

Sustainability Report 2020

Complete version



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Foreward - Crisis and Opportunities

For RadiciGroup, as for any other company, the 2020 Sustainability Report is set against a background profoundly marked by the global pandemic and its health, social and economic consequences.

RadiciGroup was able to rise to the pandemic challenge with determination and resilience, the Group's distinguishing characteristics. Collaboration and synergy were additional essential elements of the strategy the Group adopted to deal with an evolving crisis. The strategy focused, in the first place, on protecting the Workers' Health and Safety and also on keeping plants running to the extent allowed by the pandemic, while strictly abiding by the safety protocols introduced.

Some of the major safety measures undertaken by the Group were:

- **implementation of enhanced** Health and Safety protocols with special attention to Workers, Customers and Suppliers,
- **engagement of Employees** through listening sessions and internal communication on Health and Safety issues down to the individual level,
- adoption of digital tools for smart and **remote working** to allow Employees to work safely and, in many cases, to reconcile the need to manage family and work responsibilities under the new conditions,
- **active supply chain monitoring** in order to mitigate the difficulties related to transport, border closures and inevitable delays in the flow of supplies,
- **constant dialogue** with Customers to address issues together and limit the inconveniences arising from the situation.

On the positive side, the year 2020 also saw the **launch**, in response to the pandemic, **of a new business line dedicated to the manufacture of certified nonwovens for medical protective devices** such as gowns, boots and head coverings. Started as a community initiative, the business line has subsequently acquired an industrial dimension, leading to the **rebirth of a Made-in-Italy supply and production chain** aimed at reshoring strategic production to Italy.

Furthermore, earlier this year RadiciGroup officially launched Radici InNova, a consortium for sustainability-driven innovation. Setting up this Group entity was an important step towards meeting future challenges concerning low-impact processes, higher-performance materials, biotechnology and innovative industrial applications.

In the second half of the year, as the pandemic eased, RadiciGroup regained ground in its traditional activities, while maintaining a high level of vigilance in the face of a situation that had only partially improved.

The results presented in this report should be read in the light of the above complex and changing scenario in which difficulties and opportunities coexisted and the Group had to demonstrate all its qualities of resilience, innovation and ability to work as a team.

Who we are

Disclosure 102-12, 102-16

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**, among which nylon yarn, polyester yarn, yarn made from recovered and bio-sourced materials, nonwovens and personal protective equipment for the healthcare field.

RadiciGroup products are the result of the Group's outstanding chemical expertise and vertically integrated polyamide production chain and have been developed for use in a variety of industrial sectors.

The basis of the Group's strategy is a strong focus on innovation, quality, customer satisfaction, and social and environmental sustainability.

Our Values

In February 2021, RadiciGroup released a **new corporate video**, shot **with** the participation of the **Atalanta Football Club**. A little over a minute **that portrays the Group's guiding values** through evocative images and key concepts.

To illustrate its corporate values, RadiciGroup chose people who work "in the field" every day. A few employees of the Group's Italian companies, together with a few players of the Atalanta team, bring to life the emotional parallels between the everyday operations at the Group sites and the typical plays of a football team. Tenacity, resourcefulness, the ability to get involved and work as a team, especially in difficult times, as well as a focus on local communities and sustainability, are the hallmarks of RadiciGroup.



Watch the video highlighting our values.

United Nations Sustainable Development Goals

Disclosure 102-12

In 2015, the United Nations adopted a plan of action for people, the planet and prosperity, which incorporates **17 Sustainable Development Goals (SDGs) concerning economic growth, social well-being and environmental protection.**

RadiciGroup shares the United Nations Sustainable Development Goals and contributes tangibly to their implementation in many ways, which are described in this Sustainability Report and identified in the various chapters by the respective SDG icons.



Group Quality, Environment, Energy, Health and Safety Policy

Disclosure 102-16 Disclosure 103-1

The Group Quality, Environment, Energy, Health and Safety Policy is the document that sets out the principles underlying RadiciGroup's actions to implement the United Nations Sustainable Development Goals. This policy document, **signed by President Angelo Radici and Vicepresident Maurizio Radici**, is an expression of the desire to increase the Group's level of sustainability by acting on key strategic and operational levers. The policy also sets forth the Group's aim to improve on information transparency and relations with Stakeholders.



*Looking at added value from a broad perspective, **ensuring continuity and being inclusive of all Stakeholders**. This is how RadiciGroup brings to life its corporate values – centrality of people, reliability, fairness and transparency – in its day-in and day-out operations. By following these guidelines, the Group ensures the Quality of its products, promotes occupational Health and Safety, and carries on business with respect and care for the Environment. A long-term commitment to the pursuit of truly sustainable social, economic and environmental development driven by innovation and research is the foundation for the engineering and advancement of the Group's technology, processes and products.*

*Within the above framework, RadiciGroup pursues the objective of increasing **cooperation and synergy among the functions of the Group Business Areas** to build a path towards the optimization and excellence of each process through the **continual improvement of activities, transparency in operations and communications, and quality and performance of products and services** – all in close collaboration with Stakeholders.*

*Diligent compliance with the laws and regulations on the Environment, occupational Health and Safety, and prevention of harmful incidents potentially affecting products and production processes is the fundamental basis of every Group business activity. To this end, **RadiciGroup companies have adopted Quality, Environmental, Energy, Health and Safety Management Systems**, duly certified by recognized certification bodies and based on a set of well-defined procedures, understood at all organization levels.*

*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 the most exacting requirements and foster continual improvement. As regards the **Environment and Energy**, RadiciGroup is engaged in optimizing performance and working towards targets that can be seen and measured, by investing financial, human and technological resources to monitor and reduce environmental impact. At the same time, the Group is engaged in promoting commitment to the **Environment among its Customers, Suppliers and Workers**, in particular through activities aimed at getting all stakeholders involved. The Group's environmental agenda covers its entire production value chain, including the calculation of the environmental footprints of the main products and services and feasibility assessments of **using ecodesign and circular economy principles**, wherever possible.*

*RadiciGroup management is aware of the fact that worker **Health and Safety** is always a **top priority** and of central importance. Thus, management ensures the application of the safety standards set out in the applicable laws and regulations, regularly verifies compliance with said standards and assesses their effectiveness, with the aim of improving accident prevention and reducing accident risk. Group management also promotes **transparent and collaborative relationships with local authorities and communities**, furthers the implementation of worker consulting mechanisms and encourages **Worker participation in corporate processes**. Moreover, the Group invests sizeable resources in **training Workers to increase knowledge and raise awareness** of how important the contribution of each single worker is in achieving the overall result.*



Angelo Radici

President of RadiciGroup

Maurizio Radici

Vicepresident of RadiciGroup

Letter of the President

Disclosure 102-14



“A sustainable future belongs to those who make it happen, not to those who just imagine it”.

These are the opening words of this Sustainability Report 2020. With these same words, I want to begin this introductory letter to the Report, which represents for me, today more than ever, much more than a list of figures and results. This Report is the story of a year 2020 that put us to the test, but also made us **rediscover the value of working as a team, the importance of facing difficulties with resilience**, an inexhaustible force within each of us and the symbol of our desire to grow and evolve towards a **better tomorrow for everyone**.

A tomorrow that we have not only imagined but that we are already building today by realizing important projects, such as those described in this Report. I would like to mention, for example, the sustainable products that we have produced for the apparel, automotive and furnishings sectors. What is more, the supply and production chain created in record time to provide **personal protective equipment (PPE) to the medical staff at the Bergamo hospital**. Set up in collaboration with local businesses who, like us, reacted to the crisis with courage and entrepreneurial spirit, the PPE initiative started small as a response to a critical need in our local community and then grew in size and importance to become a structured production business. That experience has taught us how essential it is for certain strategic supply chains to be localized in Europe and how important it is to be a **manufacturing group with solid roots, yet a flexible organization** able to weather the storm and adapt to change.

Thanks to our positive attitude, **I am proud to say**, we have been a **reference point for our communities and our Stakeholders, Employees, Customers and Suppliers**, with whom we have shared many challenges. What we experienced last year and are still experiencing this year has made us more vulnerable, but it has also increased our **awareness** of the importance of **our individual actions in achieving common goals**.

The concept of **sustainability has been strengthened** during the pandemic, as evidenced by the **initiatives of**

the European Union and individual member states on emissions reduction, use of renewable resources and promotion of social equity. Today we look ahead, mindful that some of the issues characterizing 2020 will stay with us in the future. First and foremost, attention to Health and Safety, and then digitalization, agile working, research on products and materials with limited impact and attention to the social needs of local communities. These ideas are not new to us, yet they have gained new momentum.

RadiciGroup strategy is aligned with the **United Nations Agenda 2030 and the European Goals**: social sustainability and mitigation of exposure to climate-related risks are and will continue to be key factors of competitiveness in the future.

The results reported in this Sustainability Report are important in that they were achieved in this atypical year, or better still, in spite of this very atypical year. Regardless of the numbers and figures, which, however, still remained positive in all areas, these results bear witness to **our determination in the pursuit of sustainability goals**. Here I would also like to stress the excellent results achieved in the area of renewable energy; in fact, we have substantially fulfilled all our commitments on emissions and resources. The Group's work on an **innovative, circular and low-impact range of products** was especially significant. We plan to continue this line of work with resolve and, in that spirit, in 2020 we created Radici InNova, our consortium specifically dedicated to innovation.

I would like to thank all RadiciGroup Employees, also on behalf of my family, not only for your achievements, but also for the tenacity and courage you have shown during 2020 and are still demonstrating during an equally challenging 2021.

To all of you, I say **“molamia!”**, which in our Bergamo dialect means “do not give up”: not just a motto, but our way to be leading players in a **truly sustainable future**.



Angelo Radici

President of RadiciGroup

Radicigroup

Disclosure 102-2, 102-4, 102-6, 102-7

With approximately 3,000 Employees, sales revenue of EUR 1,019 million in 2020, and a network of production and sales sites located throughout Europe, North America, South America and Asia, Radicigroup is one of the world's leading producers of a wide range of chemical intermediates, polyamide polymers, high performance engineering polymers and advanced textile solutions, including nylon yarn, polyester yarn, yarn made from recovered and bio-source materials, nonwovens and personal protective equipment for the healthcare field. These products are the result of the Group's outstanding chemical expertise and vertically integrated polyamide production and have been developed for use in a variety of industrial sectors, such as: automotive – electrical and electronics – consumer goods – apparel – furnishings – construction – household appliances – sports

The Radicigroup strategy is based on a strong focus on innovation, quality, customer satisfaction and social and environmental sustainability.



*2020 Radicigroup consolidated turnover

A global presence

Europe

Czech Republic

Podbořany

France

Saint Priest

Germany

Lüneburg

Selbitz

Tröglitz

Hungary

Szentgotthard

Switzerland

Stabio

United Kingdom

Wakefield

Romania

Savinesti

Spain

Barcellona

Italy

Andalo Valtellino

Ardesio

Buronzio

Casnigo

Chignolo d'Isola

Gandino

Novara

Villa d'Ogna

Americas

Argentina

Buenos Aires

Rio Grande

Brazil

Araçariguama

São José dos Campos

Mexico

Ocotlán

USA

Wadsworth

Asia

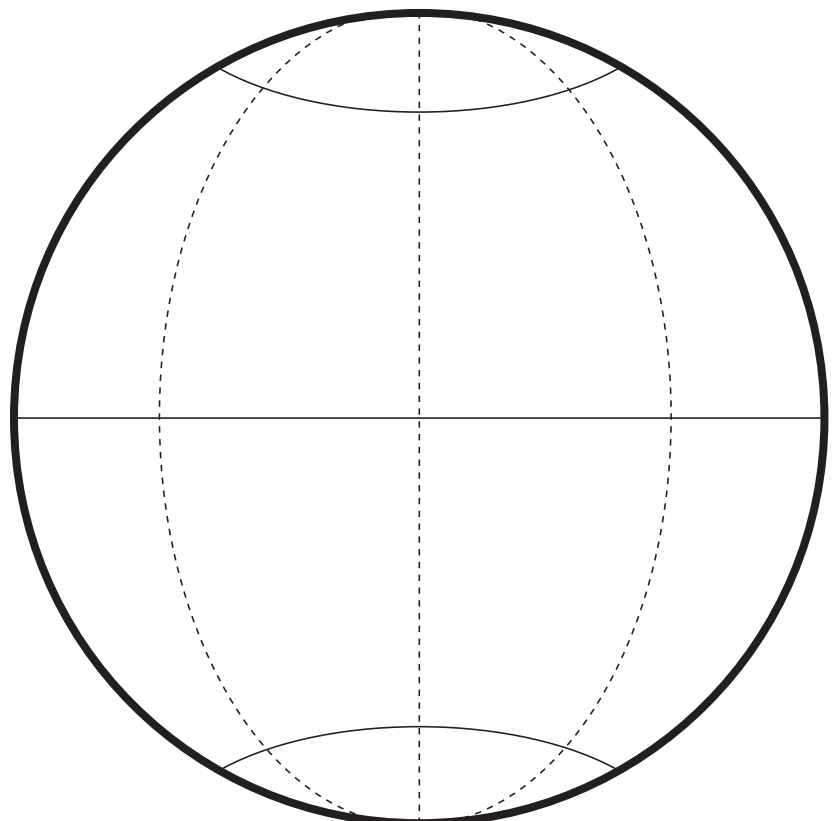
China

Shanghai

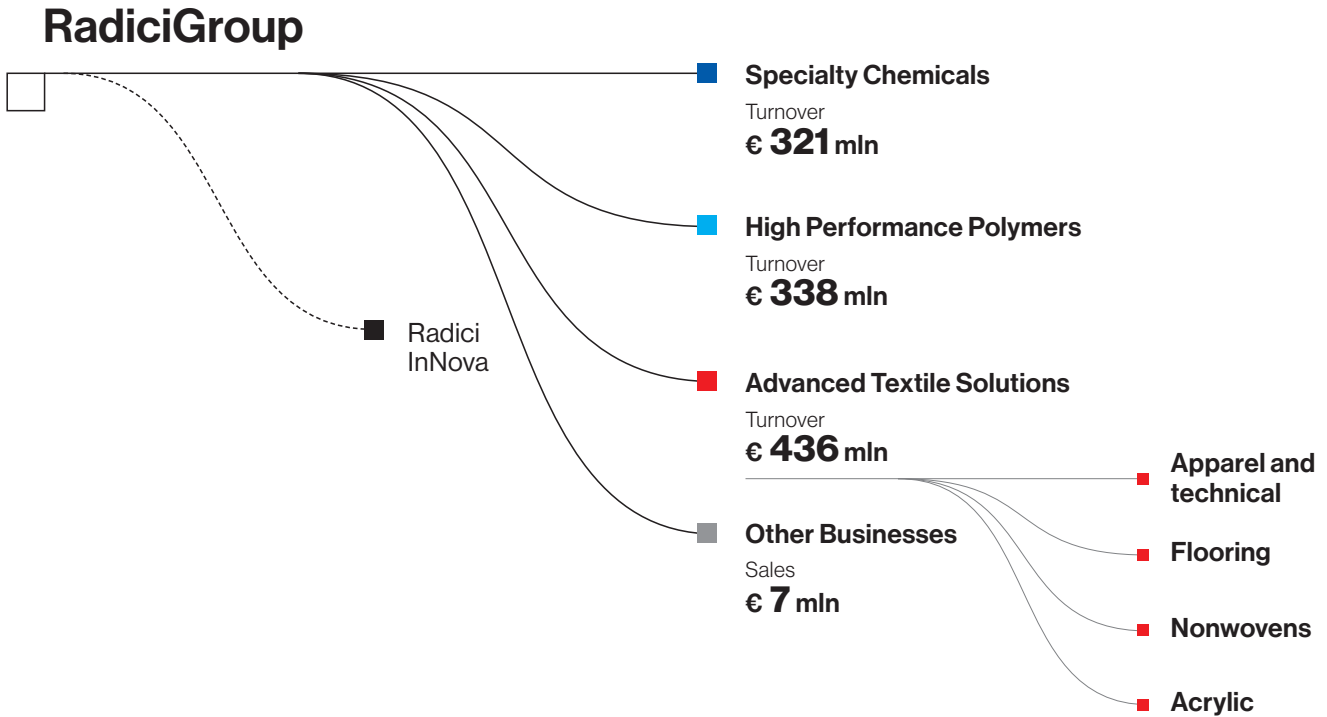
Suzhou

India

New Delhi



Group organizational structure: three macro Business Areas



Radici InNova

The three Business Areas were joined by Radici InNova (Radici Consortium for Research and Innovation [Consorzio Radici per la Ricerca e l'Innovazione S.c.ar.l]), **company** established in December 2019, with the objective of pooling the competencies of all RadiciGroup companies. **The main object of the new company**, which is outside the reporting boundary of this Sustainability Report, **is the development of new research and innovation projects in line with the RadiciGroup sustainability strategy**. Radici InNova is included in the scope of consolidation of parent company Radici Partecipazioni, which is one of the consortium members, in addition to the Group's main manufacturing companies.










RadiciGroup products and sectors served

Disclosure 102-2, 102-6

RadiciGroup products are present in every aspect of everyday life. Their technical characteristics, including durability, high performance and sustainability, make them the ideal choice for the most diverse application needs.





Specialty Chemicals Business Area products

Specialty Chemicals is the Group business area **engaged in the production of chemical intermediates, PA6, 6.6 and 6.10 polymers and specialty polymers**, all of which serve as raw materials for the manufacture of a variety of products, both by Group companies (further processing and the production of high performance polymers and fibres) and by customers.

Brand	Description	 Apparel	 Interiors	 Automotive	 Medical	 Industrial	 Electrical & Electronics	 Sports
	Adipic acid for the production of fibres and PA 6.6 engineering polymers. Hexamethylenediamine (intermediates for polyamides and coatings), AGS (intermediate for polyesters and solvents). Nitric acid, KA oil, esters and chemical intermediates.	•	•	•	•	•	•	•
	PA 6 / PA 6.6 polymers and copolymers. Long-chain PA 6:10 (bio-polymer) and PA 6:12 polyamides. Special polyamides for high temperature applications.	•	•	•	•	•	•	•







High Performance Polymers Business Area products

High Performance Polymers **specializes in the manufacture of high-performance engineering polymers, also from bio-source and recycled materials.** RadiciGroup engineering polymers are materials that can feature different chemical, physical and mechanical characteristics depending on the type of application for which they are intended. They are raw materials directed to a variety of industries, including automotive and e-mobility, electrical and electronics, plumbing and heating, and industrial sectors.

Brand	Description	 Interiors	 Automotive	 Industrial	 Electrical & Electronics	 Sports
	Thermoplastic copolyester elastomers (TPE-E) and thermoplastic styrene elastomers (SEBS and SBS) for automotive, technical/industrial and consumer goods applications.	•	•	•	•	•
	Acetal copolymer (POM) resins.	•	•	•	•	•
	Low-environmental impact polyamide compounds, manufactured primarily with sorted and regenerated secondary raw materials (PA 6 and PA 6.6), obtained from the recovery of industrial scrap.	•	•	•	•	•
	Polyamide and polyester flame-retardant engineering polymers, including a complete range of halogen and red phosphorous-free products.	•	•	•	•	•
	Polyamide engineering polymers (PA 6, PA 6.6, copolymers, PA 6.10, PA 6.12, PPA and other specialty PAs for high temperature resistant applications) for injection moulding, extrusion and blow moulding.	•	•	•	•	•
	Specialty PA 6.6 engineering polymers. The main distinguishing features are high mechanical properties, better property retention with moisture absorption and an excellent surface appearance. Suitable for injection moulding of high mechanical resistance parts.	•	•	•	•	•
	High-performance PPS compounds, characterized by their exceptional chemical/thermal resistance and dimensional stability.	•	•	•	•	•
	Polyester (PBT and PBT compounds) for injection moulding.	•	•	•	•	•
	PA 6.6 compounds, including improved heat-resistance specialties (Torzen® Marathon).	•	•	•	•	•







Advanced Textile Solutions Business Area products

The Advanced Textile Solutions Business Area is **engaged in the manufacture of numerous kinds of products, from polyester to nylon yarn and nonwovens**. Different types of processing, finishing and functionalization are currently available in the Group. These advanced textile solutions are used in numerous industries, including automotive, sportswear, fashionwear, furnishings and medical, wherever applications require components featuring high performance in terms of mechanical resistance, comfort, protection, durability and safety.

Brand	Description	 Apparel	 Interiors	 Automotive	 Medical	 Industrial	 Sports
dorix*	Polyamide 6 staple fibre available in raw white and solution-dyed versions in a range of custom colours.		•	•			
dylar*	High-performance nonwoven spunbond available in 12 to 150 g/sqm, with a wide choice of colours, additives and technical properties.	•		•	•	•	
radifloor*	Polyamide 6 and 6.6 BCF yarn for carpeting, available in raw white and solution-dyed colours and in twisted, thermoset, frieze and air-entangled versions.		•	•			
radilon*	PA 6 and PA 6.6 textile yarn and staple fibre with excellent resistance, breathability and dyeability. Available in raw white and solution-dyed in a vast range of colours.	•	•		•	•	•
radimelt™	Continuous filament nonwoven fabric (from 1 to 5 microns in diameter) with excellent filtering capability for particles of microscopic size, such as viruses, which also ensures breathability and protection.				•	•	
raditeck*	High-tenacity polyamide 6.6 yarn used for the production of technical items that require high performance in terms of resistance and reliability.			•		•	•
rad yarn*	Filo di poliestere greggio, tinto in filo e in massa, additivato (flame retardant, batteriostatico, UV protection) disponibile in versione microfibra, supermicrofibra e bicomponente (PA/ PET).	•	•	•	•		•
starlight*	Raw, solution-dyed and additivated polyester yarn (flame retardant, bacteriostatic and UV protection), manufactured in a vast range of functionalities and custom colours.	•	•	•	•		•

Products across several Business Areas

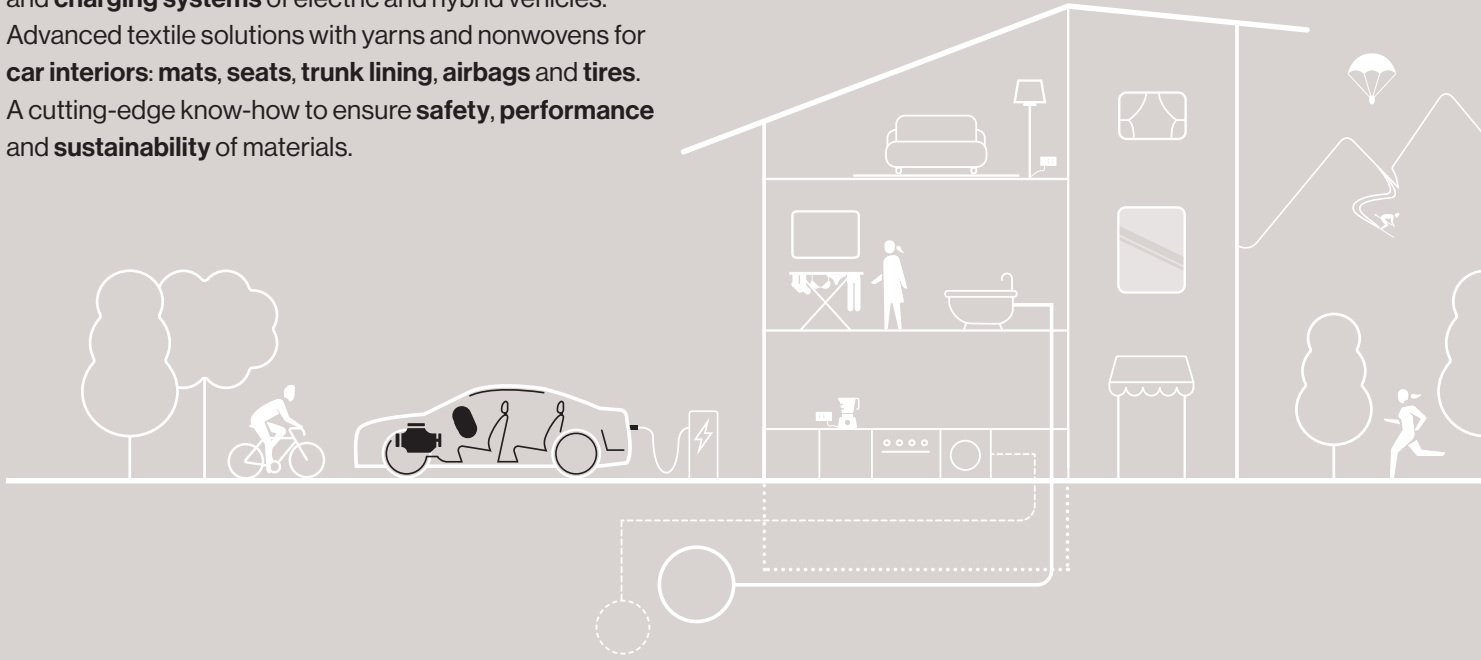
These products are obtained from recycled materials or materials partially or fully of biological origin. This new innovative product range is RadiciGroup's way of putting into practice circularity principles. By assisting customers and the whole distribution chain in their choice of materials, the Group helps conserve natural resources.

