers and Customers.	Worker training on the risks associated with the use of substances. Awareness-raising of Workers on the attention to be paid when handling pellets (OCS project). On the topic of recycling, initiatives to explore the different possibilities related to recycling.
Environmental	Protection of water resources	Section "E for Environment" Disclosures GRI 303-1,3,4	Through the partnership with Geogreen, a partner supplier of energy, monitoring and responsible management of the riverbed sections on which the power plants are located. Through the payment of water concession fees, it contributes to local community development as far as Italian companies are concerned.	Use of water from areas of high water stress which could contribute to desertification, drought and water scarcity for Local Communities.	Chemical contamination of water and consequent health and safety impacts.	Direct and indirect through activities especially in areas of high water stress.	The RadiciGroup Policy, RadiciGroup Sustainability Plan "From Earth to Earth" ISO 14001 site certification and related policies. The Operation Clean Sweep (OCS) programme shared by all RadiciGroup companies.	Water saving through recirculation of water in systems. Transparency and communication on the Group's ESG performance through the Sustainability Report.	GRI Disclosure. Business management KPIs. Monitoring actions of site environmental managers.	Yearly updating of RadiciGroup water stress maps. Transparent communication through RadiciGroup Sustainability Report.	Bodies, institutions and public administration, Territories, Suppliers.	Open Day activities for Geogreen's power plants, aimed at Workers and Local Communities. Awareness-raising of Workers on the attention to be paid when handling pellets (OCS project).
Environmental	Responsible waste management	Section "E for Environment" and following Disclosures GRI 306-1,2,3,4,4	Reuse of production waste for the production of secondary raw materials. Reuse of packaging where possible (e.g. pallets, reel dividers with return mechanisms).	Generation of waste destined for landfill (due to impossibility of sending it to other reuse/recycling/recovery chains). Generation of hazardous waste.	Non-compliance with regulations on the disposal of waste and other hazardous substances and/or environmental protection.	Direct.	The RadiciGroup Policy, RadiciGroup Sustainability Plan "From Earth to Earth" ISO 14001 site certification and related policies. The Operation Clean Sweep (OCS) programme shared by all RadiciGroup companies.	Transparency and communication on the Group's ESG performance through the Sustainability Report.	Site KPIs. GRI Indicators. Monitoring actions of site environmental managers. Site loading and unloading registers.	Portfolio of pre and post consumer - based products. Selection of waste treatment plants with high recycling potential.	Bodies, institutions and public administration, Suppliers, Local Communities.	Awareness-raising activities for Workers and Companies on internal waste management. Awareness-raising of Workers on the attention to be paid when handling pellets (OCS project). Transparent communication of Group performance.
Social	Workers' Health and Safety	Section S for social page 61 and following Disclosures GRI 403-1,2,3,4,5,6,8,9,10	Worker training beyond legislative obligations. Specific Worker awareness campaigns in many companies.	Worsening Health and safety performance in many companies.	Loss of effectiveness of health and safety training.	Direct.	The RadiciGroup Code of Ethics, RadiciGroup Sustainability Plan "From Earth to Earth" The RadiciGroup values. The RadiciGroup Policy, ISO 45001 site certification and related policies.	Health and safety management systems at all Group sites. Extensive training programmes in addition to regulatory compliance. Transparency and communication on the Group's ESG performance through the Sustainability Report.	All injury and health indicators (balance sheet information and company KPIs related to health and safety management systems).	Initiatives to raise Workers' awareness of their role in company safety (e.g. Company Safety Week). Voluntary initiatives for health protection in the company (vaccinations, examinations and non-compulsory medical services paid for by the company provided on a voluntary basis). Initiatives for the prevention of certain serious diseases organised by companies (e.g. Sto Bene RadiciGroup initiatives, cancer prevention initiatives). Transparent communication of Group performance.	Workers, Group Companies.	Initiatives to raise Workers' awareness of their role in company safety (e.g. Company Safety Week). Voluntary initiatives for health protection in the company (vaccinations, examinations and non-compulsory medical services paid for by the company provided on a voluntary basis). Initiatives for the prevention of certain serious diseases organised by companies (e.g. Sto Bene RadiciGroup initiatives, cancer prevention initiatives). Transparent communication of Group performance.