Brand	Description	 Apparel	 Interiors	 Automotive	 Medical	 Industrial	 Sport
BIOFEEL®	Range of bio-based polymer, yarn and staple fibre, whose origin is wholly or mainly from renewable sources.	●	●	●			●
RENYCLE®	Polymer, yarn and staple fibre obtained from the recycling of polyamide 6, with excellent performance both in textile applications and in polymers.	●	●	●			●
REPETABLE®	Polymer and continuous polyester yarn derived from flakes from post-consumer recycling (transparent PET bottles). It can boast considerable versatility in the solution-dyed, bacteriostatic and UV stabilized versions.	●	●	●			●
RESPUNSIBLE®	Spunbond nonwovens made from recycled polypropylene, endowed with excellent chemical characteristics along with versatility, resistance and durability. Available in a wide range of colors, additives and technical properties.	●		●	●	●	

Main application sectors

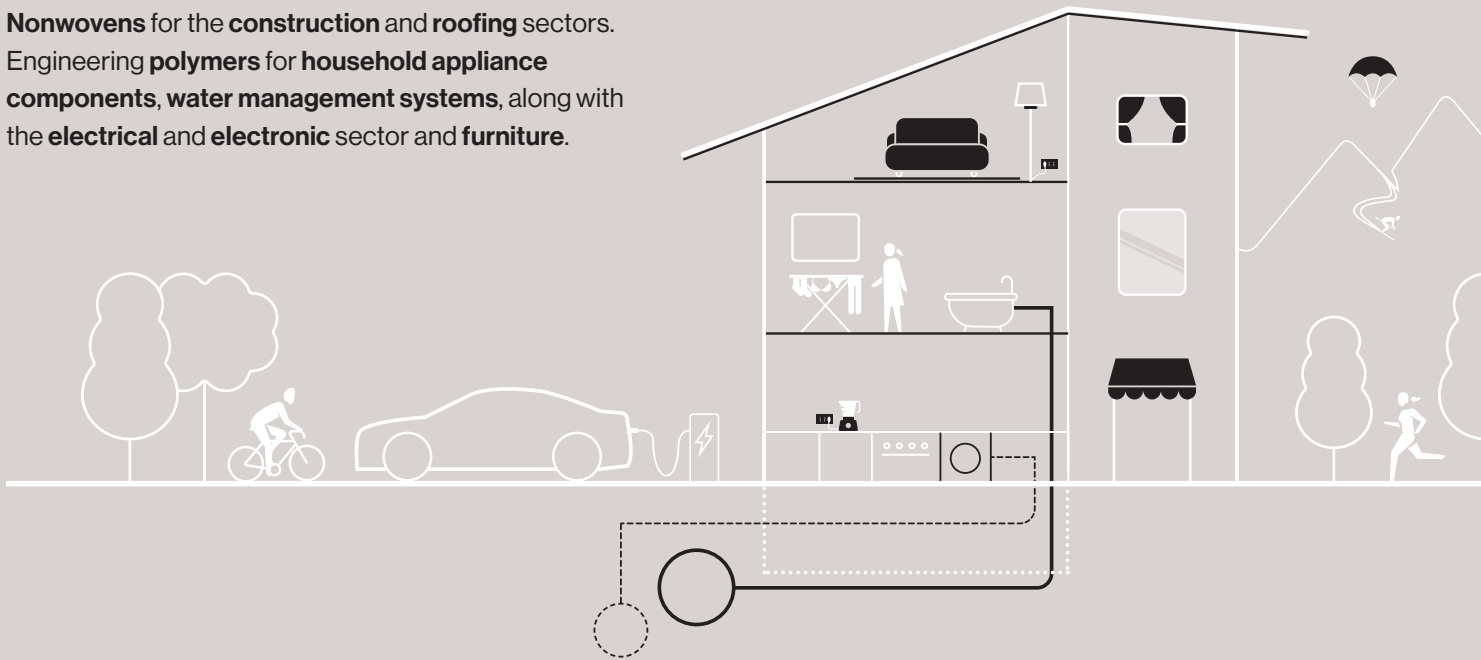
Automotive

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



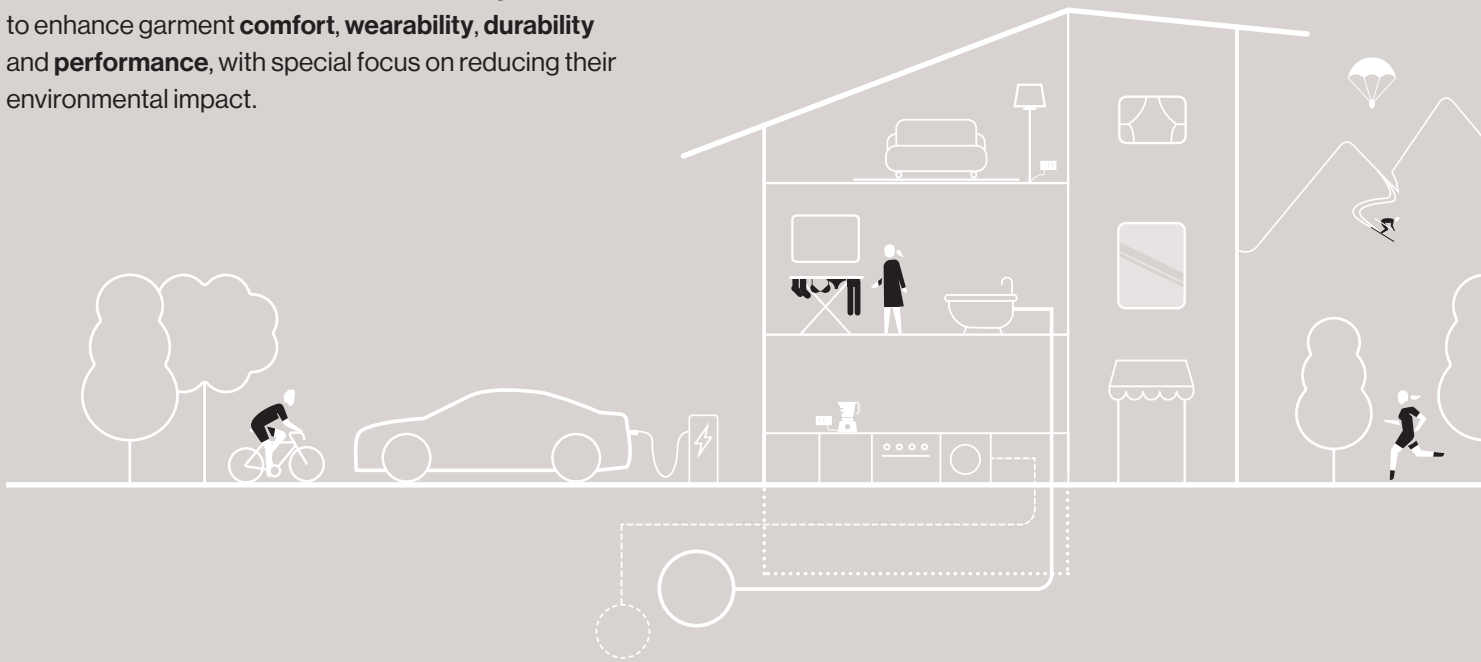
Interior & Outdoor

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**. **Functionalized yarns** to enhance garment **comfort**, **wearability**, **durability** and **performance**, with special focus on reducing their environmental impact.



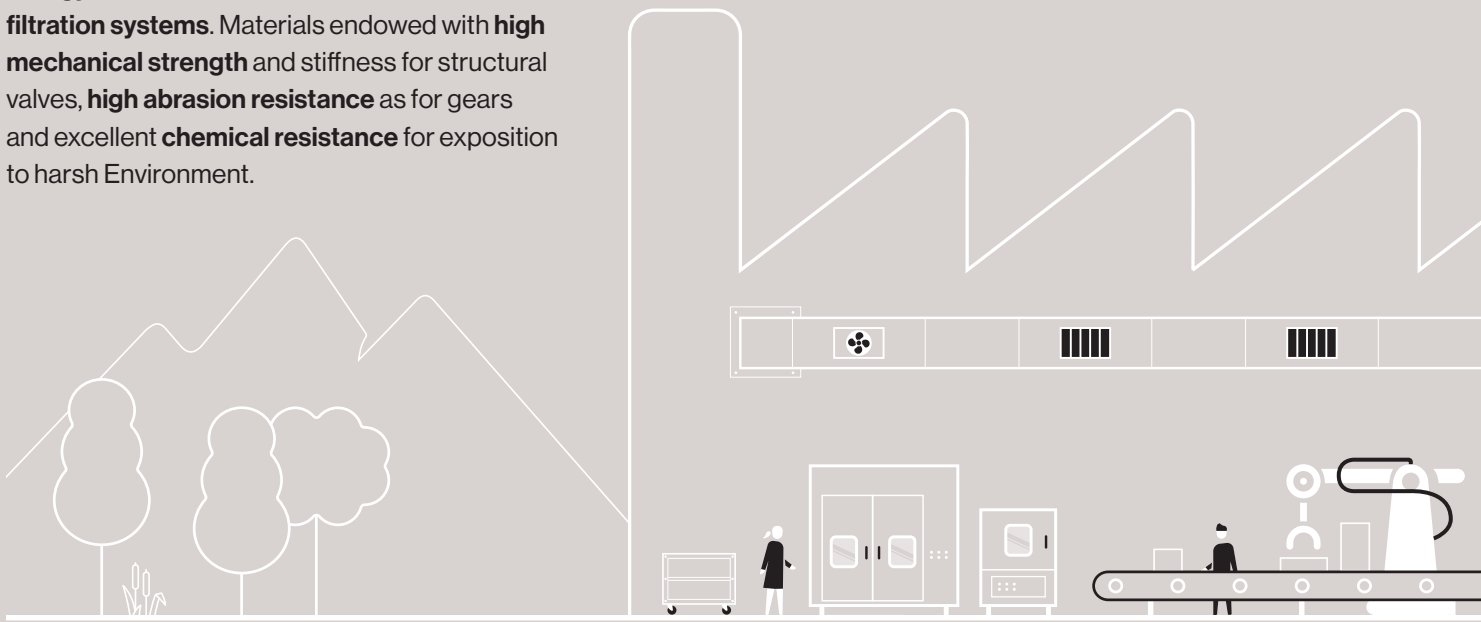
Medical sector

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 protective devices** such as gowns, suits, caps, shoe covers and face masks.



Industrial sector

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



Radici world

Disclosure 102-5

RadiciGroup is a structured and multifaceted reality that, in addition to its core businesses described above, is also part of a larger industrial organization, including textile machinery (ITEMA), energy (GEOGREEN) and hotel (SAN MARCO) businesses. To learn more: www.radicigroup.com/en/documentation/corporate/to-be-glocal

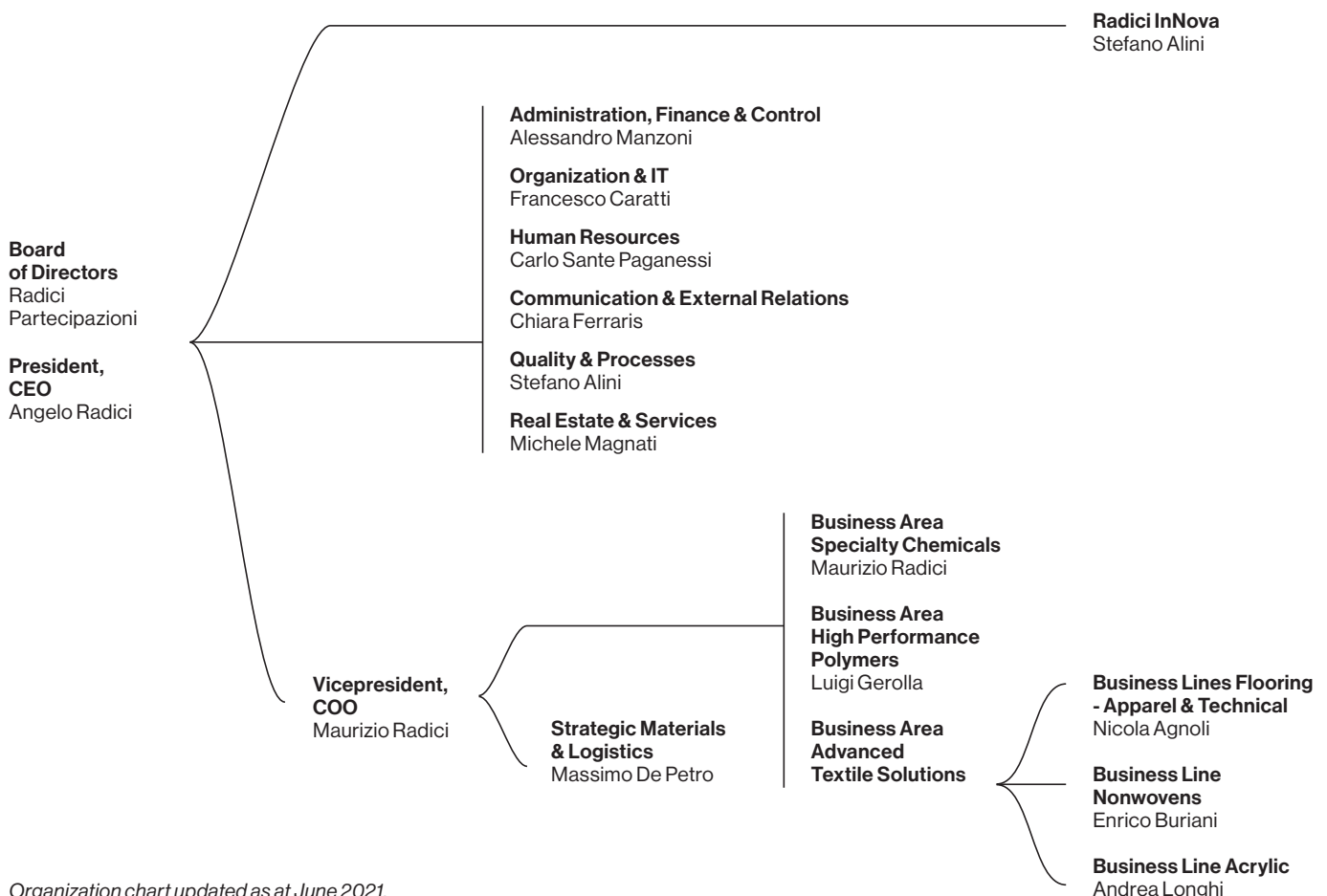
Governance

Disclosure 102-5, 102-18

The governance structure of the RadiciGroup organization is based on direct management control by the Radici family. The latter owns the entire share capital of the Group and sets Group strategy in accordance with the Board of Directors. Angelo, Maurizio and Paolo Radici, in their capacities as President, Vicepresident and Member of the Board of Directors, respectively, have everyday operational control of Group operations.

The Organization

Starting in 2021, parent company Radici Partecipazioni S.p.A. has implemented on a voluntary basis, the organization and management model pursuant to Law Decree [D.Lgs.] 231/2001. The model is an important tool for monitoring and managing the risk of social, environmental and administrative crimes. Drawn up on the basis of the specific characteristics of the Group, the model reinforces the sustainability policies and prevention principles already in place, in a structured manner.



Organization chart updated as at June 2021.

Parent Company and Board of Directors

Radici Partecipazioni S.p.A. is the parent company that groups and controls the industrial businesses in the fields of chemicals, high performance polymers and advanced textile solutions and is under the direct control of its parent company Radicifin S.A.p.A.

Radici Partecipazioni S.p.A. manages and coordinates the activities of all its subsidiaries along the guidelines set forth by the Board of Directors. It also provides centralized services through corporate functions. For administration and control, the parent company has a Board of Directors, with strategic and administrative duties, and a Board of Statutory Auditors. The latter comprises 3 members, holding office for a period of 3 years, who perform a control function over administration. The Board of Directors holds office for 1 year and comprises 7 members, among which the majority shareholders and members with competencies related to industrial, economic, financial, administrative and legal matters.

Business Area Managers

Group production and sales activities are entrusted to operational units (Business Areas), which, at the Board of Directors' behest, set down their business plans and carry them out, after submitting them to the Board of Directors for approval. The Business Areas (BAs) are defined according to the type of production or process technology, and each area, or part thereof, is headed by a manager appointed by the Radici Partecipazioni Board of Directors. Sometimes, BA Managers may also hold the position of managing directors at their respective companies, vested with the power of ordinary administration. With an eye on the future and with the purpose of increasing cooperation and capturing synergies among business area functions, the organization of the corporate functions was redesigned so as to bring out the excellence of each of the corporate processes and valorize the international dimension of the Group. The corporate functions are company-wide points of reference across the Group BAs and agree on their objectives with the Board of Directors, in accordance with the objectives of the individual business areas.

Board of Directors

Angelo Radici
Maurizio Radici
Paolo Radici
Luigi Gerolla
Alessandro Manzoni
Edoardo Lanzavecchia
Pecuvio Rondini

Shareholders

Radicifin S.a.p.A. di
Paolo Partecipazioni S.r.l. Unip.
Angelo Radici Partecipazioni S.r.l. Unip.
Maurizio Radici Partecipazioni S.r.l. Unip.

Supervisory Body

President:
Marco Sella

Members:
Sabrina Di Maio
Carlo Sante Paganessi

Board of Statutory Auditors

President:
Aldo Piceni

Members:
Marco Baschenis
Matteo Perazzi

Founders

Pietro Radici
Gianni Radici

Radici Partecipazioni S.p.A.

President:
Angelo Radici

Vicepresident:
Maurizio Radici

Stakeholders

Disclosure 102-40, 102-43

In this Sustainability Report, the following groups of Stakeholders – defined by the RadiciGroup Sustainability team in 2018 and validated for the 2020 edition – were taken into consideration:

- Environment
- Trade associations
- Group companies
- Shareholders
- Board of directors and management
- Customers
- Communities - discussion and interest groups
- Local communities and territories
- Competitors
- Suppliers
- Banks and insurance companies
- Workers
- Media
- Academic and research institutions
- Control and monitoring bodies
- Trade union organizations

RadiciGroup and its Stakeholders

Some of principles underpinning the relationship between RadiciGroup and its stakeholders are:

- **common goals for social, economic and environmentally sustainable growth,**
- **shared planning and participation, especially with value chain members,**
- **transparent relationships and respect for the roles of everyone,**
- **openness to discussion and mutual enrichment resulting from dialogue and collaboration.**

This kind of relationship between RadiciGroup and its stakeholders is described schematically in the table 51 *“Mapping of Stakeholders, their expectations, risks and opportunities and approach to stakeholder engagement”* in the section on “Building the Report” below.

The following sections will cover the characteristics of the relationships with some special stakeholders more in detail, with a view to sharing a vision of sound, long-term sustainability.

Shareholders

Disclosure 102-18, 102-43

RadiciGroup is a family-run business. Angelo, Paolo and Maurizio Radici are engaged in sustainability-related issues on a daily basis as an intrinsic part of their role as directors. Furthermore, through their leadership role, they also promote social and environmental awareness both within the Group and among all players in the value chain. Moreover, each of the shareholders is personally engaged in public sustainability initiatives. Angelo Radici supports and promotes youth sports activities through the RadiciGroup Ski Club and many other organizations. Maurizio Radici is personally involved in healthcare by supporting the Bergamo Oncological Association. Paolo Radici has worked for years on the recovery of vineyards, respecting nature and its rhythms through the choice of producing certified organic grapes and using energy from renewable sources for production.

Group Companies

Disclosure 102-18, 102-43

Each company, aware of the fact that sustainability is a challenge capable of generating big opportunities, efficiently manages the resources at its disposal and works in collaboration with its contacts on sustainability, innovation, QSE management systems and production to offer the market innovative products with reduced environmental impact and entirely made within controlled, optimized and safe supply chains. Each Group company is also attentive to the economic and social context of the community in which it operates. Site sustainability teams actively collaborate on collecting data for the Sustainability Report, provide input and suggestions to the intercompany coordination groups and, jointly with the latter, develop action and improvement plans for their sites. In 2020, particularly in the period affected by the Covid-19 emergency, the companies played a crucial role in terms of social sustainability, rapidly becoming points of reference for their local communities, for example, through the manufacturing chain set up for the production of medical devices in the Province of Bergamo.

Board of Directors and Management

Disclosure 102-16, 102-18, 102-43

All RadiciGroup top corporate functions work together towards sustainability goals. In particular, the Board of Directors is entrusted with the strategic direction and progressive implementation of a business model based on the principles of environmental, social and economic sustainability. Materiality, risk-opportunity and context analyses, together with the proposals of the various functions dealing with sustainability, support this choice and ensure it is consistent with the Group's general objectives. The Business Area Managers are delegated the task of adapting the corporate strategies to their sites and preparing the related executive plans, in collaboration with the relevant function heads.

The Business Area Managers may promote specific sustainability improvement actions and provide a constant stimulus to the development of a sustainability culture within their respective business areas.

RadiciGroup Workers

Disclosure 102-8 Disclosure 103-1, 103-2, 103,3

The Group has always considered its Workers its main Stakeholders. Starting in February 2020, in the space of a few weeks, people's daily lives, lifestyles and ways of working were disrupted. It was clear from the outset that the Covid-19 pandemic would not only lead to a health emergency crisis, but also to a serious economic crisis. In that context, the Group's strategy to limit and contain the effects of Covid-19 on its Workers was based on:

- **timely adoption of effective measures** in line with the most stringent health protocols;
- **regular updating of the measures** as the situation evolved, always maintaining a high level of caution;
- **keeping all working activities possible operational, strictly under safety conditions;**
- **economic support to Workers** by prompt application of statutory emergency support measures;
- **building team spirit through communication, training** and initiatives in **support of institutions and social associations in the local communities** to which employees belong.

The Employee data for the year 2020 paint a picture with dark and light areas against the background of the health crisis, with absolute employment values slightly on the decrease as a result of the objective difficulties of the period. The most prevalent age group was still "30-to-50", followed by over 50, for both male and female Workers.

On the positive side, as per tradition, the percentage of employees with a permanent employment contract remained very high at 95%, a slight increase compared to 2019, and full-time employment reached 94.8%, practically in line with the prior year, confirming RadiciGroup's constant focus on and protection of its employees. The Group's reputation as a company that values its employees is further reinforced by the percentage of its employees, 91.5%, covered by collective bargaining agreements, which offer better protection than individual contracts.

Disclosure 102-8

Table 01 | RadiciGroup Workers

		Men			Women			Total		
		2018	2019	2020	2018	2019	2020	2018	2019	2020
n	Total Workers	2,367	2,318	2,248	834	842	802	3,201	3,160	3,050
n	Total Employees	2,240	2,249	2,155	824	825	787	3,064	3,074	2,942
n	Total non-employee (temporary) Workers	127	69	93	10	17	15	137	86	108
%	Temporary Workers to total Workers	5.4%	3.0%	4.1%	1.2%	2.0%	1.9%	4.3%	2.7%	3.5%

Table 02 | **Workers by region**

		Men			Women			Total		
		2018	2019	2020	2018	2019	2020	2018	2019	2020
n	Italy	1,373	1,333	1,302	318	327	326	1,691	1,660	1,628
n	Rest of Europe	622	603	557	423	418	369	1,045	1,021	926
n	Asia	69	71	76	24	26	29	93	97	105
n	North and South America	303	311	313	69	71	78	372	382	391

Table 03 | **Employees by region**

		Men			Women			Total		
		2018	2019	2020	2018	2019	2020	2018	2019	2020
n	Italy	1,277	1,292	1,249	311	312	313	1,588	1,604	1,562
n	Rest of Europe	614	597	556	423	418	369	1,037	1,015	925
n	Asia	69	70	71	24	26	29	93	96	100
n	North and South America	280	290	279	66	69	76	346	359	355

Table 04 | **Female Workers by region***

		Women		
		2018	2019	2020
%	Europe	27.1%	27.8%	27.2%
%	Italy	18.8%	19.7%	20.0%
%	Rest of Europe	40.5%	40.9%	39.8%
%	Asia	25.8%	26.8%	27.6%
%	North and South America	18.5%	18.6%	19.9%

* Note: the % of female Workers refers to the geographical area in question.

Table 05 | **Employees by age group and gender**

		Men			Women			Total		
		2018	2019	2020	2018	2019	2020	2018	2019	2020
n	Employees <30 years old	265	262	233	113	108	95	378	370	328
n	Employees 30-50 years old	1,115	1,106	1,033	496	474	439	1,611	1,580	1,472
n	Employees >50 years old	860	881	889	215	243	253	1,075	1,124	1,142

Table 06 | **Employees by gender, age group and region**

			Men			Women			Total		
			2018	2019	2020	2018	2019	2020	2018	2019	2020
n	Italy	Employees <30 years old	107	123	108	25	27	25	132	150	133
n		Employees 30-50 years old	595	572	528	179	165	174	774	737	702
n		Employees >50 years old	575	597	613	107	120	114	682	717	727
n	Rest of Europe	Employees <30 years old	60	60	50	55	54	37	115	114	87
n		Employees 30-50 years old	327	313	292	275	254	209	602	567	501
n		Employees >50 years old	227	224	214	93	110	123	320	334	337
n	Asia	Employees <30 years old	26	13	14	15	9	10	41	22	24
n		Employees 30-50 years old	42	56	56	8	16	18	50	72	74
n		Employees >50 years old	1	1	1	1	1	1	2	2	2
n	North and South America	Employees <30 years old	72	66	61	18	18	23	90	84	84
n		Employees 30-50 years old	151	165	157	34	39	38	185	204	195
n		Employees >50 years old	57	59	61	14	12	15	71	71	76

To Bergamo from China: team spirit turns into solidarity

In March 2020, Radici Plastics Suzhou, a RadiciGroup company specializing in engineering polymer production and based in Jiangsu Province in China, joined a fund-raising drive promoted by the Italian community in Shanghai to send Papa Giovanni XXIII Hospital in Bergamo over 20,000 masks and other medical devices.

In addition to the donation from Radici Plastics Suzhou, the employees of the company (about one hundred strong) also wanted to participate in the drive by joining the initiative of the Italian community in Shanghai coordinated by some native Bergamascans who live and work in the city. A total of over EUR 35,000 was collected to help the Bergamo area cope with the coronavirus emergency. The solidarity campaign continued further with materials and aid delivered to the Piario hospital in the Val Seriana, the area of the Province of Bergamo most severely affected by the pandemic and where some of RadiciGroup's ancestral companies are located.

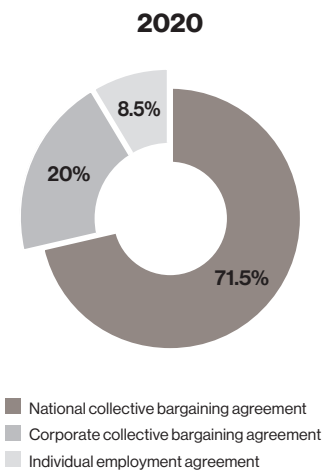
Disclosure 102-41

Table 07 | RadiciGroup Employees by gender, employment contract and employment type

		Men			Women			Total		
		2018	2019	2020	2018	2019	2020	2018	2019	2020
n	Total Employees	2,240	2,249	2,155	824	825	787	3,064	3,074	2,942
<i>of which</i>										
n	Permanent contract Employees	2,092	2,146	2,062	762	768	732	2,854	2,914	2,794
n	Temporary contract Employees	148	103	93	62	57	55	210	160	148
%	Permanent Employees to total Employees	93.4%	95.4%	95.7%	92.5%	93.1%	93.0%	93.1%	94.8%	95.0%
n	Full-Time (permanent + temporary)	2,214	2,222	2,132	709	703	657	2,923	2,925	2,789
n	Part-Time (permanent + temporary)	26	27	23	115	122	130	141	149	153
%	Full-time Employees to total Employees	98.8%	98.8%	98.9%	86.0%	85.2%	83.5%	95.4%	95.2%	94.8%

Table 08 | **Employees by type of bargaining agreement**

		2018	2019	2020
n	National collective bargaining agreement	2,137	2,148	2,103
n	Corporate collective bargaining agreement	637	627	589
n	Individual employment agreement	290	299	250
n	Total Employees	3,064	3,074	2,942
%	Individual employment agreement	9.5%	9.7%	8.5%
%	Collective bargaining agreement	90.5%	90.3%	91.5%

Table 09 | **Permanent Employees by region and gender**

		Men			Women			Total		
		2018	2019	2020	2018	2019	2020	2018	2019	2020
n	Total Employees	2,240	2,249	2,155	824	825	787	3,064	3,074	2,942
<i>of which</i>										
n	Italy	1,277	1,292	1,249	311	312	313	1,588	1,604	1,562
n	Rest of Europe	614	597	556	423	418	369	1,037	1,015	925
n	Asia	69	70	71	24	26	29	93	96	100
n	North and South America	280	290	279	66	69	76	346	359	355

Table 10 | **Permanent and temporary Employees by region - 2020**

		Employees	Permanent	Temporary	% Permanent
Total					
n	Italy	1,562	1,553	9	99.4%
n	Rest of Europe	925	869	56	93.9%
n	Asia	100	17	83	17.0%
n	North and South America	355	355	0	100%

Table 11 | **Employees by employment type and region - 2020**

		Employees	Part-time	Full-time	% Part-time
Total					
n	Italy	1,562	122	1,440	7.8%
n	Rest of Europe	925	32	894	3.4%
n	Asia	100	0	100	0.0%
n	North and South America	355	0	355	0.0%

For the first time at RadiciGroup, virtual greetings from across the world

“At the end of an atypical year, during which it has not been possible to meet in person either at the company or at the usual trade fairs, we would like to send a brief greeting to all our people around the world, aware that it is only thanks to everyone’s contribution and teamwork that we can overcome even the most complex challenges.”

That message was sent by shareholders Angelo, Maurizio and Paolo Radici on 22 December 2020 to all RadiciGroup employees around the world to invite everyone to exchange virtual greetings and wishes on the occasion of New Year festivities. About 100 co-workers were able to meet and exchange greetings in Zoom meetings, and a few of them even managed to meet in person. On behalf of their respective companies, a group of employees wished Merry Christmas in their native language and in English in an informal and participatory manner. The Group shareholders, on their part, greeted and thanked all the people of the Group for their special commitment and tenacity in facing 2020. It was an important and emotional event, which allowed the entire Group team to come together, albeit virtually, in the name of team spirit and friendship.

Compensation

Concerning compensation, the minimum wage levels established by national agreements, corporate agreements and labour market conditions apply by default to all Group Workers. RadiciGroup realizes that a rewarding compensation strategy is one of its main strengths. In fact, the 2020 economic data on the distribution of value added show that the largest portion, more than 52%, went to employee wages and salaries, which confirms that RadiciGroup believes compensation is one of the keys to attracting and retaining the best talent. The compensation schemes adopted by Group companies take into account the responsibility level and individual contribution to achieving organizational 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. Furthermore, the incentive plan for management is based on the Management by Objectives

(MBO) approach and performance is evaluated in relation to Group objectives, company objectives and individual objectives.

Disclosure 401-2

With regard to other employee benefits, where provided (company car, restaurant vouchers, canteen service and special discounts agreed on with stores, sport centres or travel agencies), in 2020, they were made available and/or assigned to employees based on the company agreement and the job position of the individual employee, irrespective of the type of employment or employment contract (full-time or part time, temporary or permanent employment).

In 2020, in order to cope with the inevitable drop in production, the available Covid-19 redundancy payments were activated on a timely basis for part of the Italian Workers, and RadiciGroup paid the Workers an advance on the benefits.

Training and education

Disclosure 404-1, 403-5

In spite of the impossibility to hold in-person meetings during the entire first half of the year, the Group managed to provide a good number of training hours per capita (12), living up to its commitment to training and education as tools for the professional growth of Workers and the cultivation of the spirit of belonging. In 2020, several training courses were held, most of which by remote learning, always operating under the appropriate Covid safety rules. Firstly, in this context, it is important to mention the New Hires course, an intercompany initiative for all Workers at the Group's Italian companies. The RadiciGroup organization, sustainability strategy and safety policy are the key topics in this onboarding training course, designed to ensure that newly hired employees acquire the basic information about their new working Environment, as well as to help the recruits to integrate and feel like active members of the Group from the very start. Onboarding training has become particularly important, in view of the pandemic restrictions on in-person meetings. In addition to the training hours reported, RadiciGroup invested in a broad and structured information systems risk assessment project, which started in 2020 and continued in 2021. The project called "Kaspersky ASAP - Cyber Security" was extended to all Workers worldwide having access to a RadiciGroup account and presumably will be extended to all newly hired employees in the future. Designed to handle the specific degree of risk linked to the various company functions and tasks, the training course uses concrete

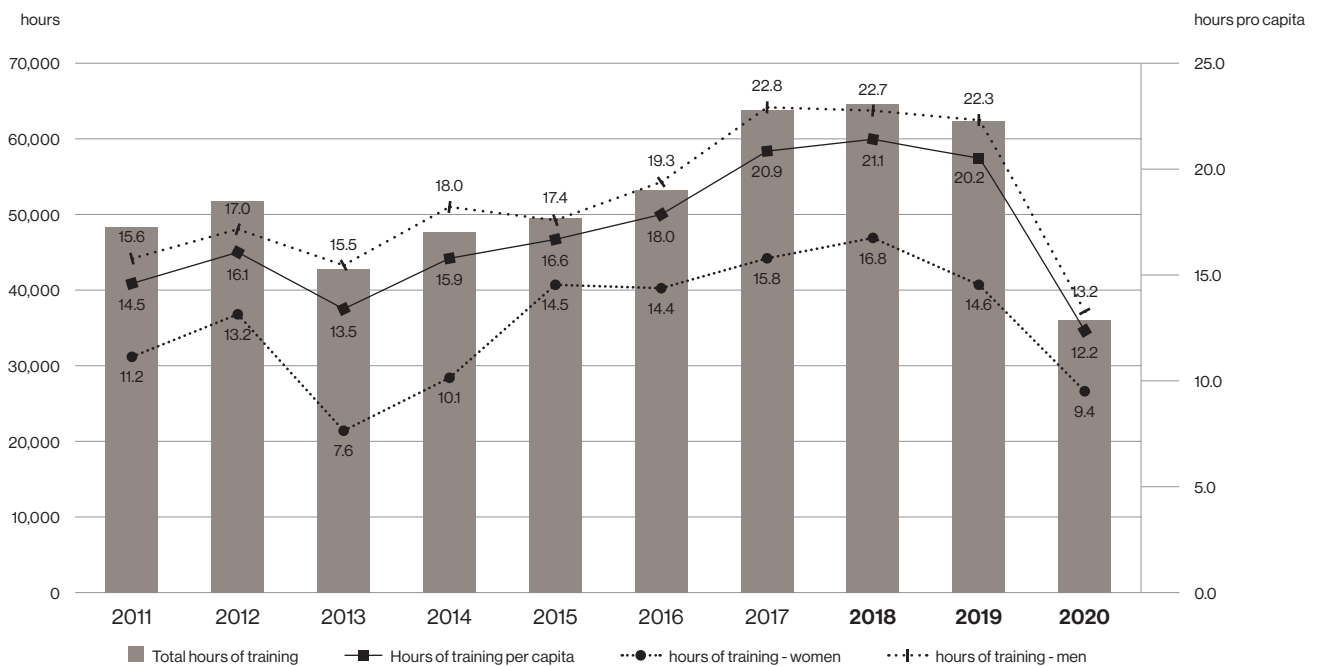
examples, exercises and simulations to examine all the best practices for recognizing and effectively managing real or potential threat situations, such as e-mail, internet access and password handling security risks and malware threats. This training project has become even more crucial in view of the sheer increase in digital interaction. Still another training project, called "Train your Talent", was set up for the fibres area, specifically the staff of the sales, marketing, R&D and technical assistance departments, with the goal of developing and acquiring advanced commercial and relational skills through practical training and the mastering of tools that could then be used in daily work. Lastly, as every year, sustainability was also part of the educational programme through technical courses. In 2020, special attention was paid to Health and Safety, which accounted for more than 50% of the total training hours. Concurrently, a course on the ISO 50001:2018 standard was held, which was extended to all functions that could potentially be concerned by the standard. The objective of the course was to prepare an increasing number of Group sites to achieve the Energy Management Systems standard certification, allowing them to establish and maintain the systems and processes necessary to improve energy performance. This programme has trained several internal ISO 50001 auditors, providing them with all the technical knowledge and methodologies necessary to achieve this qualification, which fosters the adoption and promotion of the internal auditing system among the various RadiciGroup companies.

Table 12 | **Training for Employees**

		2018	2019	2020
hours	Total hours of training	64,608	62,207	35,911
n	Total Employees*	3,064	3,074	2,942
hours /n	Hours of training per capita	21	20	12
hours	Total hours of training - men	50,794	50,174	28,533
n	Total Employees - men	2,240	2,249	2,155
hours /n	Total hours of training per capita - men	23	22	13
hours	Total hours of training - women	13,813	12,033	7,377
n	Total Employees - women	824	825	787
hours /n	Total hours of training per capita - women	17	15	9.4

* at 31/12/2020.

hours	Total hours of training for Health and Safety	34,656	22,825	19,136
%	Hours of training for Health and Safety to total hours of training	54%	37%	53%
hours/n	Italy	9	10	6
hours/n	Rest of Europe	32	23	14
hours/n	Asia	58	48	37
hours/n	North and South America	33	53	27



Radici Plastics Ltda: Zero accidents is possible

For RadiciGroup, social sustainability means the personal growth of people and the development of their skills. The well-being and engagement of employees are two of the pillars of Group policies. With this perspective, in 2020 Radici Plastics Ltda, a Group company operating in Brazil, launched a robust training programme under the banner "Zero accidents is possible", which saw the engagement of all company personnel. Under that project, the company undertook a massive training effort in which internal procedures and policies concerning Workers' Health and Safety (in line with the national laws in force) accounted by far for the preponderant portion of the overall training: a total of 2,200 hours, 30 hours per capita. All the related activities were carried out under the guidance of a team of professionals and consultants, who worked on raising the awareness of the employees on the importance of individual behaviour for collective safety. The programme allowed the company to adhere to the most advanced occupational health and safety management plan and obtain certification to ISO 45001, the international standard for Occupational Health and Safety Management Systems, based on the best practices for worker protection. Furthermore, in order to ensure safe working conditions for employees during the pandemic, a significant part of the training hours in 2020 was dedicated to raising awareness of the measures to combat Covid-19. The publication of printed guides and the display of posters with immediate visual content were essential for effective and widespread dissemination of the measures. In addition to traditional lectures, the training methods used included demonstrations and practical exercises in work areas, carried out over several shifts for a limited number of employees in order to ensure social distancing. Training is an important stage on the path to sustainability undertaken by Radici Plastics Ltda. It also shows the company's desire to create a new corporate culture focused, in particular, on the well-being of employees.

Customers

Disclosure 102-6, 102-16

RadiciGroup has a worldwide customer network, served both through a global distribution network and an international manufacturing operation with plants in the major markets. RadiciGroup production sites and sales offices have followed the evolution of the markets with characteristics varying from region to region and from sector to sector.

In the areas of polymers and chemicals, there is a significant presence of medium- and large-sized companies operating in industries such as automotive and electrical/electronics, which require that suppliers be located close to the manufacturing sites in each geographical area. The operators in the fibres sector are medium-sized or medium-to-small companies belonging to a complex and differentiated value chain. All RadiciGroup customers are processing companies.

In 2020, despite the challenges of the pandemic, the Group continued to take all possible actions to respond to its customers' requests effectively and to cooperate by putting its strengths at their disposal:

- **solid upstream integration with** optimized processes fully under control,
- **a widespread production, distribution and sales network**, as a guarantee of proximity and continuity of supply for customers,
- **constant attention to the challenges of the various sectors, from circularity to green chemistry, sustainable fashion, electrical mobility and med-tech,**
- **innovation oriented, focused for the most part on product and process sustainability**, which translates into products that are safe, durable, recyclable, high-performance and ready to take on market challenges,
- **a propensity to share know-how and make use of codesign,**
- **a strong commitment to ethical business management and transparency**, which translates into products with measured and published environmental impact parameters and allows customers to become an active part of a serious sustainability commitment.

Faced with the extremely difficult context of the first pandemic wave – interruption of global value chains with difficulties in procurement and delivery of finished products and drastic drops in demand differentiated by sector, RadiciGroup put in place strategic continuity plans to ensure, as far as possible, the delivery of the orders received through its sales and technical assistance network. The decrease in in-person meetings with customers went hand-in-hand with an increase in digital contacts. That was accompanied by a transparent and effective communication campaign aimed at providing real and feasible solutions, knowing that customer companies, as well as Group companies, found themselves in situations that differed from one another depending on how and where the virus was spreading over time and the impacts on business, which varied by geographical area and application sector.

RadiciGroup stepped up its efforts in R&D and circularity, responding to the requests coming from customers, who, in many cases, were in a phase of limited production activity and were considering alternatives for reorienting the future development of their business towards sustainability. Furthermore, the new situation strengthened RadiciGroup's propensity to work at all levels of the business chain, taking advantage, on the one hand, of its vertical integration and, on the other, its relations with upstream and downstream stakeholders and customers.

RadiciGroup's increased presence in associations and institutions allowed it to promote projects for the management of critical situations related to Covid-19 and to join the international supply chains created during the emergency crisis, which are now seen as medium-term opportunities for Group companies.

During the second half of 2020, the gradual recovery in demand in several sectors and the consequent resumption of the Group's activities created opportunities for rebuilding customer relationships, using all available means, including, whenever possible, the more traditional ones, but always in compliance with national and corporate anti-Covid protocols. The restrictions on personal relationships experienced at the beginning of the year caused the market to focus even harder on the search for psychological and physical well-being, the environment and the creation of a quality living and

working ambience. An overall positive effect of the situation was increased interest in RadiciGroup products, which are characterized by durability, quality and low environmental impact, for sectors such as furnishings, apparel and automotive, and in a variety of industrial applications. It was also possible to explore new needs across the board with customers, working together to produce products such as polymers, fibres and nonwovens for the medical sector, specifically for health protection, safety and the well-being of people.

To learn more about the Customer Code of Conduct, which explains the ethical commitment of the Group to its customers: www.radicigroup.com/en/sustainability/ethical-guidelines/client-conduct-code

Suppliers

Disclosure 102-9, 102-10

Strategic Materials and Logistics function

The Group production processes are extremely diversified and complex, starting with raw materials: caprolactam, phenol, olone (cyclohexanol-cyclohexanone mix), ammonia, adiponitrile, and polypropylene, polyethylene and polyester polymers, which are absolutely essential materials for RadiciGroup processes.

The Strategic Materials and Logistics function is responsible for centralized coordination of the various procurement process phases and management of raw materials purchasing. The tasks of the function thus include: negotiating contractual conditions, procurement logistics and distribution to RadiciGroup sites, safe storage and monitoring the risk of big suppliers.

There are about 70 strategic raw materials suppliers worldwide on framework agreements. These suppliers account for about 65% of Group procurement costs and are essential for all RadiciGroup production processes.

Packaging and Transportation is another department of the Strategic Materials and Logistics function. After raw materials, transportation is the second most important item purchased by the Group. The aim of the function is not only to optimize logistics flows, contributing to improvement in product lead times, but also to find lower environmental impact solutions, such as intermodal transport.

Real Estate and Services function

The Real Estate and Services function is assigned tasks that are part of supply chain activities, including coordinating at the corporate level and supporting the individual business areas on matters concerning service procurement, such as telecommunications and information technology, domestic and international shipping, car fleet management, handling of trade fair events and travel arrangements.

The suppliers related to this function are predominantly mid-sized domestic companies. For services used in the daily operations of Group companies, the suppliers may sometimes be local family-operated businesses. This deliberate choice has been made to retain value added within the local community by fostering the development of associated local businesses as much as possible.

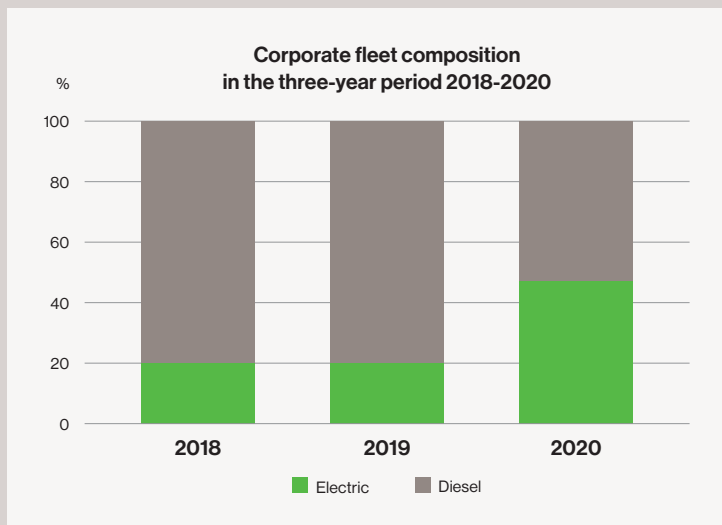
Among the main tasks of the function are the preservation and valorization of the companies' real estate and the monitoring of sites during decommissioning and renovation of brownfield sites. In all these cases, the function will usually seek the collaboration of mostly local companies and/or professionals, giving priority to professionalism and excellence in carrying out the assigned activities.