Social	Sustainable Research and Innovation	Section "S for Social"	Promotion of sustainable product design and eco-efficiency principles through investment in research and development.	Limited technological renewal of products and assets, with direct impact on competitiveness, profitability and value creation.	Failure to comply with international regulations. Reputational risks. Loss of market share and economic-financial risks.	Direct + through own activities.	Radici InNova Articles of Association. The RadiciGroup Policy, RadiciGroup Sustainability Plan "From Earth to Earth"	Innovation activities at each site, overseen by Radici InNova. Radici InNova's monitoring of the international legislative framework in terms of innovation. Monitoring of funding opportunities for innovation by Radici InNova.	Group's expanding portfolio of sustainable processes and products. Identification of funding for ad hoc projects.	Multi-stakeholder projects on strategic sectors (e.g. 3D Printing, Mobility, Space Economy) by the Group.	The entire value chain as well as Schools, universities and research and innovation centres.	Multi-stakeholder projects on strategic sectors (e.g. 3D Printing, Mobility, Space Economy) by the Group.
Social	Attracting, valuing and developing human resources	Section "S for Social" GRI 401-2, 404-1, 404-2	Job creation and distribution of value to the local community. Development and enhancement of Workers' skills through training, well-being initiatives, work-life balance, flexible working policies, smart working, protection, welfare platform.	Difficulties in being attractive to younger generations due to the type of work (labour-intensive, shift work, continuous cycle).	Increased turnover rate due to staff dissatisfaction. Loss of skills and know-how due to the absence on the labour market of resources with high digital skills, STEM figures or skilled workers.	Direct.	The RadiciGroup Code of Ethics. The RadiciGroup values. RadiciGroup Sustainability Plan "From Earth to Earth"	Employer branding RadiciGroup policies to train personnel and strengthen their professionalism (basic and soft skills training). RadiciGroup policies for work-life balance (e.g. smart working, part time). RadiciGroup welfare-related policies (welfare platform, health and prevention initiatives). Transparency and communication on the Group's ESG performance through the Sustainability Report.	Group turnover rate and new hires. Workers' degree of loyalty to the Group and seniority. Ability to find the people needed by Companies with the necessary degree of knowledge and experience.	Initiatives to increase participation and a sense of belonging, organisation of transversal and inter-company training courses to enable people to get to know each other. Education project to create a bridge between RadiciGroup and the school world.	RadiciGroup Workers.	Initiatives to increase participation and a sense of belonging, organisation of transversal and inter-company training courses to enable people to get to know each other.
Social	Human and Workers' rights	Section "S for Social" Disclosure GRI 406-1	Promotion of a culture of human rights awareness and respect by management and business partners.	-	Violation of human rights, both within the Group and along the value chain, with reputational, human dignity and community development repercussions.	Direct + through own activities, especially at supply chain level.	The RadiciGroup Code of Ethics The RadiciGroup Values. RadiciGroup Sustainability Plan "From Earth to Earth"	first phase of the project aimed at analysing the situation of Human Rights within RadiciGroup. The whistleblowing system.	Reports made through the whistleblowing system. Reports from Companies. Survey sent to a sample of company population (white collars)	Internal communication to all the company population concerning RadiciGroup Project on Human Rights.	RadiciGroup Workers.	Worker Training on the Code of Ethics and Human Rights (2023-2024 project) Use of the survey outcomes to formulate a corporate policy on Human Rights.
Social	Cybersecurity and data protection	Section "G for Governance" Disclosure GRI 418-1	Promotion of computer security of sensitive data and information through an extensive training programme.	Cyber attacks and breaches of customer security and privacy, resulting in penalties and loss of customer and/or other Stakeholder data.	Image damage as a result of exposure of the Group to cyber attacks, viruses, unauthorised access aimed at extracting or corrupting Group information.	Direct + through own activities.	ICT Area corporate policies and procedures. RadiciGroup Sustainability Plan "From Earth to Earth"	Computer security risk analysis and data loss.	-	Actions to integrate existing tools and on further solutions to be implemented. Diffusion of a cybersecurity culture extended to all RadiciGroup Workers who have a named email account (cybersecurity course).	RadiciGroup Workers.	Courses and training related to cybersecurity.

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Social	Relations with Territories and impact on Local Communities	Section "S for Social" page 69 Disclosure GRI 413-1	Promotion of socio-economic development processes in the territories and contribution to the development of professional opportunities. Maintaining skills in the area with direct/indirect positive economic impacts on local families and communities.	Use of some land resources (soil, water).	Closure of companies with consequent loss of employment for the local workforce.	Direct + through own activities.	The RadiciGroup Code of Ethics. RadiciGroup Sustainability Plan "From Earth to Earth"	Presence of RadiciGroup companies as a point of reference for the territory. Recruitment of local staff (within 20 km of the company headquarters) and use of local suppliers for some services (e.g. catering, cleaning, maintenance). Economic support for social, cultural and sporting activities of a local nature). Transparency and communication on the Group's ESG performance through the Sustainability Report.	RadiciGroup's reputation in the reference territories. Participation of local communities in RadiciGroup open door events. Open communication channels between the Group and the target territories.	Group open door initiatives, initiatives in favour of educational institutions (e.g. Education project). Initiatives for the enhancement of the local natural or cultural heritage.	Local authorities, institutions and public administration, Schools, universities and research and innovation centres, third sector.	Sharing added value with Workers through wages. Sharing the added value with the Territories through inducements and support for different activities. Listening to the needs of the Territories. Transparent communication of Group performance.