During the first few months of 2020, Real Estate and Services was mainly involved in coordinating the Group's sites in managing the Coronavirus emergency, in particular with regard to the procurement and distribution of personal protective equipment essential for the companies' regular operation.

Additionally, the function carried out work on reprogramming and remodelling office workspaces to allow for social distancing. During the second half of the year, Real Estate and Services worked on managing renovation work on a decommissioned Group site, which is planned to host new RadiciGroup projects in 2022.

Corporate fleet - greener in 2020

Saving the environment through action. This is RadiciGroup's approach to the environment. And this also includes acknowledging the fact that individual choices play a crucial role in the transition towards a more sustainable planet. RadiciGroup has already developed and brought to the market a range of products targeted at the low-environmental-impact vehicles of the future. Now, the Group has also thought of new more sustainable solutions for its collaborators, as well. The makeup of the corporate fleet, through the long-term leasing of increasingly greener cars, is evolving decisively towards a more ecological model of travel. In fact, if in 2018 and 2019 only one employee out of four could travel in a low-environmental-impact car, in 2020, as the result of a new corporate policy directed at increasing the quota of electric and hybrid cars in its corporate fleet, the percentage of cars with electric motors more than doubled to 47%. Concurrently, in the three-year period 2018-2020, there was a significant reduction, from 76% to 53%, in diesel vehicles under lease agreements.



This strong downtrend was also fostered by the introduction of a variety of solutions in the market: Mild-Hybrid, Plug-in, Hybrid and Full Electric, which in past years accounted for only a minimal quota of the Group car fleet. In anticipation of significant further growth in Plug-in and Full Electric vehicles, in 2021 RadiciGroup installed electric vehicle (EV) charging stations on the infrastructure at its main Italian sites. These EV charging points are powered by 100% renewable energy from the Group supplier-partner Geogreen. The EV charging infrastructure will accelerate the transition to electric vehicles and strengthen the Group's commitment to the environment, thanks to the special sensitivity of Group employees to such issues.

Table 13 | RadiciGroup Suppliers by sales and region

RadiciGroup Suppliers by 2020 sales	
Strategic raw materials	from eur 430 to EUR 450 million
Packaging and transport	about EUR 55 million
Maintenance and utilities	about EUR 95 million
Other goods and services	about EUR 92 million
RadiciGroup Suppliers by region - % of 2020 sales	
Europe	about 85% of sales*
Asia	about 10% of sales
North and South America	about 5% of sales

* Of which, about twenty key suppliers with sales over EUR 10 million.

Covid-19 and the supply chain

Disclosure 102-15

In 2020, the Covid-19 pandemic also raised challenges in the procurement of raw materials. A natural consequence of the restrictions introduced to contain the contagion was the stoppage of many production activities, as well as reduced goods mobility, which called into question the robustness of the supply chain.

In order to ensure the continuity of the Group's activities and honour the agreements with customers, a dedicated task force was set up, which worked in close collaboration with suppliers to avoid disruptions in the flow of materials and manage available stock, thus mitigating the consequences of any potential disruption in the supply chain. The inconveniences caused by Covid-19-induced border and port closures during the beginning of the pandemic were handled by leveraging the global dimension of the Group.

Due to the solid relationships it had cultivated over the years with its suppliers and its rigorous stock management, RadiciGroup did not experienced any significant interruptions in its supply chain and thus was able to ensure an adequate level of service to its customers, even during the most difficult phases of the crisis. Under those circumstances, supplier flexibility was a valuable asset.

For its part, RadiciGroup ensured loyalty to all its suppliers, even the smallest ones, by protecting them through the strict health protocols put in place at its production sites. Moreover, despite the complex economic situation, RadiciGroup ensured timely payment for all its supplies, in order to protect the livelihood of supply chain Workers.

Monitoring the supply chain

Disclosure 102-15, 102-40

RadiciGroup conducts regular monitoring activities of the market and supplier companies, as well as risk surveillance activities to protect itself against unexpected shortages or sudden changes in raw materials prices, thus preventing the occurrence of any disruptions in its services to customers. The Group's various business areas also conduct supply chain monitoring, on their own, from the point of view of safety and conformity of the finished products supplied. During 2020, in addition to the monitoring activities described above, a health protocol was introduced for all supplier employees visiting the Group companies in person.

To learn more about the Supplier Code of Conduct, which explains the ethical commitment of the Group to its Suppliers: www.radicigroup.com/en/sustainability/ethical-guidelines/conduct-code

Local Communities and Territories

Disclosure 102-40, 413-1 Disclosure 103-1, 103-2, 103-3

To better understand the relationships that RadiciGroup builds with the communities where its businesses are based, here are some informative details:

- **RadiciGroup is a family-owned-and-operated business.** Some members of the Radici family, including the shareholders, reside and are physically present in the areas where RadiciGroup was founded and operates,
- **all the historic RadiciGroup companies are located near urban areas, or are even part of the urban fabric itself.** In some cases, the name of the place has become synonymous with the name of the company, and vice versa,
- at the same time, **many of these companies are also situated in mountain areas, or in close contact with rivers, woods, protected areas and cultivated fields,**
- an internal survey conducted regularly, most recently in 2019, found that **about 80% of RadiciGroup Workers in Italy actually reside within a 20-km radius from the Group company where they work.** Therefore, the Workers are residents of the host communities.

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 internationalization, playing out in its approach to cultural diversity that includes progressive integration and exchanges with foreign cultures. RadiciGroup's contribution to local development can be measured not only in terms of economic growth, but also in terms of a production culture that its companies have spread throughout the world with their high health and safety standards. Furthermore, the Group supports many local social, cultural and sport organizations, mostly in medium-to-long projects, often aimed at youths.

Disclosure 415-1

Although it maintains political neutrality and does not support any political party, RadiciGroup is constantly in contact with the local authorities in the areas where its companies are located and keeps up transparent collaborative relationships with them. Local communities show RadiciGroup their support and express their feelings of closeness in a variety of ways, also through their excellent attendance at public events organized by the Group. RadiciGroup can also take advantage of the manufacturing know-how that exists locally and can rely on the fact that the surrounding communities have always been characterized by an inclination for organizational and production flexibility. For a substantial portion of services, the Group uses local suppliers with whom it has established a relationship of trust and loyalty, as described in the section of the Report dedicated to the supply chain.

Logit and its engagement with the community

A common trait shared by all RadiciGroup companies is the propensity to create strong relationships with host communities. For some years now, Logit Sro, the Group company operating in the Czech Republic, has also been supporting the local community through a foundation by the same name. The purpose of the Foundation is to support non-profit organizations and informal citizens' initiatives working to improve the quality of life of the Podbořany region inhabitants. In 2020, Logit Sro showed its social commitment through the launch of initiatives focused on key social issues: child protection, education, sport and inclusiveness. In a year of lockdowns and social restrictions, children of all ages had to give up school and all moments of socialization. In this context, the Logit Sro Foundation launched several initiatives aimed at helping the youngest children to overcome pandemic anxiety:

- a rehabilitative horse-therapy programme designed to stimulate the development of the emotional side of about thirty young children,
- an after-school science learning course with games and experiments tailored to primary school pupils,
- an initiative to support the local art and drama club in carrying on activities involving kindergarten and primary school children.

Sport disciplines also received special attention, in keeping with the Group policy that has always supported sports in general. The Foundation donated uniforms and sports equipment for training and competition to the local football teams, including a total of thirty-six children aged between six and twelve.

Finally, Logit promoted an event to mark the recovery after the first Covid-19 wave: a fishing competition involving some eighty-five children, an initiative that is set to be repeated in the future, given the remarkable success of the 2020 edition.

Schools

RadiciGroup believes that its social role in local communities embraces schools and thus takes concrete steps to encourage collaboration between industry and education through dialogue, cooperation and codesign, in line with the United Nations' Goal 4: "QUALITY EDUCATION".

The RadiciGroup "Education" project stems from the role in the community the Group envisions for its companies. For years now, this project has created and strengthened collaboration relationships between the Group and schools in areas where its companies operate.

The "Education" project is a sign of RadiciGroup's deep concern for young people, who represent the future of the communities and the future of the Group itself. Therefore, in spite of the Covid-19 crisis, it was decided not to pause the "Education" project, but to continue the meetings remotely, so as to continue to remain close to the students and be a beacon for their professional growth. In 2020, the activities undertaken as part of the "Education" project included:

- work experiences at Group companies for students of local vocational schools,
- internships for university students,
- extra-curricular internships that have enabled students to be hired at Group sites,

- in-person visits and lectures at company sites, when allowed, and meetings with local entrepreneurs,
- career interviews, under the supervision of RadiciGroup, to guide young people in planning their educational path in view of their professional future,
- webinars conducted by RadiciGroup experts.

Once again in 2020, sustainability was the main topic of the joint school-company experiences. Particular attention was paid to topics such as sustainability reporting, measurement of product impact based on the Life Cycle Assessment methodology, engineering polymers and water.

Within the framework of the "Education" project, a special award, the "BAQ – Bollino per l'Alternanza di Qualità" [School-Work Alternation Quality Stamp], was given to Radici Novacips for the second year in a row by Confindustria Bergamo [Bergamo chapter of the Italian Manufacturers Association].

The award recognizes companies that promote highly educational school-work alternation collaborative programmes for upper secondary and vocational school students.

RadiciGroup supports the graduating upper secondary students in Bergamo through the #maturitàolamia initiative promoted by Confindustria Bergamo

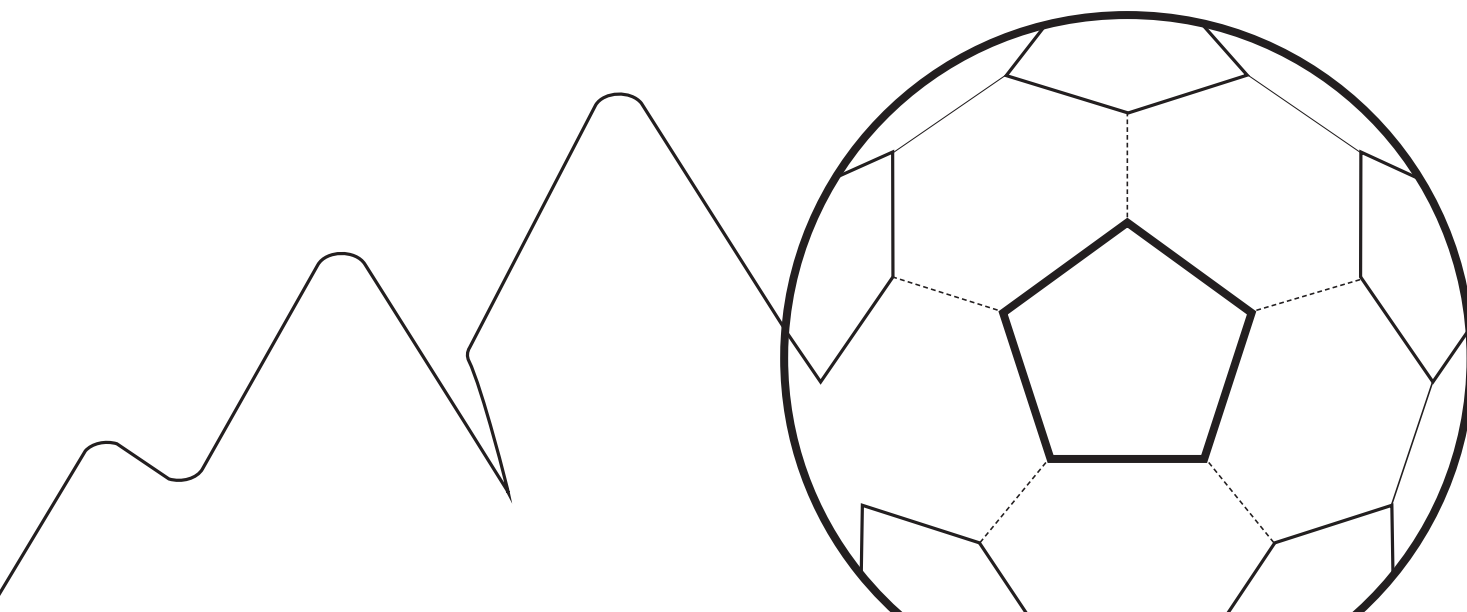
In June 2020, RadiciGroup joined the #maturitàolamia [do not give up on the final exam] initiative promoted by Confindustria Bergamo and its member companies in support of the 8,503 upper secondary students of the Province of Bergamo getting ready to take their graduation exams. The students, survivors of a troubled school year, received an aid kit containing a notepad, an exercise book, hand sanitizer and a surgical face mask certified by the Italian National Institute of Health [Istituto Superiore di Sanità] and made of nonwoven fabric from RadiciGroup, in collaboration with local companies in a 100% made-in-Bergamo supply chain. The kit was intended to contribute to a safe return of the students back to their classrooms in person, after a long absence dictated by the Coronavirus health crisis.

Sport associations

RadiciGroup has constantly given much attention to the problems of the young generation and value-based education, which can also be delivered through sports. Sport and work activities are based on the same values: sacrifice, hard work and determination to improve and achieve ambitious goals.

RadiciGroup supports numerous sport 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. The Sci Club RadiciGroup [RadiciGroup Ski Club] is a good example of this kind of organization, with over 100 athletes aged between 6 and 18.

Furthermore, RadiciGroup is an official Sponsor of the Atalanta Bergamo Football Club, a team very close to the hearts of all Group employees, who are invited to special engagement events featuring the participation of the Atalanta players.



RadiciGroup and Atalanta: sport and solidarity with the community

RadiciGroup and Atalanta B.C. announced the continuation of their partnership during the 2020-2021 football season. A testimony to their shared values and, above all, their deep attachment to the territory and communities of the Province of Bergamo. RadiciGroup has long been tightly bound to the Nerazzurri jersey. The Atalanta jersey is a symbol of a territory and a population that is hardworking and humble, rich in values and aware of its traditions, and strives with determination and teamwork to achieve important goals. All these are traits that Bergamo and its people have in common with the Atalanta team and RadiciGroup.

At a time, in which Bergamo had been put to a tough test by the pandemic, the Group decided not only to renew its support to the football team, but also to have its logo in the heart position on the chest of the main jersey of the Italian Football Championship and Italian Cup. Such emotional and physical closeness with a strong symbolic meaning was also taken up in a RadiciGroup corporate video, released on Valentine's Day 2021, which was shot with the participation of Atalanta players. The clip visually narrates the emotional parallelism between the everyday actions at the company and the typical plays of a football team.

A partnership that goes beyond sport. In the first months of 2020, the two partners decided to support the field hospital set up by the National Alpini Association [Associazione Nazionale degli Alpini] on the premises of the Bergamo Fairgrounds, by contributing to the purchase of all the oxygen therapy equipment needed for about 200 beds for the treatment of Covid-19 patients.

Media

RadiciGroup acknowledges the importance of the transparent communication of its activities, avoiding self-promotion and green washing, and reaffirms its commitment to the reliability and completeness of its information, through its relations with the media.

The large scale restrictions due to Covid-19 have had major repercussions on every aspect of social and work activities, including communication to the media (and stakeholders, in general). In this scenario, technology has proven to be essential, by providing digital connectivity solutions that have made it possible to continue interacting with people on a regular basis.

During the first half of 2020, communication to the media was entirely dedicated to the Covid-19 crisis. Through corporate statements and direct personal interviews, top management highlighted, the efforts made to protect the health and safety of employees, on the one hand, and the Group's commitment to provide support to local communities during the first wave of the pandemic, on the other. Special attention was given to all the initiatives undertaken by RadiciGroup in Brazil, China and Italy. These actions demonstrated not only the Group's social engagement, but also its ability to identify opportunities for innovation during the crisis. During the second half year, in its communications, RadiciGroup returned to covering topics more closely related to business, such as the launch of new products, sustainability achievements and brand awareness.

The Group's long high-level relationships the major Italian and foreign newspapers and its quality relationships with industry magazines ensured effective and continuous communication to stakeholders about the Group's developments. Proof of that can be found in the press review available at www.radicigroup.com/en/service/press/financial-results which provides a list of all the main articles selected from among the approximately 2,000 articles concerning the Group during the reporting year.

The main social platforms – LinkedIn, Facebook, Twitter and Instagram – were again used in 2020 to inform and create communities of interest around topics and events relevant to the Group. All the results related to these platforms have shown an uptrend, and the sentiment analysis conducted on a regular basis has consistently shown largely positive results. In particular, on LinkedIn, the social media considered most relevant for the Group, the number of followers rose significant from 15,018 in December 2018 to 22,484 in December 2020. Last year, increased effort was made to communicate through LinkedIn, leading to over 100 posts that generated over 170 comments and an overall total of 1,300 shares. This goes to show that not only the importance of this particular social platform is growing, but so is the level of interaction with stakeholders. In order to exploit the full potential of this tool, an internal international training course involving many professionals in the Group was organized in 2020 and is to be concluded in 2021. The objective of the course is the development of individual competencies at the service of Group brand awareness and strategic issues.

Trade Associations and Competitors

Disclosure 102-13, 102-4 Disclosure 103-1

RadiciGroup attaches ever-greater importance to being a member of trade, industrial and scientific associations. These organizations cover the whole production chain from upstream to downstream and are important pre-competitive resources, where it is possible to:

- **collectively develop research projects and address key present and future challenges** related to products and systems,
- **share competencies and potential risks in the development of common solutions** to meet new needs arising in the market,
- **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 Group's presence in the various organizations, together with the presence of numerous competitors in an open and direct setting, testifies to RadiciGroup's full respect for all players on the scene and for the rules of commercial fairness.

Table 14

Main RadiciGroup memberships in trade and other associations in 2020	RadiciGroup company enrolled in 2020
CIRFS - European Man-Made Fibres Association 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 S.p.A.
Specialty Chemicals	
FEDERCHIMICA CONFINDUSTRIA Novara - Vercelli - Valsesia CEFIC - EUROPEAN CHEMICAL INDUSTRY IBIS - Consortium for Sustainable Chemistry SPRING	RADICI CHIMICA S.p.A.
NORDOSTCHEMIE IHK (Industrie- und Handelskammer)	RADICI CHIMICA GmbH
High Performance Polymers	
CHEMIE WIRTSCHAFTSFOERD. GMBH	RADICI PLASTICS GmbH
CONFINDUSTRIA FEDERCHIMICA PLASTICS EUROPE AISBL (BE) PLASTICS EUROPE Italia tramite Plastics Europe Bruxelles PINFA - Flame Retardants Association PROPLAST UNIPLAST - Italian National Plastics Standards Body TMP COMITATO ELETTROTECHNICO ITAL.	RADICI NOVACIPS S.p.A.

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	TESSITURE PIETRO RADICI S.p.A.
CONFINDUSTRIA	RADICI YARN S.p.A.
Neamt Chamber of Commerce and Industry Textile Patronal Federation	S.C. 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 - Sinitêtil Sindicato Indústria Fiação Tecelagem Estado São Paulo	
CIESP - Centro das Indústrias do Estado de São Paulo	
CONFINDUSTRIA FEDERCHIMICA WITH ASSOFIBRE	RADICIFIL S.p.A.
Italian-Czech Chamber of Commerce	RADICIFIL S.p.A. – LOGIT Sro

Also in 2020, RadiciGroup maintained a strong membership presence in various trade associations.

In many of them (such as CIRFS, Responsible Care, Confindustria, ICESP and Sistema Moda Italia), the Group actively participated in specific projects on sustainability, often as members of the coordinating bodies, which allows for a wider view on the diverse issues.

Among the main challenges dealt with were sustainable fashion, e-mobility, safe and low-impact products, the circular economy and a growth model based on low emissions of carbon dioxide.

The road to Sustainability | integration into corporate strategy

Disclosure 103-1



Ever since the 1950s, when RadiciGroup founder Pietro Radici started recycling textile waste from wool blankets, attention to resources, together with special consideration for Workers, has been a cornerstone of the Group's production activities. In those days, the company founder and his son Gianni knew all their Workers on a personal basis. Although today such close relationships are no longer possible, care for human and entrepreneurial aspects have remained in the Group's DNA and have become specific and well-defined sustainability choices. From internationalization and international management respecting local cultures and local environments to investments in the reduction of environmental impacts, all the main steps on the path to sustainability have had the imprint of the founders. With time, a more rigorous approach has been adopted, utilizing the measurement of the environmental impacts and full transparency in communicating environmental and social performance. Today, the RadiciGroup sustainability strategy is aligned with the UN Sustainable Development Goals, and among the most important challenges is the creation of long-lasting value that is shared with its stakeholders, the

“architects” of the Group's success. A principle that, year after year, has diverse objectives:

- **Creating value for the Workers**
 - Ensuring a solid relationship through mostly permanent employment contracts and collective bargaining agreements.
 - Respecting human rights in every country in the world.
 - Protecting Health and Safety.
 - Building professional growth through mentoring side by side with more experienced partners, training, and a career path.
 - Engaging people through daily dialogue, as well as information and communication tools made available by the Group.
- **Creating value for the Environment**
 - Fighting global climate change and the decline in the planet's resources by setting and pursuing ambitious goals supporting the implementation of Agenda 2030.

- Adding more circularity to the current business model.
 - Decoupling production/economic growth from consumption of resources, particularly if not renewable, and making the best use of available renewable resources.
 - Investing in products and processes with reduced impact.
- **Creating value for the entire Value Chain**
 - Investing in innovation as a strategic driver.
 - Making products that are long-lasting, safe, high-performance and with limited and measurable impact, thus creating continual sustainable value in the value chain.
- **Creating value for Local Communities**
 - Actively contributing to the vitality of the host territories, which are often disadvantaged by geographical location and lack of infrastructure.
 - Helping the younger generation, so that they will be able to find opportunities for growth and work in their home communities.
 - Supporting local sports and cultural activities.

Viewing the RadiciGroup Sustainability Report through the materiality matrix

The RadiciGroup materiality matrix, which was created as described in the section “Building the Report”, explains how sustainability was incorporated into the daily operations at RadiciGroup on the basis of specific topics. The material topics are those environmental, social, economic and product issues that are of absolute relevance to the Group. The following sections will analyse these topics in detail, report the measured values for Group performance indicators, and highlight the numerous cases of excellence in company operations during 2020.

RadiciGroup materiality matrix	
ENVIRONMENTAL DEVELOPMENT	Energy
	Emissions
	Water
	Waste
	Raw materials
	Sustainable product innovation and measurement of product environmental impacts
SOCIAL DEVELOPMENT	Employment
	Occupational Health and Safety
	Employee training and education
ECONOMIC & MANAGEMENT DEVELOPMENT	Economic performance
	Customer satisfaction
	Compliance
	Certifications and integrated management systems

Economic performance

Disclosure 103-1, 103-2, 103-3 Disclosure 201-1

In 2020, RadiciGroup's economic performance followed the pattern of the spread of the Covid-19 pandemic, with a sharp drop in demand during the first half of the year, after the introduction of lockdown measures, followed by a discrete recovery between September and November, partially hampered by the new outbreak of contagion in December.

The Group closed financial year 2020 with consolidated sales revenue of EUR 1,019 million, limiting the decline to 6.7%, compared to 2019. Conversely, EBITDA reached EUR 173 million, up by 4.4% compared to the prior year, and net income for the year, after depreciation, amortization and writedowns, was EUR 87 million (+8.1% compared to 2019).

Efficiency, production flexibility and investment in research and development, especially in circular products and low-impact products, as described in the product section of the Report, were crucial in overcoming the difficult situation. What is more, a mechanism of cultural and social change

was set in motion. RadiciGroup was quick to adapt to the new paradigm by introducing new work practices such as agile work, digitization and innovation, which ensured that Group companies continued to have the solidity and resilience needed to overcome the situation.

All in all, it was a valuable experience. It strengthened the Group's conviction that ambitious and forward-looking planning is increasingly necessary and should take into account economic, environmental and social aspects, not only in view of possible future crises, but also to seize opportunities that the changes in scenario bring with them. In this regard, by relying on the strength of its manufacturing experience, RadiciGroup was able to take up an important community and social challenge, which was later converted into a business opportunity in the medical sector, through the organization of a Made-in-Italy production chain dedicated to the production of certified personal protective equipment for health care personnel.

Investing in Sustainability

In 2020, the pandemic situation and the response by European institutions, which are strongly committed to environmental themes, provided a boost to sustainability, also in economic terms. The EU Green Taxonomy on investments has highlighted the importance of a low-carbon economy as the key to a viable future.

Consistently with its well-established strategy and in accordance with the principles set forth by the EU, in 2020 RadiciGroup continued to invest in decarbonization, energy transition, use of renewable resources and production efficiency at all its production sites.

In addition, a few major investments were made in innovation, which are described in the Radici InNova section of this document.

Below are some figures on RadiciGroup investments in 2020.

- **EUR 237 million**
Investments to support the competitiveness of Group companies over the 2016-2020 five-year period. Of these, **EUR 49 million** was the amount invested in **2020**.
- **EUR 3.4 million**
Environmental investments made in 2020 related to the introduction of Best Available Techniques, efficiency improvement, emission abatement, and research and development activities directed at the development and adoption of low-impact processes and products.
- **EUR 3.4 million**
Costs for environmental management and protection (certifications, waste disposal, wastewater treatment, etc.) at the Group companies in Italy.

Generation and distribution of value added

Added value is an important link between RadiciGroup's economic and financial strategy and its sustainability policy, as it enables quantifying the wealth produced and understanding how the wealth is distributed among the Stakeholders.

RadiciGroup works to generate lasting growth by creating income and jobs for its three thousand employees. Mindful of the value of the pact of trust between its employees

and its companies, the Group identifies people, together with the environment, as important areas of investment. Workers' compensation has therefore also found a prominent position in the 2020 added value distribution table. Personnel wages and benefits and payments to government are proof of the Group's traditional correctness and contribution to the development of local communities.

Table 15 | **Generation of value added 2020**

	Item	31/12/18	31/12/19	31/12/20
€	A) PRODUCTION VALUE	1,222,273,814	1,092,185,863	992,986,379
	Sales and service revenue	1,212,528,918	1,091,177,501	1,017,850,797
	Change in work in progress, semi-finished goods and finished goods inventories	9,020,136	52,085	25,189,105
	Change in contract work in progress	-	-	-
	Increase in internally generated non-current assets	724,760	956,276	324,687
	Other revenue and income	-	-	-
€	B) INTERMEDIATE PRODUCTION COSTS	902,517,466	797,060,960	709,553,569
	Raw materials, supplies, consumables and goods for resale	730,444,796	611,032,681	489,678,028
	Services	176,591,194	171,448,387	204,011,759
	Leases and rentals	5,491,761	5,642,452	5,589,703
	Change in raw materials, supplies and goods for resale inventories	12,347,183	6,959,604	7,959,275
	Provisions for liabilities and charges	405,357	200,277	215,640
	Other provisions	108,000	15,971	257,738
	Miscellaneous operating costs	1,823,541	1,761,590	1,841,425
€	GROSS VALUE ADDED FROM OPERATIONS (A-B)	319,756,348	295,124,902	283,432,810
	+/- Additional and extraordinary items	4,016,826	9,985,738	13,432,075
€	TOTAL GROSS VALUE ADDED	323,773,174	305,110,640	296,864,886
	- Depreciation and amortization	43,553,464	45,621,065	43,726,957
€	TOTAL NET VALUE ADDED	280,219,710	259,489,575	253,137,929

Table 16 | **Generation of value added by region 2020**

	Item	Italy	Rest of Europe	Asia	North and South America	Worldwide
€	A) PRODUCTION VALUE	578,087,803	230,317,482	58,659,923	125,921,171	992,986,379
	Sales and service revenue	597,793,328	233,258,086	59,299,556	127,499,826	1,017,850,797
	Change in work in progress, semi-finished goods and finished goods inventories	19,994,695	2,976,122	639,634	1,578,655	25,189,105
	Change in contract work in progress	-	-	-	-	-
	Increase in internally generated non-current assets	289,170	35,518	-	-	324,687
	Other revenue and income	-	-	-	-	-
€	B) INTERMEDIATE PRODUCTION COSTS	440,081,234	148,408,292	38,148,216	82,915,827	709,553,569
	Raw materials, supplies, consumables and goods for resale	284,482,296	102,755,755	32,951,276	69,488,702	489,678,028
	Services	143,036,234	42,009,986	4,027,938	14,937,600	204,011,759
	Leases and rentals	3,684,729	667,545	661,490	575,940	5,589,703
	Change in raw materials, supplies and goods for resale inventories	6,988,781	2,738,381	465,163	2,233,050	7,959,275
	Provisions for liabilities and charges	215,640	-	-	-	215,640
	Other provisions	254,515	-	-	3,223	257,738
	Miscellaneous operating costs	1,419,039	236,626	42,349	143,411	1,841,425
€	GROSS VALUE ADDED FROM OPERATIONS (A-B)	138,006,570	81,909,190	20,511,707	43,005,343	283,432,810
	+/- Additional and extraordinary items	58,397,886	28,604,082	5,692,385	10,669,344	13,432,075
€	TOTAL GROSS VALUE ADDED	196,404,456	53,305,108	14,819,322	32,336,000	296,864,886
	- Depreciation and amortization	23,985,812	15,419,301	886,368	3,435,475	43,726,957
€	TOTAL NET VALUE ADDED	172,418,644	37,885,807	13,932,954	28,900,524	253,137,929

Table 17 | **Distribution of value added 2020**

	Item	31/12/18	31/12/19	31/12/20
€	A) PERSONNEL WAGES AND BENEFITS	139,889,046	143,530,512	132,331,564
	Contract Workers	6,709,120	6,670,341	6,097,960
	Employees	133,179,926	136,860,170	126,233,604
	Direct compensation	106,741,571	110,024,451	101,210,043
	Indirect compensation	26,438,355	26,835,720	25,023,561
€	B) PAYMENTS TO GOVERNMENT	38,415,294	31,288,076	30,774,032
	Current taxes	37,501,150	32,044,656	37,184,830
	Direct taxes	34,128,382	28,757,519	34,314,961
	Indirect taxes	3,372,768	3,287,137	2,869,869
	Deferred taxes	1,266,829	65,623	3,381,104
	Revenue grants	352,685	690,958	3,029,694
€	C) PAYMENTS TO LOAN PROVIDERS	3,792,973	3,504,333	2,302,863
	Short-term loan interest	3,792,973	3,504,333	2,302,863
	Long-term loan interest	-	-	-
€	D) PAYMENTS TO SHAREHOLDERS	25,500,000	25,500,000	15,000,000
€	E) RETAINED VALUE ADDED	72,008,872	55,136,155	72,181,028
	+/- Changes in reserves	72,008,872	55,136,155	72,181,028
€	F) CONTRIBUTIONS AND DONATIONS	613,525	530,500	548,442
€	TOTAL NET VALUE ADDED	280,219,710	259,489,575	253,137,929

Table 18 | **Distribution of value added by region 2020**

	Item	Italy	Rest of Europe	Asia	North and South America	Worldwide
€	A) PERSONNEL WAGES AND BENEFITS	83,943,711	34,381,763	3,070,446	10,935,645	132,331,564
	Contract Workers	4,323,832	636,503	92,334	1,045,292	6,097,960
	Employees	79,619,879	33,745,260	2,978,112	9,890,353	126,233,604
	Direct compensation	61,860,675	28,312,103	2,258,752	8,778,513	101,210,043
	Indirect compensation	17,759,204	5,433,157	719,360	1,111,840	25,023,561
€	B) PAYMENTS TO GOVERNMENT	19,617,386	2,788,903	2,930,189	5,437,555	30,774,032
	Current taxes	26,979,364	3,608,183	2,931,203	3,666,080	37,184,830
	Direct taxes	25,157,293	3,524,230	2,671,128	2,962,309	34,314,961
	Indirect taxes	1,822,071	83,953	260,075	703,770	2,869,869
	Deferred taxes	4,940,898	210,668	1,014	1,771,475	3,381,104
	Revenue grants	2,421,081	608,613	-	-	3,029,694
€	C) PAYMENTS TO LOAN PROVIDERS	1,561,883	167,481	-	573,500	2,302,863
	Short-term loan interest	1,561,883	167,481	-	573,500	2,302,863
	Long-term loan interest	-	-	-	-	-
€	D) PAYMENTS TO SHAREHOLDERS	15,000,000	-	-	-	15,000,000
€	E) RETAINED VALUE ADDED	51,819,423	475,460	7,932,319	11,953,826	72,181,028
	+/- Changes in reserves	51,819,423	475,460	7,932,319	11,953,826	72,181,028
€	F) CONTRIBUTIONS AND DONATIONS	476,242	72,200	-	-	548,442
€	TOTAL NET VALUE ADDED	172,418,644	37,885,807	13,932,954	28,900,524	253,137,929

The above value-added schedules follow the method provided by GBS – Study Group for Social Reporting (www.gruppobilanciosociale.org). The data are from the Radici Partecipazioni S.p.A. 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. Included in the consolidated financial statements, which the Group voluntarily has audited by Deloitte, are parent company Radici Partecipazioni S.p.A. and the Italian and foreign companies in which it directly or indirectly holds a majority of the share capital and management control, pursuant to Article 2359 of the Italian Civil Code.

In addition to the Group's positive performance in terms of generation of value added, still at satisfactory levels in 2020, it is important to emphasize, as in previous editions of the Report, RadiciGroup's financial soundness, which is also demonstrated by the ratio of net financial debt to shareholders' equity.

Table 19 | **Breakdown of net invested capital 2020**

Net financial debt*	EUR/1000	-41,935
Net shareholders' equity	EUR/1000	668,364
Net invested capital	EUR/1000	626,429

* Positive net financial position.

It is equally important to stress that both profits and economic and financial soundness are pursued by implementing targeted policies respecting the environment and natural resources. As reported in the tables below, the ratios between total primary energy, water, waste generated and emissions and total net value added show a positive trend over the three-year period in spite of a slight decline for some of them in 2020, mainly due to discontinuous plant operation. Plant stoppages, in some cases, caused non-optimal yields, as already pointed out in the chapter on environmental performance.

Disclosure 302-3

Table 20 | **GRI 302-3 Energy intensity - Total primary energy to total net value added**

		2018	2019	2020
GJ	Total primary energy (GRI 302-1)	6,272,943	5,991,117	5,408,531
€	Total net value added	280,219,710	259,489,575	253,092,544
GJ/€	Total primary energy (direct + indirect) to total net value added	0.022	0.023	0.021

Disclosure 305-4

Table 21 | **GRI 305-4 Emissions intensity - Total emissions to the atmosphere to total net value added**

		2018	2019	2020
tCO₂eq	Total emissions to the atmosphere (GRI 305-1 and GRI 305-2)	464,449	469,139	441,059
€	Total net value added	280,219,710	259,489,575	253,092,544
kgCO₂eq/€	Total emissions to the atmosphere (direct + indirect) to total net value added	1.66	1.81	1.81

As usual, in addition to the disclosures required by the GRI model, the ratios relating to water resources and the generation of waste directed to disposal (without recovery) to total net value added were also calculated in order to provide a measure of intensity for the main environmental impacts. [Tables 22, 23]

Table 22 | **Ratio - Water resources to total net value added**

		2018	2019	2020
ML	Water resources (GRI 303-3)	86,464	86,029	77,010
€	Total net value added	280,219,710	259,489,575	253,092,544
ML/€	Water resources to total net value added	0.00031	0.00033	0.00030

Table 23 | **Ratio - Waste directed to disposal without recovery to total net value added**

		2018	2019	2020
t	Waste directed to disposal without recovery (GRI 303-2)	4,008	3,390	3,504
€	Total net value added	280,219,710	259,489,575	253,092,544
Kg/€	Waste directed to disposal without recovery to total net value added	0.014	0.013	0.014

Tax policy

Disclosure 103-1, 103-2, 103-3 Disclosure 207-1

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.

With due regard and respect for the autonomy of its management decisions and in line with its sustainability policy, RadiciGroup pursues a tax strategy inspired by the principles of honesty, fairness and compliance with regulations and characterized by cooperative and transparent conduct towards tax authorities and third parties. Furthermore, the tax strategy is implemented by doing everything possible to exclude any substantial impact in terms of tax or reputational risk and in the awareness 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, thus taking responsibility for guiding the promotion of a corporate culture based on the values of honesty and integrity and the principle of legality.

Strategy

The Group's tax strategy is based on and inspired by the principles of the Code of Ethics released by the Radici Partecipazioni Board of Directors and follows the guidelines set out in the Organization and Management Model in accordance with Legislative Decree No. 231/2001 (www.radicigroup.com/en/corporate/radicigroup/governance). 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 equity and respect for the market** in intercompany operations, thus guaranteeing the absence of erosion of its tax base, by aligning the location of the income subject to tax and the place where the business activity is carried on and by respecting the arm's length principle; according to which, as in the OECD Guidelines, the fair price applicable to intragroup transactions is the amount that would be agreed on for similar transactions carried out between independent companies,
- **annually prepares a Group Masterfile**, with the support of top professional consultants, and, in Italy and most of the countries where it operates, National Documentation for the companies that carry on important intragroup transactions. According to what is required in Italy by specific provisions of the Revenue Agency and in implementing Action 13 of the Base Erosion and Profit-Shifting (BEPS)* action plan, "transfer pricing documentation and country-by-country reporting", the Masterfile is considered to be a document providing an overview of the group business, including the nature of commercial transactions at the global level, the general transfer pricing policies and the allocation of income and business activities at the global level,
- **annually prepares a Country-by-Country Report, as provided for by tax law, as well as BEPS Action 13**, to report and communicate the income earned in the various countries in which the Group companies operate, together with a series of quantitative data subdivided by each country (see disclosure 207-4),
- **does not set up companies located in tax havens,**
- **does not adopt aggressive tax plans.**

Disclosure 207-3

As stated above, RadiciGroup's tax policy is based on the principles of legality, fairness and transparency, in full respect of the relevant laws in force in each country in which it operates, as well as on the impartiality and independence of the government, which the Group identifies as its main interlocutor in tax matters.

As a general principle in its relations with the government, the Group does not engage in conduct intended to give the various companies an undue or unlawful advantage.

With this in mind, the management of tax policy and tax compliance is entrusted to highly qualified and reliable professionals. Relations with government officials and representatives are maintained by specifically appointed staff who act to ensure prompt replies, avoid any ambiguous behaviour and guarantee the completeness and verifiability of the information requested.

The staff in charge always keeps records of meetings and contacts with government officials and representatives (minutes released, official communications, also via e-mail and certified e-mail). Everything is done so as to be able to guarantee the most complete traceability and transparency over time.

* *Base erosion and profit shifting (BEPS) - tax strategy that some companies use to erode their tax base and thus avoid paying taxes to the government*

Disclosure 207-4

Moreover, the Group uses the Country-by-Country Report in conformity with Stability Law 2016 208/2015. In the table below are shown the data considered to be material by RadiciGroup. These data for 2019 were reported to the Italian Revenue Agency in 2020.

Table 24 | **2019 Tax Data in euros****(Extract from official tax return filed with the Italian Revenue Agency on 18/12/2020)**

Tax Jurisdiction	Revenue Non-Related-Party Transactions	Revenue Related-Party Transactions	Total Revenue	Income Tax Paid (Cash Basis)	Number of Employees
Argentina	14,904,317	3,746	14,908,063	0	35
Brazil	62,632,776	374,964	63,007,739	1,141,488	200
Switzerland	13,699,041	6,212,072	19,911,113	0	98
China	46,208,871	3,299,427	49,506,298	1,226,246	100
Czech Republic	716,152	9,539,663	10,255,815	32,351	205
Germany	242,735,031	5,996,068	248,701,098	8,667,410	326
Spain	7,097,658	47,124	7,144,781	0	3
UK	6,045,333	7,318	6,052,652	31,334	4
Hungary	1,503,583	0	1,503,583	14,811	8
India	8,860,608	32,911	8,893,519	440,849	11
Italy	615,532,389	223,688,468	839,220,856	28,716,182	1,645
Mexico	13,451,204	827,034	14,278,238	0	28
Netherlands	3,277,053	17,464,048	20,741,102	39,597	24
Romania	6,057,617	37,431,481	43,489,098	336,484	411
USA	67,875,427	10,337,352	78,212,780	443,385	94

Income taxes by country (in EUROS)

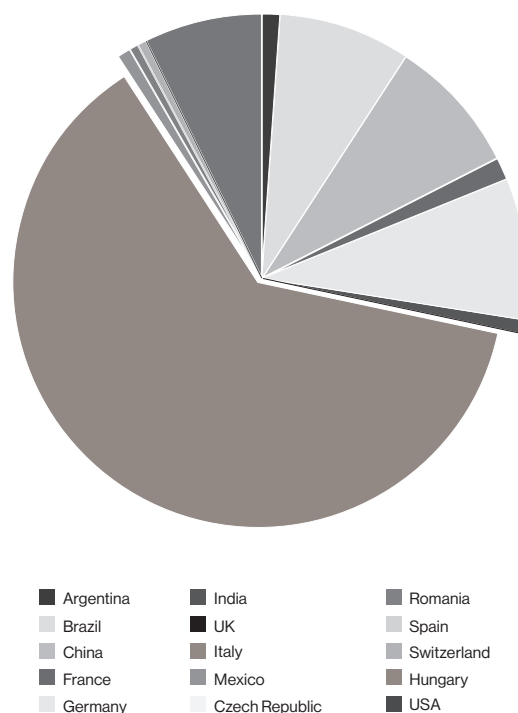
The Group is aware of the importance of the resources drawn from the various geographical areas in which it operates and how important it is to return these same resources in the form of employment, know-how, and contributions to sustainable and durable growth.

The following table highlights how in 2020 the Group also played an active part in the development dynamics of numerous geographical contexts by making an economic contribution, also in terms of income taxes paid.

Table 25

Country	
Argentina	405
Brazil	2,561
China	2,614
France	357
Germany	2,710
India	316
UK	16
Italy	19,617
Mexico	268
Czech Republic	(8)
Romania	(168)
Spain	5
Switzerland	(150)
Hungary	28
USA	2,204
Total	30,774

Data in EUR/1000



Environmental performance

Disclosure 103-1, 103-2, 103-3

The RadiciGroup environmental policy is aimed at pursuing sustainable development by integrating environmental concerns into a series of practices, plans of action and projects. The Group:

- **recognizes the Environment as a privileged Stakeholder** and protects it through its strategies, investments and targeted actions,
- **preserves the intrinsic value of resources** and makes best use of them,
- **decouples the use of resources from its economic growth, as much as possible,**
- **invests in the sustainable innovation of its processes,**
- **engages in the ecodesign of reduced-impact products, which are safe for the manufacturer, the user and the environment,**
- **promotes energy transition** by using renewable source energy and **fights against climate change by reducing emissions**, using an energy mix heavily based on green energy and adding innovative products with a smaller carbon footprint to its product portfolio,
- **measures the performance of all its production sites on regular basis and communicates its environmental performance in a transparent manner** in its Sustainability Report and through all available internal and external communication channels.

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) – emissions to air and quality of the same (output)
- Water used (input) – water discharged and quality of the same (output)

As a general consideration, it must be observed that, because of the Covid-19 pandemic, in the first half of 2020 all production sites experienced temporary production stoppages. While that led to a decrease in all environmental parameters in absolute value, production yields also inevitably worsened with a similar ripple effect on the indicators. However, the Group's well-established and prudent environmental policies ensured that the negative results were limited as much as possible and were partially offset by a return to a situation of relative normality in the second half of the year.

Materials used

In 2020, as a result of the health crisis, the quantity of material used declined overall by 17.1% compared to 2018, total direct materials amounted to about 397 thousand tons, of which 0.38% was renewable, due to its use for the biopolymer product portfolio. With regard to packaging, the Group prefers to transport bulk materials in octabins, big bags and, more generally speaking, packaging with an optimized design in size and shape. Common practice in all the Group sites is the internal reuse of reusable paper and plastic packaging. Total renewable packaging over the three-year period remained practically unchanged.

Disclosure 301-1

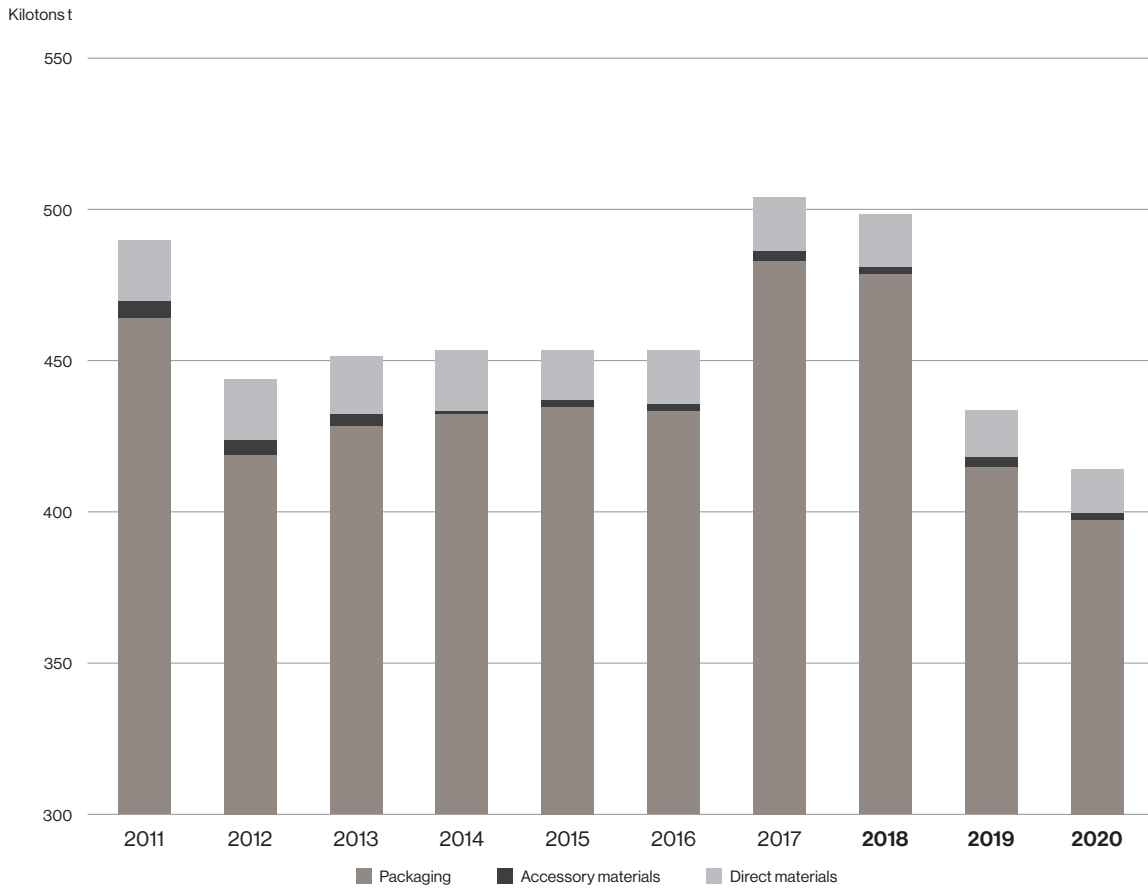
Table 26 | GRI 301-1 Materials used by type and weight

Materials used by type		2018	2019	2020
t	Direct materials*	478,505	415,271	397,372
t	Accessory materials	2,699	2,348	1,936
t	Packaging**	17,479	16,075	14,098
t	Total	498,683	433,694	413,406
Non-renewable materials				
t	Non-renewable direct materials	476,828	413,139	395,871
t	Non-renewable accessory materials	2,699	2,347	1,934
t	Non-renewable packaging**	1,700	1,560	1,430
t	Total non-renewable materials	481,227	417,046	399,235
Renewable materials				
t	Renewable direct materials	1,577	2,132	1,501
t	Renewable accessory materials	0	2	2
t	Renewable packaging**	15,780	14,515	12,668
t	Total renewable materials	17,357	16,649	14,171
% renewable packaging** to total packaging		90.3%	90.3%	89.9%
% renewable direct materials to total direct materials		0.33%	0.51%	0.38%
% renewable materials to total materials		3.48%	3.84%	3.43%

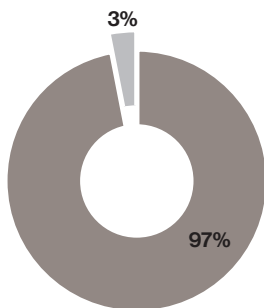
* Intragroup flows of raw materials are excluded from this disclosure, since they are not resources drawn from outside the Group.