Governance	Long-term value creation and business continuity	Section "G for Governance" Disclosure GRI 201-1	Contributing to the growth of the national economy and job creation, including by complying with applicable tax legislation and integrating sustainability criteria into acquisition and investment decisions.	-	Erosion of shareholder dividends due to poor economic performance. Image damage due to the dissemination of misleading and deceptive information.	Direct + through its own activities that may or may not contribute to the creation of shared value with Stakeholders in the value chain and local communities.	The RadiciGroup Code of Ethics. The RadiciGroup Policy. RadiciGroup Sustainability Plan "From Earth to Earth"	Careful monitoring of ratios relating to the Group's economic and financial performance and its capital strength. Transparency and communication on the Group's ESG performance through the Sustainability Report.	The results of RadiciGroup. Acquisitions and the increasing degree of internationalisation of the Group. BAT investments and environmental protection.	-	Group Companies, Financial Institutions, Workers, Local Communities and Territories, Bodies, institutions and public administration.	Sharing RadiciGroup's financial and non-financial results with financial, banking and insurance institutions. Sharing added value with Workers through wages. Sharing the added value with the Territories through inducements and support for different activities. Listening to the needs of the Territories. Transparent communication of Group performance.
Governance	ESG corporate governance, risk management and compliance	Section "The Group" Section "G for Governance" Disclosures GRI 415-1, GRI 417-1, 2, 3 and GRI 207-1,3,4	Promoting a culture of risk management, ethics and anti-corruption among managers, Workers, business partners and other Stakeholders	-	Lack of coordinated strategic ESG decisions due to the absence of a steering committee. Limited awareness of business risks with consequent impacts on decision-making processes. Cases of non-compliance with laws and regulations that may lead to fines and penalties.	Direct + through own activities	The RadiciGroup Code of Ethics. All company certifications based on the principles of risk analysis. RadiciGroup Sustainability Plan "From Earth to Earth"	Establishment of the Corporate Compliance and Internal Auditor function. Risk analyses conducted at the level of the different Business Areas with regard to Health, Safety, Environment, Energy aspects. Oversight of the Group's supply chain with corporate procurement and BA functions. Oversight of economic, financial and market risks with the Administration, Finance and Control of corporate function.	Audit results of the Corporate Compliance and Internal Auditor function and related improvement plans. GRI Disclosure. Business management KPIs. Monitoring actions of site/BA management system managers. Monitoring actions of corporate and BA procurement functions. Monitoring actions of the corporate Administration, Finance and Control function.	Improvement Plans	Group companies, Customers, Suppliers, Bodies, institutions and public administration.	Sharing the Code of Ethics and the principles behind the certifications with Stakeholders. Active involvement of Group companies in obtaining certifications.
Governance	Responsible supply chain management and traceability	Section "S for Social" Disclosure GRI 204-1	Optimisation of product traceability through process management software. Promotion and dissemination of good sustainability practices along the value chain (mutual dialogue with Suppliers, Customers, associations and scientific partners).	-	Failure to implement verification of economic, social and environmental requirements at Suppliers and in purchasing conditions.	Direct + through its own activities that may or may not contribute to the introduction and dissemination of good practices in the supply chain.	The RadiciGroup Code of Ethics. The Supplier Code of Conduct. The Customer Code of Conduct. RadiciGroup Sustainability Plan "From Earth to Earth"	Oversight of the Group's supply chain with corporate procurement and BA functions. Selection of Suppliers who share RadiciGroup's principles. Selection of local Suppliers to support the economy of the territories where RadiciGroup has a presence.	Reports made through the whistleblowing system.	Active participation in the work of numerous industry associations promoting sustainability, circularity, traceability and transparency (e.g. SDA Bocconi's Monitor for Circular Fashion).	The entire value chain, in particular Suppliers, Trade Associations, Authorities, institutions and Public Administration.	Sharing Codes of Conduct, sharing the Group's ethical principles. Sharing the Group's traceability data with Suppliers and Customers.