** The percentage of renewable packaging increased for all three years in the table, compared to what had been reported in the past, because some packaging had erroneously been considered non-renewable.

GRI 301-1 Materials used

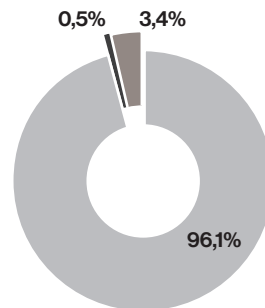


Materials used 2020



■ Total renewable materials
■ Total non-renewable materials

Materials used 2020



■ Packaging
■ Accessory materials
■ Direct materials

Waste

Disclosure 306-1, 306-2

Each phase of the production cycle of any Group company involves the generation of waste. In line with the UN Agenda 2010, Goal 12, RadiciGroup has long promoted an economic model capable of transforming waste into new opportunities. Even when production efficiency is given the utmost attention, it is currently impossible to eliminate waste completely, 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. While it is not possible to eliminate waste completely, it is always possible to optimize waste management.

Process waste

More specifically, chemical processes, polymerization, compounding, spinning and winding are the activities entirely under the Group's control that contribute most significantly to waste generation. Several strategies have been adopted over the years to limit the quantities of waste:

- for all processes – from the conversion of raw materials into intermediates to compounding and spinning – efficiency has been maximized, limiting the consumption of virgin raw material. In this regard, the processes are always subject to control systems capable of reducing the batches of defective products and, consequently, the quantities of rejects. Full process traceability, described in the chapter of this Report dedicated to transparency and traceability, gives additional support to raising efficiency,
- downstream of the processes of all business areas, nylon-based recyclable scraps, separately collected and carefully sorted according to chemical composition, are transformed into secondary raw material through mechanical recycling. The polymers obtained at the end of the recycling process are then directed to applications for which they are best suited by reason of their characteristics, independently of the business area that generated the original scraps. To illustrate this point, scraps from the fibres area may be best used as engineering polymers for components in the automotive sector,
- 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.

Product scrap recovery involves a series of activities that require attention to all aspects: product, process, and work. 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.

The system set up by the Group achieves some of the main circular economy goals:

- minimize waste,
- use recycled scraps and rejects to make new materials for in-house production,
- design products to maximize their durability, so that they retain their intrinsic value over time,
- set up a system optimized for circularity, facilitating the reintroduction of product content back into the production cycle through recycling and recovery processes that restore their properties.

The process and production waste that is not recycled internally is stocked at the sites according to the health and safety rules and applicable laws. These materials are then handed over to authorized 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 providers are also conducted on a regular basis. Lastly, each site has in place a traceability system that records and keeps track of all the relevant data concerning waste management.

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 the most technically, economically and environmentally sustainable alternatives, compatible with the chemical and physical characteristics of the substances, for packaging and transport of direct and indirect raw materials, which are generally transported in bulk in tanks, by train and by road,
- a system for careful separate collection of waste packaging material has been set up at all sites, facilitating the proper management of the waste from a regulatory and environmental standpoint.

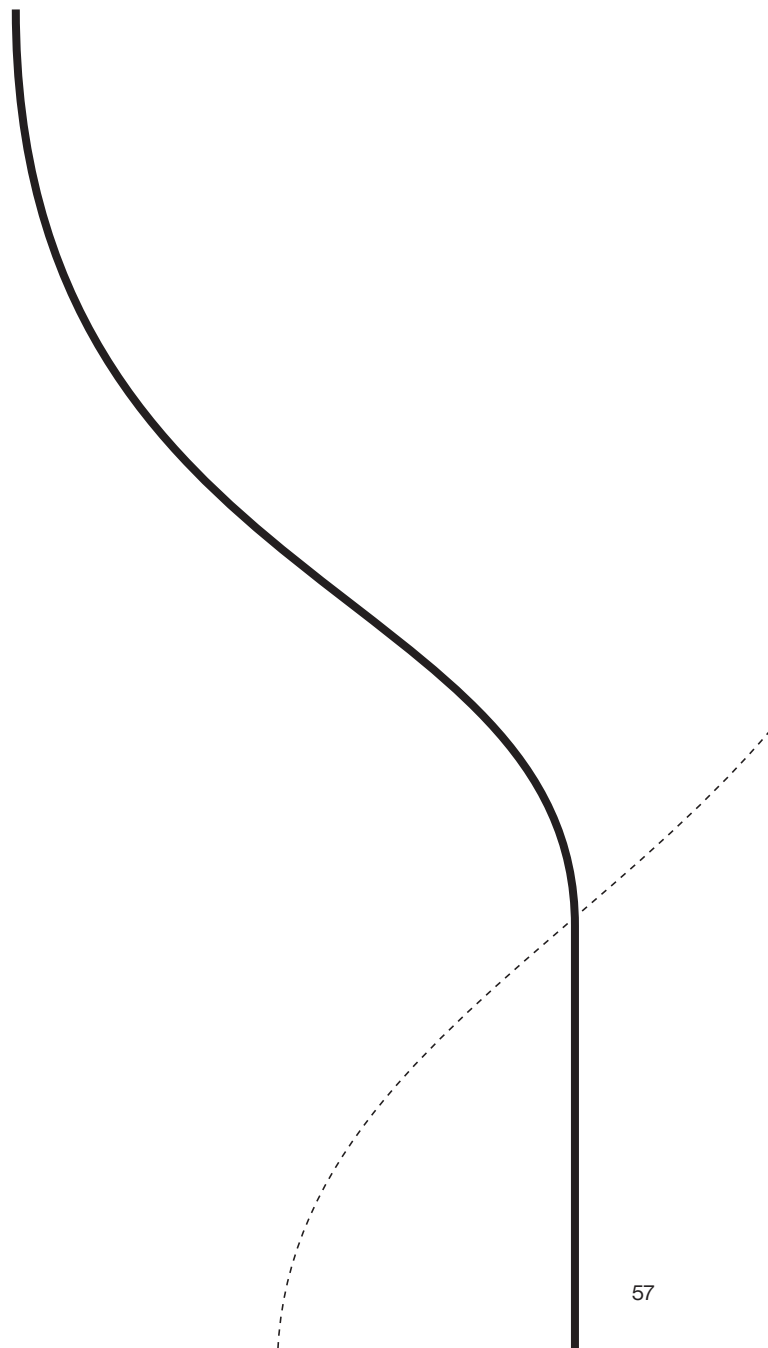
Lastly, a forward-looking solution – unique to the Group – was found many years ago for feeding the large quantities of polyamide 6 polymer produced by the Radici Yarn factory to the neighbouring Radici Novacips site for compounding. An underground pneumatic pipeline was designed and constructed, which totally eliminated the need for packaging.

In the context of the Group waste reduction and recycling policy, in 2020, performance with regard to waste slightly worsened compared to the prior two years. In particular, the ratio “process waste per unit produced” (which does not include waste from renovation) went from 9.41 kg/t to 9.70 kg/t (+3.1%). At any rate, the value still fits the downward trend that started in 2014, when the indicator was at 11.9 kg/t.

Due to reduced production activity, non-hazardous waste directed to recovery also decreased in absolute terms (-20%) compared to 2018, but the percentage of non-hazardous waste directed to disposal in relation to total waste produced remained at about 13% (11% in 2018 and 9% in 2019).

Non-hazardous waste directed to internal recovery, which makes up 40.8% of total waste, represents a precious resource for the High Performance Polymers and Advanced Textile Solutions business areas, in keeping with the RadiciGroup strategy of pre-consumer recycling. In 2020, compared to the two previous years, there was a 12.3% decrease in absolute value of the waste directed to external treatment. In 2020, this type of waste made up 54% of total waste.

In this context, the recyclability of all materials was confirmed as a strategic element of the Group's increased circularity. The RadiciGroup market offering of products made from recycled materials is constantly expanding.



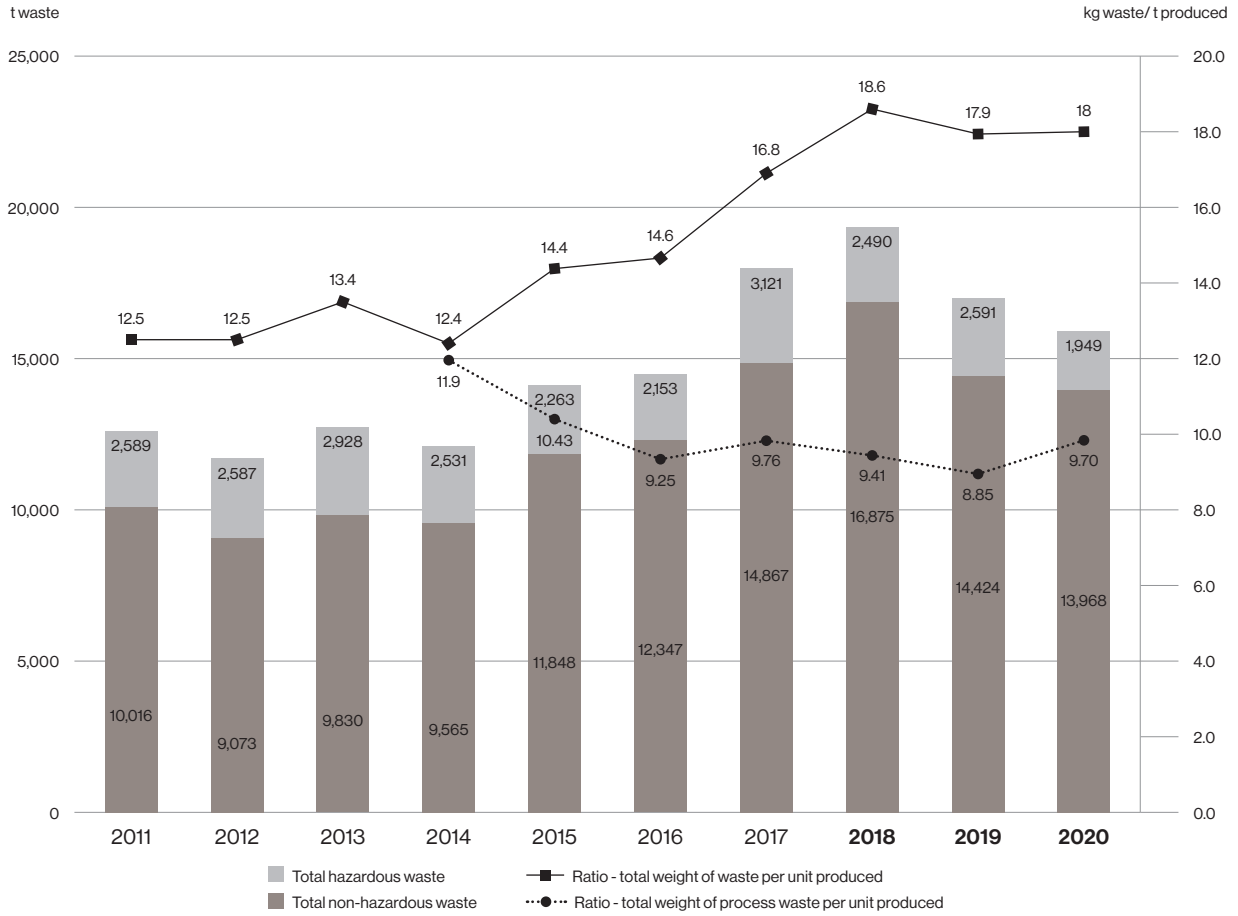
Disclosure 306-3, 306-4, 306-5

Table 27 | **Total waste by type, disposal method and weight***

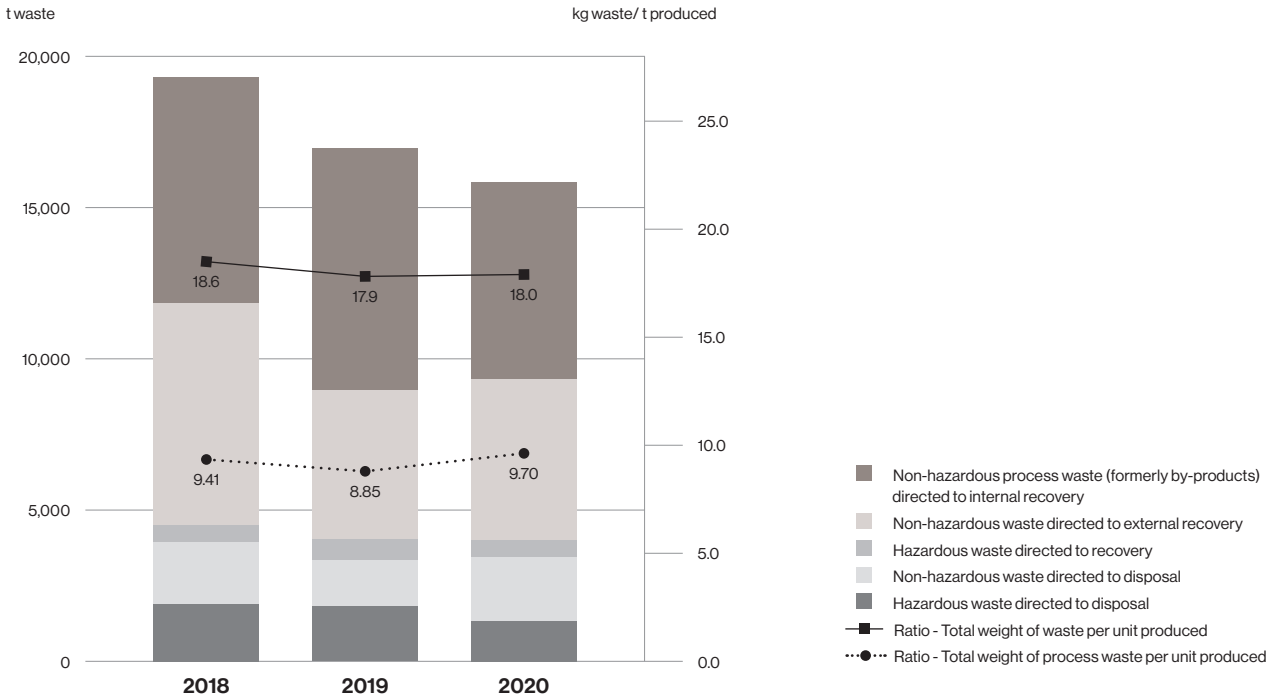
		2018	2019	2020
t	Total (GRI 306-3)	19,365	17,015	15,917
t	Total hazardous waste	2,490	2,591	1,949
t	Hazardous waste directed to recovery	540	690	561
t	Hazardous waste directed to disposal	1,950	1,901	1,388
t	Total non-hazardous waste	16,875	14,424	13,968
t	Non-hazardous waste directed to recovery	14,817	12,935	11,852
t	Non-hazardous waste directed to disposal	2,058	1,489	2,116
	<i>of which</i>			
t	Occasional non-process waste (building renovations, maintenance, etc.)	2,104	645	826
t	Non-hazardous waste (formerly by-products) directed to internal recovery	7,459	7,966	6,494
t	Process waste directed to external treatment	9,802	8,404	8,597
kg/t	Ratio - Process waste per unit produced	9.41	8.85	9.70
kg/t	Ratio - Total waste per unit produced	18.59	17.92	17.96

* 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.

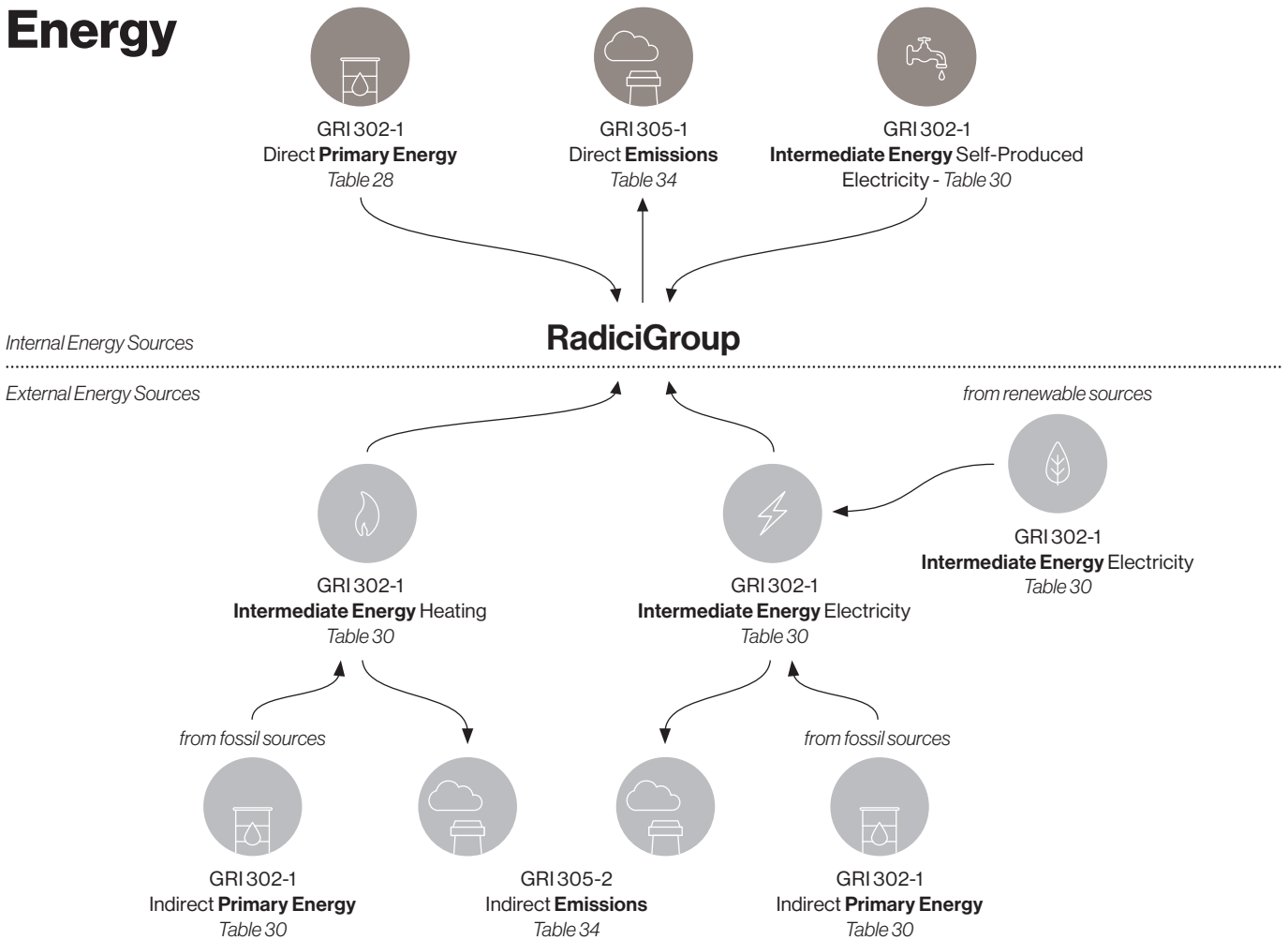
GRI 306-2 Waste by type and weight



GRI 306-2 Waste by type and disposal method 2018 - 2020



Energy



Consistent with Goal 13 of the UN Agenda 2030, the reduction in greenhouse gas emissions and the adoption of renewable energy are the pillars of the Group's strategy in the fight against climate change. 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 their Environmental Management System with the requirements of the ISO 50001 standard on energy management. Italian sites that consume large amounts of energy have a specific professional figure, the Energy Manager, in accordance with Law 10/1991. The task of the energy manager is to develop a real comprehensive company energy conservation policy. In 2020, the Group recorded an 11.8% decrease in total fuel consumption compared to 2018, due to the slowdown in production activities. In contrast, the ratio "consumption per unit produced" increased from 1.76 to 1.82. It should be kept in mind that, in the face of the health crisis, which had a profound impact on the first half of the year, production was kept running for operating reasons at most of the

sites, albeit at reduced capacity with negative effects on efficiency.

Consistent with the Group environmental policy, in 2020 the commitment to ecological transition continued through the purchase of significant amounts of renewable energy. More specifically, the quota of green electricity over the three-year period went from 43.7% to 49.4%, which made it possible to power an increasing number of production sites with electricity from 100% (or slightly less) renewable energy. In 2020, Tessiture Pietro Radici joined the list of the companies powered by 100% renewable energy.

The green energy requirement of RadiciGroup's Italian companies is satisfied by the power plants of Geogreen, a supplier-partner of hydroelectric power and consultant in efficiency improvement. The ratio of indirect primary energy from non-renewable fossil sources consumed for electricity per unit produced was 13.6% lower, compared to 2018, while the ratio of total primary energy from non-renewable fossil sources per unit produced increased by 1.4%.

Disclosure 302-1

Table 28 | **Direct primary energy (fuel) consumption**

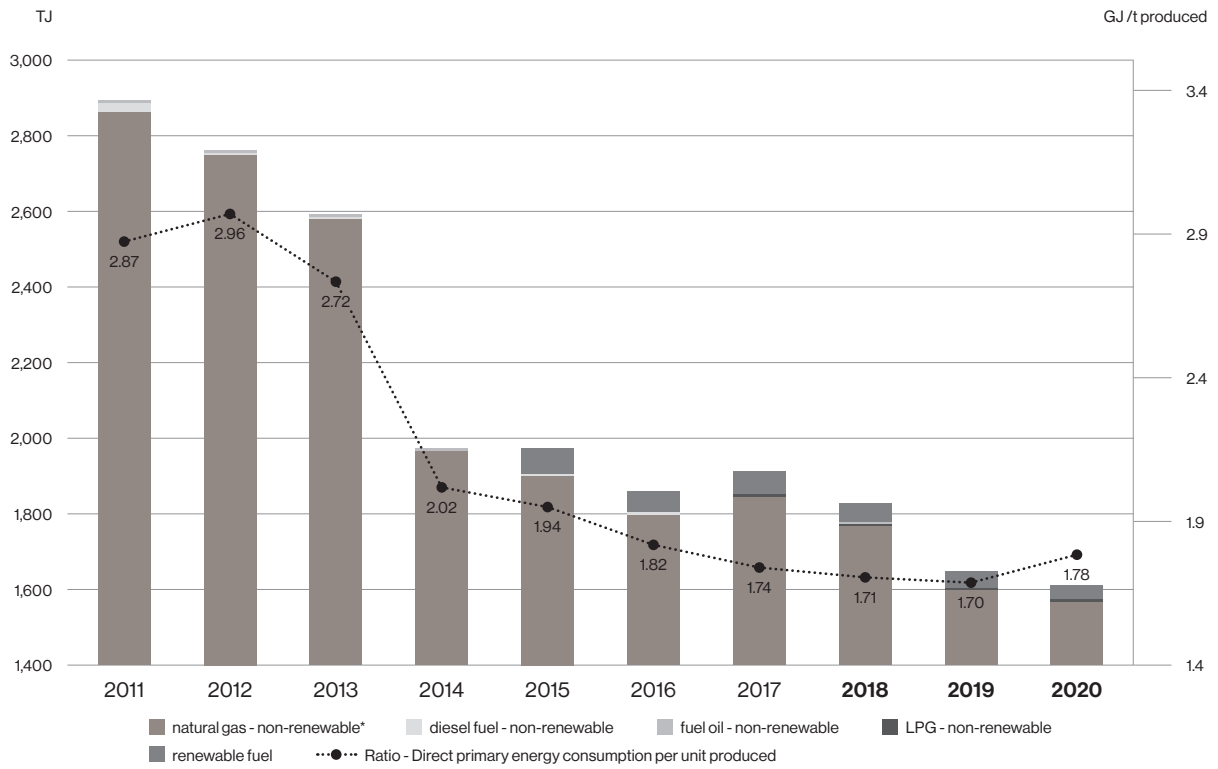
		2018	2019	2020
GJ	Total direct primary energy	1,833,112	1,652,644	1,616,733
GJ	Subtotal direct primary energy from non-renewable sources	1,779,897	1,610,126	1,580,423
GJ	from natural gas - non-renewable*	1,771,423	1,603,618	1,573,933
GJ	from diesel fuel - non-renewable	1,307	1,104	1,560
GJ	from LPG - non-renewable	6,276	4,897	4,217
GJ	from fuel oil - non-renewable	891	507	713
GJ	Subtotal direct primary energy from renewable sources	53,215	42,518	36,310
GJ	from biogas - renewable	53,215	42,518	36,310

* To convert natural gas from nm³ to GJ, a factor of 39.01 (source mod. GRI 3.1) was used for all companies, observing the precautionary principle.

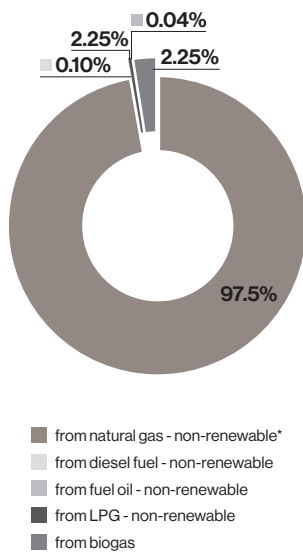
Table 29 | **Ratio - Direct primary energy (fuel) consumption per unit produced**

		2018	2019	2020
GJ/t	Non-renewable direct primary energy	1.71	1.70	1.78
GJ/t	Total renewable + non-renewable direct primary energy	1.76	1.74	1.82

GRI 302-1 Direct primary energy (fuel) consumption



GRI 302-1 Direct primary energy consumption - 2020



* To convert natural gas from nm³ to GJ, a factor of 39.01 (source mod. GRI 3.1) was used for all companies, observing the precautionary principle.

Table 30 | Intermediate energy consumption by primary energy source (indirect)

	2018	2019	2020
GJ Total intermediate energy (indirect)	3,634,185	3,466,922	3,198,812
GJ Subtotal electricity consumption	1,770,366	1,674,011	1,441,580
GJ Electricity consumption from renewable sources	774,255	704,927	712,498
<i>Of which self-produced from hydroelectric power*</i>	54,000	57,244	57,647
GJ Electricity consumption from renewable sources to total electricity	43.7%	42.1%	49.4%
GJ Subtotal electricity consumption from non-renewable sources	996,111	969,084	729,082
GJ from natural gas - non-renewable	602,035	612,305	485,050
GJ from coal - non-renewable	212,215	189,772	133,661
GJ from fuel oil - non-renewable	15,023	10,819	7,300
GJ from nuclear power	110,287	99,848	74,448
GJ from other fossil sources - non-renewable	56,551	56,340	24,623
GJ Subtotal steam consumption	1,863,819	1,792,911	1,757,232
GJ from natural gas - non-renewable* (Data from Radici Chimica S.p.A., which purchases steam from Novel)	1,863,819	1,792,911	1,757,232
GJ Subtotal heating consumption	0	0	0
GJ from non-renewable sources	0	0	0
GJ Subtotal cooling consumption	0	0	0
GJ from non-renewable sources	0	0	0
GJ Ratio - Intermediate energy consumption per unit produced (for electricity)	1.70	1.76	1.63
GJ Ratio - total intermediate energy per unit produced	3.49	3.65	3.61

* Electricity from renewable sources is self-produced by a RadiciGroup site, while the remainder is purchased from Geogreen.

GRI 302-1 Electrical energy mix 2020

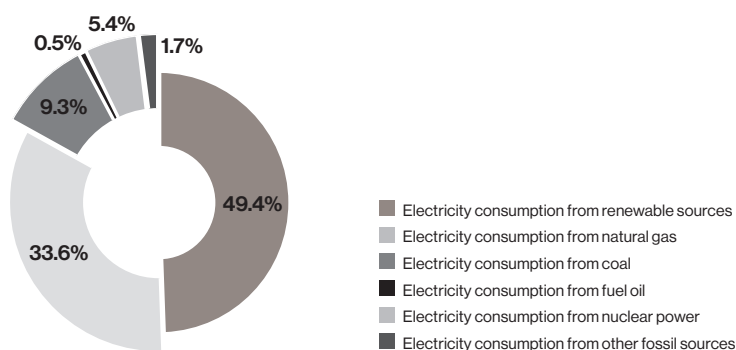


Table 31 | **Primary energy (direct + indirect) consumption from non-renewable fossil sources**

		2018	2019	2020
GJ	Total primary energy from fossil sources	6,272,943	5,991,117	5,408,531
GJ	Subtotal indirect primary energy consumption from non-renewable (fossil) sources	4,493,046	4,380,991	3,828,108
GJ	Total non-renewable indirect primary energy - electricity	1,947,985	1,925,378	1,431,053
GJ	Total non-renewable indirect primary energy - steam	2,545,061	2,455,613	2,397,055
GJ	Total non-renewable indirect primary energy - heating	0	0	0
GJ	Total non-renewable indirect primary energy - cooling	0	0	0
GJ	Subtotal direct primary energy consumption from non-renewable fossil fuels (table 28)	1,779,897	1,610,126	1,580,423

Table 32 | **Ratio - Primary energy (direct + indirect) consumption from non-renewable fossil sources per unit produced**

		2018	2019	2020
GJ	Total primary energy from fossil sources	6.02	6.31	6.10
GJ	Indirect primary energy from non-renewable fossil sources	4.31	4.61	4.32
GJ	Non-renewable indirect primary energy - electricity	1.87	2.03	1.62
GJ	Non-renewable indirect primary energy - steam	2.44	2.59	2.71
GJ	Non-renewable indirect primary energy - heating	0	0	0
GJ	Non-renewable indirect primary energy - cooling	0	0	0
GJ	Direct primary energy (fuel) from non-renewable fossil sources (table 29)	1.71	1.70	1.78

GRI 302-1 Total primary energy consumption within RadiciGroup

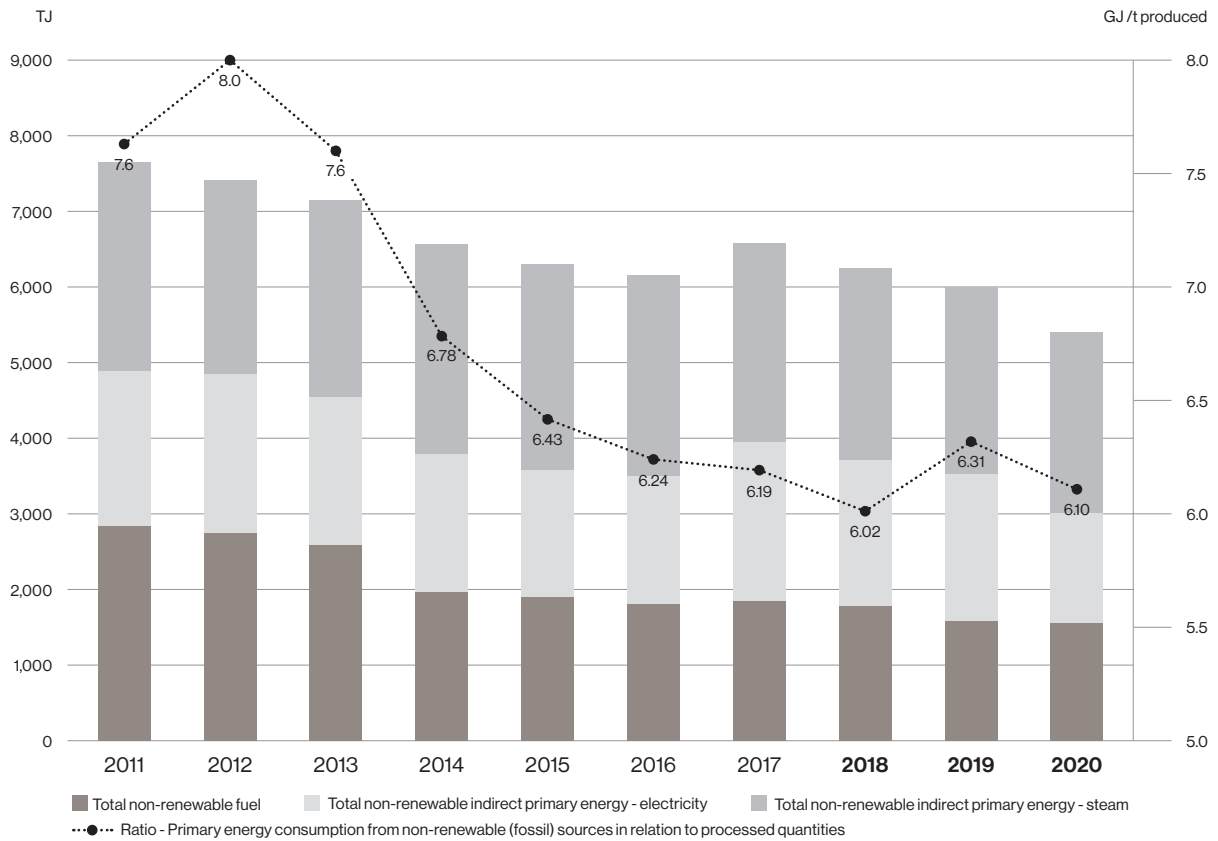


Table 33

Companies and sites using renewable energy - 2020	% renewable energy
Radici Novacips Villa d'Ogna - Italy	100%
Radici Novacips Chignolo - Italy	100%
Radici Yarn Ardesio - Italy	100%
Radici Partecipazioni Gandino - Italy	100%
NEW 2020 Tessiture Pietro Radici Gandino - Italy	100%
Radici Plastics GmbH	100%
Radici Plastics Brazil	100%
Radici Fibras Brazil	> 80%
Radici Yarn Polymerization	100%
RadiciFil Polymerization	100%

Emissions

Disclosure 305-1, 305-2, 305-4, 305-7

RadiciGroup generates greenhouse gas emissions into the atmosphere: both direct emissions from the consumption of energy from sources within the boundaries of its sites and indirect emissions from the consumption of electricity and heat purchased from third-party suppliers. In 2020, direct emissions recorded an 8.2% increase compared to 2018, while indirect emissions dropped by 14.9%. Globally, total CO₂eq emissions generated by Group activities in 2020 amounted to slightly more than 441,000 tons, a result credited to RadiciGroup investments in emission abatement and the use of an energy mix aligned with its responsible and well-established environmental choices. Overall, total emissions over the three-year period under consideration dropped by 5%. Mindful of the environmental effects caused by the use of fossil resources, the Group adopts an energy mix for electricity with a 49.4% quota of renewable energy. A comparison of the emissions generated by the energy mix of the Group with the emissions generated by the standard energy mixes available nationally in the countries where RadiciGroup companies are based shows that, in 2020, the Group saved 31.8% of greenhouse gas emissions into the atmosphere. These results are important intermediate stages along the Group's path towards a smaller environmental footprint. As for energy, the parameters of CO₂ emissions into the atmosphere were influenced by the pandemic. In fact, the absolute value was lower, but the ratio "tCO₂eq/ton produced" recorded a 11.7% increase compared to the two prior years, for a total of 0.052 tCO₂eq per ton of material produced.

Disclosure 305-1,305-2

Table 34 | **GRI305-1, GRI305-2 - Total direct and indirect greenhouse gas emissions**

		2018	2019	2020
tCO ₂ eq	Total emissions (direct + indirect)	464,449	469,139	441,059
tCO ₂ eq	Direct emissions (GRI 305-1)*	198,555	213,323	214,867
tCO ₂ eq	Indirect emissions (GRI 305-2)	265,895	255,816	226,193
tCO ₂ eq	Indirect emissions from electricity	124,084	118,989	92,629
tCO ₂ eq	Indirect emissions from steam	141,811	36,827	133,56
tCO ₂ eq	Indirect emissions from heating	0	0	0
tCO ₂ eq	Indirect emissions from cooling	0	0	0

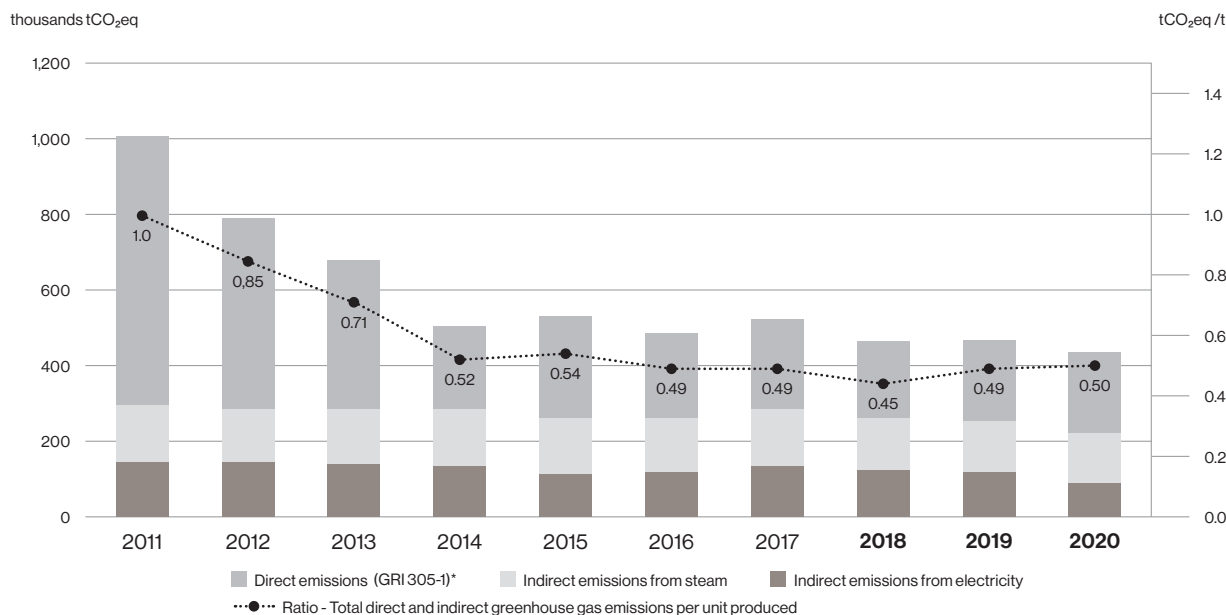
* The values shown include CO₂ from combustion and N₂O from the production of adipic acid and nitric acid.

Disclosure 305-4

Table 35 | **GRI305-4 Ratio - Direct and indirect greenhouse gas emissions per unit produced**

	2018	2019	2020
tCO ₂ eq/t	0.446	0.494	0.498

Total direct and indirect greenhouse gas emissions



* The values shown include CO₂ from combustion and N₂O from the production of adipic acid and nitric acid.

Table 36 | Benchmark indirect emissions from electricity - National standard mix vs RadiciGroup mix

		2018	2019	2020
tCO ₂ eq	Indirect emissions from electricity - national standard mix*	175,084	156,236	135,734
tCO ₂ eq	Indirect emissions from electricity - RadiciGroup mix	124,084	118,989	92,629
tCO ₂ eq	difference	51,001	37,247	43,105
%	difference	29.1%	23.8%	31.8%

* 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.

With regard to emissions quality, the compounds predominantly present are those typically coming from the burning of fuel and the processing of raw materials. Emissions at Group sites are controlled on a regular basis to check for compliance with the limits set by the national legislation in the countries where the Group companies are located.

Disclosure 305-7

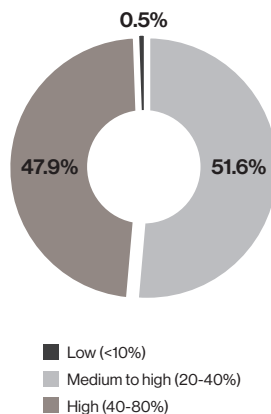
Table 37 | **GRI305-7 - Direct greenhouse gas emissions quality**

		2018	2019	2020
t	Total	157	167	128
t	NOx	127	108	81
t	SOx	0	0	0
t	VOC	8	17	20
t	HAP	0.01	0.10	0.10
t	PM	8	19	8
t	Other emissions	14	23	19

Water used and returned

Disclosure 303-1

RadiciGroup water consumption by regional water stress level



Due to the rising population, demand for water is growing exponentially worldwide. In addition, climate change is exacerbating existing water stress levels with frequent droughts, making water an increasingly precious commodity.

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 Agenda 2030 includes 17 sustainable development goals, of which, Goal 6 calls for ensuring the availability and sustainable management of water.

RadiciGroup has always recognized the value of natural resources and considers water to be an asset that belongs to everyone and should be protected. Two-thirds 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. The water used as a thermal fluid is 42% derived from surface water, in particular from rivers and canals.

In consideration of the fact that the RadiciGroup sites both in Italy and around the world are located in areas ranked as "medium to high water stressed areas" by the World Resources Institute, it is essential to set down a

plan to rationalize the use of water resources, also for the benefit of the host communities and respecting their interests.

None of the Group sites create long-term water reserves (dams, reservoirs, etc.) for their production activities that could deprive local communities of water supply. On the contrary, the same water withdrawn from the sources is recycled and used several times within the plants. In 2020, the practice of recycling cooling water saved up to 70%, the same as in prior years. Conversely, the intensity ratio “water consumption per unit produced” increased by 4.76%, compared to 2018.

As in previous years, Radici Chimica Deutschland GmbH followed a special water management policy. For the operation of its plants, the German company draws water from a water loop managed by the industrial park where the company is located, which also handles the recycling

of output water. Formally, water recycling happens outside the company premises and, thus, the contribution of Radici Chimica Deutschland GmbH to the “saving ratio” is set to zero. If the German company Radici Chimica Deutschland GmbH is excluded from the boundary considered, the percentage of water saved in 2020 rises to 134%, and the “saving ratio” jumps to 2.34.

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. Only a small part of the output water is directed to public sewers. In any case, outgoing water 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 38 | **Water withdrawal by source**

		2018	2019	2020
ML	Total*	86.464	86.029	77.010
ML	Total surface water	35,481	38,279	32,056
ML	other water	0	0	0
ML	freshwater	35,481	38,279	32,056
m³	<i>from rivers/canals</i>	<i>35,013,017</i>	<i>37,755,178</i>	<i>31,452,056</i>
m³	<i>from springs</i>	<i>468,049</i>	<i>523,829</i>	<i>603,606</i>
ML	Total groundwater	9,477	9,436	8,085
ML	other water	0	0	0
ML	freshwater	9,477	9,436	8,085
m³	<i>from wells</i>	<i>9,476,849</i>	<i>9,436,032</i>	<i>8,084,676</i>

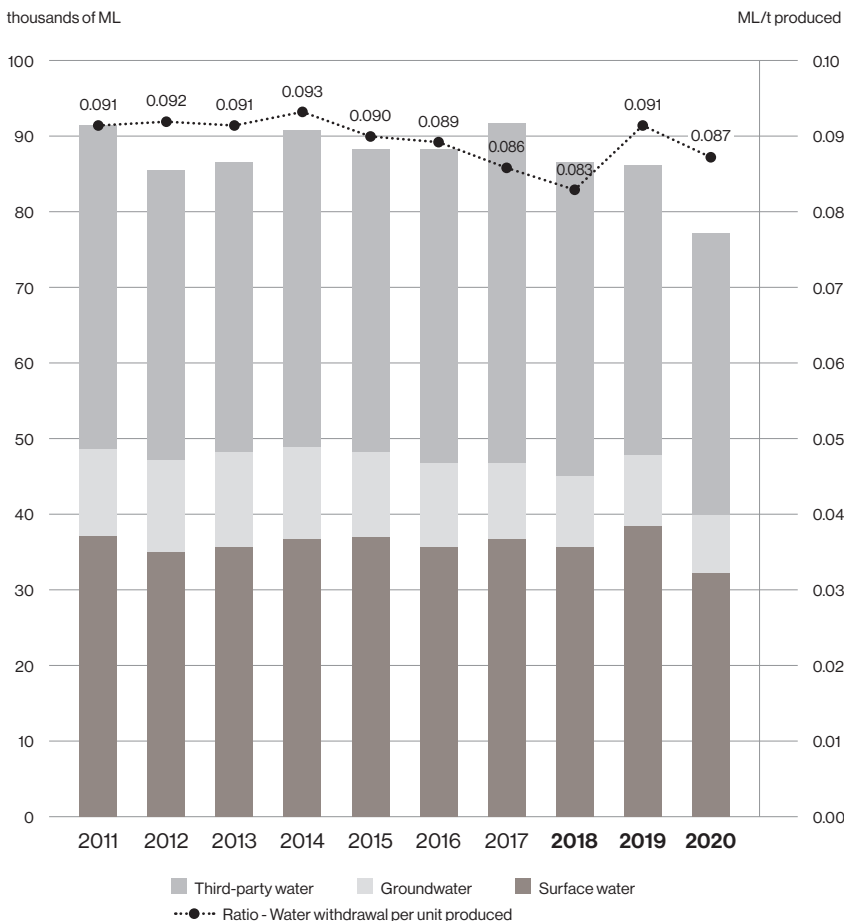
ML	Total third-party water	41,506	38,314	36,870
ML	other water	0	0	0
ML	freshwater	41,506	38,314	6,870
m³	from aqueducts	155,355	135,576	126,942
m³	from private utilities	41,350,964	38,178,805	36,743,061

* For sites where the quantity of water discharged is not measured, such quantity is set equal to the water withdrawn. Similarly, in those cases where only water discharged is measured, the water withdrawn is generally set equal to the water discharged.

Ratio - Use of water resources per unit produced

	2018	2019	2020
ML/t	0.083	0.091	0.087

GRI 303-1 - Water resources withdrawal by source



**GRI 303-1
Water withdrawal by source 2020**

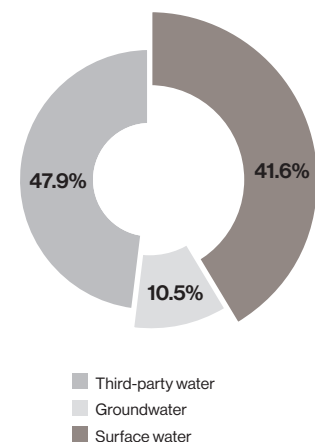


Table 39 | **Water recycled and reused**

		2018	2019	2020
Water saving				
m ³	Water withdrawn	86,464,234	86,029,420	77,010,361
m ³	Water recycled	59,257,811	60,192,287	54,006,168
%	Water saved	69%	70%	70%
n	Saving ratio	1.69	1.70	1.70
Water saving not including Radici Chimica Deutschland				
m ³	Water withdrawn	45,108,470	47,846,410	40,263,781
m ³	Water recycled	59,257,811	60,192,287	54,006,168
%	Water saved	131%	126%	134%
n	Saving ratio	2.31	2.26	2.34

Disclosure 303-4

Table 40 | **Water discharge by destination**

		2018	2019	2020
ML	Total*	81,605	85,707	76,647
ML	Surface water	40,275	47,533	39,882
ML	into surface water	40,275	47,533	39,882
ML	Private utilities	41,330	38,174	36,765
ML	into sewer systems	260	243	256
ML	into industrial canals for reuse	41,070	37,931	36,509

* For sites where the quantity of water discharged is not measured, such quantity is set equal to the water withdrawn. Similarly, in those cases where only water discharged is measured, the water withdrawn is generally set equal to the water discharged.

Table 41 | **Water discharge by type**

		2018	2019	2020
ML	Total*	40,535	47,776	40,138
ML	<i>of which water discharged directly</i>	39,288	46,508	38,884
ML	<i>of which treated in internal purification plant</i>	1,247	1,268	1,254

* Values refer to discharges into surface water or sewer systems, with the exclusion of water returned in industrial canals for reuse, as the canals are not owned by the Group.

Table 42 | **Ratio - Water discharge per unit produced**

		2018	2019	2020
ML/t		0.039	0.050	0.045

Table 43 | **Water discharge quality**

		2018	2019	2020
kg	COD	1,427,080	1,539,325	1,811,725
kg	Total nitrogen	1,205,101	1,121,289	999,951
kg	Suspended solids	43,417	13,132	15,515
kg	Metals*	9,399	8,795	8,976

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

Social performance

Disclosure 103-1

At RadiciGroup, people and thus social sustainability are the basis for its sustainable development policies. Some of the principles upholding the pact of trust between the Group and its employees can be stated as follows:

- **safeguard employment as the primary asset** in all its companies,
- **respect the human rights of Workers everywhere in the world, foremost by protecting their health and safety,**
- **conduct constant monitoring** of the effectiveness of risk management processes, provide training on specific Health and Safety topics, and raise the awareness of each employee about his/her contribution to the safe management of the company,
- **implement continuous and voluntary training programmes** that aim at developing the skills of each employee in accordance with his/her aptitudes, work duties and professional career, as indicated in the section of the Report dedicated to Workers,
- **support a balance between work and family life**, by implementing complementary welfare measures at most of its production sites,
- **engage Workers through internal discussions and other engagement initiatives** aimed at raising team spirit.

Health and Safety

Disclosure 103-1, 103-2, 103-3

At the beginning of 2019, the RadiciGroup GRI team developed a questionnaire to supplement the monitoring systems already in place, based on Disclosure 403 (Occupational Health & Safety) and submitted it to the sites included in the reporting boundary. The objective was to gather qualitative data to complement and help contextualize the quantitative data collected for the Report. For the 2020 edition of the Sustainability Report, the questionnaire included a supplementary part dedicated to the Covid-19 crisis and the measures put in place by the companies to monitor and mitigate the impact.

Disclosure 403-1

The Group is aware that Workers' Health and Safety is a priority and of central importance. It ensures the safety standards laid down by the regulations in force and

regularly checks that they are respected, with the aim of increasing prevention and control in order to reduce the risk of accidents. Therefore, all Group companies have a health and safety management system in place. 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 organization and management model.

Many of the Group plants have a management system based on the voluntary ISO 45001 standard for occupational health and safety management. 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. This philosophy is fully aligned with the RadiciGroup Quality, Environment, Energy, Health and Safety Policy laid out in the introductory pages of this Sustainability Report.

A key role is assigned to the heads of the management system, who are for the most part employees working at the various sites. They may have different titles depending on the legislative and regulatory framework of the various businesses worldwide. With regard to the Italian sites, the head of the prevention and protection service (RSPP) and the employer have the specific duty to organize and manage a risk prevention and protection system, in compliance with Legislative Decree [D.Lgs.] 81/2008. 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.

Disclosure 403-4

The persons appointed to these positions are not the only ones responsible for health and safety. Indeed, all Workers are called upon to develop and improve management systems. The Group sites have mechanisms in place to engage Workers on this issue, on top of the legislative requirements. As already mentioned, training has a primary role: about 54% of the total hours of employee training were dedicated to health and safety topics. In addition to training courses, the most common means of engagement are operating instructions, circulars and instructional materials.

Furthermore, at all RadiciGroup production sites in Italy, a Worker Safety Representative (RLS) is either appointed or elected. The task of this role is to collect and report complaints, problems and requests for information and clarification submitted by Workers, in order to generate 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, and all of them perform the important task of acting as a go-between for the company and the Workers.

At all RadiciGroup sites, in a more or less formalized 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 [D.Lgs.] 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. At numerous Group sites, other meetings may be held on a regular basis. At some of the Italian companies, the Health, Safety and Environment Committee, if present, may also hold meetings. 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.

Besides meetings, 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.

Disclosure 403-2

At all RadiciGroup sites, risk assessment is the basis for all preventive action. At each company, the people responsible for occupational health and safety generally prepare risk assessment documentation for every task in normal, abnormal and emergency conditions, based on the risks that are identified, assessed, monitored and mitigated.

In most cases, health and safety management is based upon recognized 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 full-fledged improvement plans.

The numerical indicators that describe the state of occupational health and safety are reported below.

The data regarding all Workers show a decrease in the number of total work-related injuries (-34 injuries) compared to 2019, a result that can be credited to the constant prevention work conducted by the companies. In 2020, there were 11 high-consequence and 36 non-high-consequence injuries, with a severity rate on the increase – a warning of the need to never let our guard down on this issue. Narrowing the focus to employees only,

a similar general improvement in the various indicators relating to both high-consequence and non-high-consequence injuries can be observed for the reporting year. The majority of recorded incidents were non-high-consequence injuries (32 non-high-consequence and 10 high-consequence injuries).

With regard to the hazards identified on the basis of the different types of production processes, the following macro-categories have been identified through the risk assessment activities at each company:

- kinetic energy hazards (falling from heights, slipping, distortions, contusions, etc.),
- hazards of exposure to harmful substances,

- hazards of drowning, suffocation, asphyxiation,
- electrical hazards,
- heat hazards .

Based on the incidents recorded during 2020, the prevalent risk category is related to mechanical hazards. Data collected in 2020 show, in fact, that the most common types of injury are contusions, abrasions and fractures. The ambitious “zero injuries” goal still remains valid for all Group sites, to be pursued through monitoring, prevention and engagement, as described above. No fatal injuries or cases of recognized occupational diseases were recorded during the reporting year.

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

Table 44 | **General overview of injury situation**

		2018	2019	2020
n	Total Workers*	3,381	3,348	3,227
hours	Total hours worked	5,578,590	5,481,290	4,880,086
n	Number of fatal injuries	0	0	0
n	Total number of injuries	88	81	47
n/200,000h	Injury rate	3.15	2.96	1.93
days	Injury lost days (days away from work)	2,728	2,058	1,891
d/200,000h	Injury days lost rate	97.78	75.09	77.49

* For this table and the following, corrections were made retroactively for the years 2018 and 2019, after the data collection method was improved.

Table 45 | Detailed injury situation - Total Workers

		Men			Women			Total		
		2018	2019	2020	2018	2019	2020	2018	2019	2020
n	Total Workers*	2,538	2,497	2,416	843	851	811	3,381	3,348	3,227
hours	Total hours worked	4,227,033	4,219,289	3,731,119	1,351,557	1,352,001	1,148,967	5,578,590	5,481,290	4,880,086
n	Number of fatal injuries	0	0	0	0	0	0	0	0	0
n	Number of high-consequence injuries	11	11	12	2	3	0	13	14	12
n/200,000h	High-consequence injury rate	0.52	0.53	0.64	0.30	0.44	0	0.47	0.51	0.49
days	Total injury days lost	1,411	923	1,380	172	207	0	1,583	1,130	1,380
d/200,000h	High-consequence injury days lost rate	66.8	44.7	74.0	25.5	30.6	0	56.8	41.2	56.6
n	Number of non-high-consequence injuries	70	59	31	5	8	4	75	67	35
n/200,000h	Non-high-consequence injury rate	3.31	2.86	1.66	0.74	1.18	0.70	2.69	2.44	1.43
days	Total injury days lost	1,046	811	449	99	117	62	1,144	928	511
d/200,000h	Non-high-consequence injury days lost rate	49.5	39.3	24.1	14.6	17.3	10.8	41.0	33.9	20.9

* at 31/12/2020, workers included contract workers, temporary workers and employees.

NOTE

Below are the rules followed for data processing related to the health and safety disclosures:

- The disclosures cover all the workers of the organization divided into employees, temporary workers and self-employed contract workers on a coordinated and continuous collaboration contract with a Group site.
- Hours worked is the number of hours of actual presence (the sum of regular plus overtime hours).
- An injury is an incident that resulted in at least one workday away from work, not counting the day of the incident itself.
- Commuting incidents are not taken into account.
- The days away from work after an injury are the number of full calendar days of absence starting from the day the injury occurred up to the day of return to work, and not the number of workdays. The day the injury occurred is not included.
- The indicator takes into account any relapse from previous injuries.
- Injuries are classified 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.
- Injuries have been classified according to the following list:
 - Contusion, abrasion, wound, cut
 - Distortion, displacement or sprain
 - Fracture
 - Amputation
 - Burns, chemical or physical
 - Intoxication
 - Anoxia / asphyxiation (drowning, strangulation)
 - Electrocution

Table 46 | Detailed injury situation - Employees

		Men			Women			Total		
		2018	2019	2020	2018	2019	2020	2018	2019	2020
n	Total Employees	2,240	2,249	2,155	824	825	787	3,064	3,074	2,942
hours	Total hours worked	3,734,456	3,692,336	3,367,513	1,310,1061	1,309,177	1,113,349	5,044,517	5,001,513	4,480,862
n	Number of fatal injuries	0	0	0	0	0	0	0	0	0
n	Number of high-consequence injuries	10	9	12	2	3	0	12	12	12
n/200,000h	High-consequence injury rate	0.54	0.49	0.71	0.31	0.46	0	0.48	0.48	0.54
days	Total injury days lost	1,125	766	1,380	172	207	0	1,297	973	1,380
d/200,000h	High-consequence injury days lost rate	60.2	41.5	82.0	26.3	31.6	0	51.4	38.9	61.6
n	Number of non-high-consequence injuries	63	56	26	5	8	4	68	64	30
n/200,000h	Non-high-consequence injury rate	3.37	3.03	1.54	0.76	1.22	0.72	2.70	2.56	1.34
days	Total injury days lost	979	754	431	99	117	62	1,078	871	493
d/200,000h	Non-high-consequence injury days lost rate	52.4	40.8	25.6	15.1	17.9	11.1	42.7	34.8	22.0

Table 47 | Detailed injury situation - External (temporary and contract) Workers

		Men			Women			Total		
		2018	2019	2020	2018	2019	2020	2018	2019	2020
n	Total External Workers	298	248	261	19	26	24	317	274	285
hours	Total hours worked	492,577	436,953	363,606	41,496	42,824	35,619	534,073	479,777	399,224
n	Number of fatal injuries	0	0	0	0	0	0	0	0	0
n	Number of high-consequence injuries	1	2	0	0	0	0	1	2	0
n/200,000h	High-consequence injury rate	0.41	0.92	0	0	0	0	0.37	0.83	0
days	Total injury days lost	286	157	0	0	0	0	286	157	0

d/200,000h	High-consequence injury days lost rate	116.1	71.9	0	0	0	0	107.1	65.4	0
n	Number of non-high-consequence injuries	7	3	5	0	0	0	7	3	5
n/200,000h	Non-high-consequence injury rate	2.84	1.37	2.75	0	0	0	2.62	1.25	2.5
days	Total injury days lost	67	57	18	0	0	0	67	57	18
d/200,000h	Non-high-consequence injury days lost rate	27.0	26.1	9.9	0	0	0	24.9	23.8	9.0

Disclosure 403-10

Table 48 | Cases of recordable work-related ill health among Employees

		Men			Women			Total		
		2018	2019	2020	2018	2019	2020	2018	2019	2020
n	Total Employees	2,240	2,249	2,155	824	825	787	3,064	3,074	2,942
hours	Total hours worked	3,734,456	3,692,336	3,367,513	1,310,061	1,309,177	1,113,349	5,044,517	5,001,513	4,480,862
n	Number of deaths from work-related ill health	0	0	0	0	0	0	0	0	0
n	Number of cases of work-related ill health	6	2	0	0	0	0	6	2	0
d/200,000h	Work-related ill health rate	0.32	0.11	0	0	0	0	0.24	0.08	0

Table 49 | **Cases of recordable work-related ill health among external Workers (self-employed and temporary)**

		Men			Women			Total		
		2018	2019	2020	2018	2019	2020	2018	2019	2020
n	Total self-employed Workers	298	248	261	19	26	24	317	274	285
hours	Total hours worked	492,577	436,953	363,606	41,496	42,824	35,619	534,073	479,777	399,224
n	Number of deaths from work-related ill health	0	0	0	0	0	0	0	0	0
n	Number of cases of work-related ill health	0	0	0	0	0	0	0	0	0
d/200,000h	Work-related ill health rate	0	0	0	0	0	0	0	0	0

Health protection - the experience with Coronavirus

Disclosure 103-1 Disclosure 403-2

During the first months of 2020, RadiciGroup tackled the exploding Covid-19 crisis by putting in place a succession of measures focused on safeguarding its Workers, with two objectives:

- protection of the Workers' Health and Safety,
- ensuring the continuity of production operations and employment in total safety.

The first set of rules was issued during the very first days after the health crisis was announced. From that moment on, RadiciGroup has scrupulously adopted the emergency regulations and protocols issued by local and national health authorities at all Group sites.

The Health and Safety function, in collaboration with Human Resources and external specialists, have worked non-stop to protect the health of the Workers. Key measures adopted were: personal protective

equipment, body temperature measurement, sanitation of workplaces, organization of operations in such a way as to avoid crowding, cancellation of meetings and business travel not absolutely essential. Some sites also provided their employees with the opportunity to have rapid in-house antigen tests, on a voluntary basis, to check for possible infection.

The massive recourse to emergency remote working, compatible with the tasks to be carried out, was extended as much as possible to company personnel; this practice was one of the main tools adopted to protect the health of the Workers. These measures continue to be in place and regularly updated with new ones in relation to the persisting state of emergency.

A booklet for simplified remote working and a leaflet on measures to contain the spread of contagion have been distributed at all sites to help those working from home make the smoothest possible transition from office work to remote working and to raise awareness of precautionary behaviour to protect employees' and others' Health.

Reconciling private and work life

In addition to Health and Safety protection, RadiciGroup also promotes the best possible balance between private and work life by implementing the measures and tools provided for by law, mainly reduction in working hours (part-time), parental leave and leave to assist family members, if provided for by the laws of the host country.

Starting in 2019, Italian companies have gradually introduced a supplementary "corporate benefit package" for their employees: a versatile tool that satisfies the different needs of each individual, a tool that rewards and motivates Workers who may choose to take advantage of benefits related to their family life, Health, welfare and leisure time.

RadiciGroup also promotes special initiatives for its employees aimed at improving their physical and psychological well-being. Since 2015, the Group has carried on a project called "StoBene", (formerly called Workplace

Health Promotion or WHP), originally conceived by the Bergamo Local Health Unit and the Region of Lombardy to encourage Workers to adopt a Healthy lifestyle and a positive mental attitude. The "StoBene" project is actively being extended to Group companies in Italy and worldwide. Even in these difficult times, RadiciGroup has successfully promoted and engaged its Workers in new and old initiatives. For example, the canteens of the Group's sites have continued the nutrition education campaign for a balanced diet through the illustrated "storytelling" of the best combination of foods on the paper placemats of food trays.

At Christmas, solidarity initiatives were launched to collect used toys in good condition and tools and accessories for drawing and creative activities for children in difficult situations. In 2020, the project was extended to Radici Chimica in Novara.

Innovation

Disclosure 103-1

Throughout the years, innovation has been a key attribute of RadiciGroup, enabling it to expand into different sectors and bring competitive, cutting-edge products and solutions to the market. In the current delicate phase of economic recovery, a relaunch requires rethinking the industrial system to make it ready to seize opportunities brought about by sudden changes and to implement equally fast solutions in order to remain competitive.

By pooling the know-how and expertise of its various business areas, RadiciGroup has always been in a position to develop advanced integrated research projects inspired by the principles of environmental protection and the circular economy, so as to ensure constant growth and a better future for coming generations.

Radici InNova

To achieve the Group's strategic objectives, guarantee business continuity and improve the company's competitiveness, as well as generate value in its communities, the consortium company Radici InNova was created at the end of 2019, with the aim of developing research and sustainability-oriented innovation projects, starting in 2020. Radici InNova drawing on internal competencies and relationships with selected universities, research institutes and scientific centres manages and coordinates research and innovation activities across the Group's three business areas with the goal of strengthening innovation, the main driver of development for RadiciGroup.

In particular, the activities of the consortium are focused on:

- **development of solutions for the circular economy** by managing the end of life cycle of products starting from their origins, in order to increase their useful life and performance and promote their effective recycling,
- **development of industrial processes for the synthesis of chemical intermediates from materials of biological origin**, which are the building blocks for the production of sustainable polymers used to manufacture a wide range of products,
- **development of polyamides obtained from renewable source materials** destined for applications in a variety of sectors, including automotive, textile and apparel,
- **optimization of industrial processes** to increase sustainability and improve performance,
- **demonstration of the value of Group processes and products**, through objective measurement of performance and impacts, with renewed commitment to rigour, transparency and the scientific approach,
- **identification of new business opportunities**, including market opportunities for existing Group products.

In spite of the pandemic crisis, in 2020 Radici InNova undertook several relevant activities. It defined the preparatory stages for several research and innovation projects considered strategic for the Group and started the search for possible collaborations of interest. At the same time, a system was set up for coordinating and monitoring project stages in order to ensure structured, shared and transparent management of activities.

Subsequently, projects in the following areas were launched:

- **development of certified materials for the medical sector.** The acquisition of expertise in the healthcare sector has led to the study of advanced textile materials for the production of personal protective equipment for healthcare workers during the Covid-19 health crisis,
- **new materials for the automotive industry**, in particular thermoplastic composites, materials for additive manufacturing and 3D printing,
- **alternative processes** to obtain the **chemical intermediates necessary for the production of the Group's strategic polymers from renewable raw materials.**

During 2020, Radici InNova also devoted specific attention to initiatives related to the circular economy and sustainability, which have always been features of Group activities. In particular, **projects were launched to develop recycling processes from pre- and post-consumer waste**, and, at the same time, **ecodesign and codesign initiatives** were implemented with customers to help them create **durable products that are easy to recycle** at the end of their lives.

Bio-based polyamides: a new challenge for RadiciGroup

Developing polyamides from renewable raw materials. This is the ambitious innovation project that RadiciGroup has pursued from 2018 to 2021, demonstrating the feasibility of producing an innovative range of polyamides, partially (PA56, PA69, PA610 and PA612) or fully (PA510, PA59 and PA56BIO) bio-based and specialty (high performance) polymers.

The first goal achieved by the Group was the construction of a new polymerization line to start production of the polyamides, designed with the aim of setting up a versatile production system capable of responding to the needs of several sectors in parallel. Furthermore, with the support of Rynetech Bio, an American company with expertise in industrial biotechnology, several tons of bio adipic acid, a key polyamide component, were produced.

The industrialization of the above polyamides is the final goal of a project called ULYSSES*. These materials not only deliver the quality and performance required by current standards, but also meet the sustainability agenda of several of the Group's strategic sectors, in line with the European targets for the development of a low-emission economy.

The environmental aspects of these new polymers are interesting and relevant, as they are obtained from raw materials not in competition with food production. The development of new materials from renewable source materials is one of the most advanced research activities in the fight against climate change.

The carbon of biological origin contained in these polymers is actually incorporated into the polymeric materials, which are practically infinitely recyclable. Indeed, the CO₂ is trapped and cannot be released into the atmosphere during the full life cycle of the materials, thus achieving an important objective of ecological transition.

* The ULYSSES project received a financial contribution from the Region of Piedmont under the programme POR FESR 2014-2020-Asse I Azione I.1b.1.1.



Protective face visors: an innovative process and product to respond to the emergency

From 3D printing to injection moulding for a faster response to the demand for personal protective equipment for health care workers. To realize this objective, RadiciGroup donated its polyamide 6 materials for the manufacture of 3,000 frames needed to make protective face visors used by medics. The initiative was made possible by a partnership between the Group and some local entrepreneurs, schools and social organizations of the Province of Bergamo, which made available their expertise and equipment in the field of plastic moulding, 3D printing and design, as well as provided economic support for the project.

The important solution found for the face visor was simple: a frame – moulded (or 3D-printed) from engineering polymers produced by the RadiciGroup High Performance Polymers Business Area – was attached to a PVC sheet. Thus, a new protective device was added to the certified PPE needed by health care workers, in particular family doctors and paediatricians working in the local communities.

That was not the only product and process innovation put in service for the community rather than the market. Actually, the first challenge taken up by RadiciGroup was the printing of valves for the rapid conversion of snorkelling masks to oxygen masks for the treatment of Covid-19 patients. Then, the Group moved on to the printing of protective visor frames – both simple and more complex versions – using the Group's high performance polymer RADILON® C.

The Circular Economy

Disclosure 103-1

The Circular Economy is a new way of designing, producing and using goods and services within the boundaries of our planet, its resources, limitations and opportunities. It is an economic system that is conceptually and operationally regenerative. Today, circularity is fostered by favourable legislative initiatives, such as the EU Circular Economy Package and the European Green Deal, and has also found financial support among big global operators, who have started to invest in circularity. Circularity is the basis of most of the sustainability choices made by RadiciGroup, for which it is:

- **a driver for process and product innovation**, especially when implemented by adopting ecodesign, that **creates opportunities for product development in unexplored sectors**, such as the Group's range of 100% recyclable products and portfolio of products made from recycled and bio-based materials,
- **a stimulus for production and system efficiency**, through the reduction of waste and operating costs, that **utilizes the industrial synergy** already available among the Group business areas, broadening business opportunities. A case in point: the polymers from recycle launched in 2019 and 2020 for the fibres industry,
- **an important lever for the transformation and integration of the value chain**, through partnerships for the adoption of best practices, support of best technologies and optimization of transport,
- **a contribution to the creation of highly specialized and resilient local production chains**, which are "light" because they are local and flexible and capable of reacting swiftly in a changing context, as happened in the case of the production of personal protective equipment for medical use during the Covid-19 crisis.

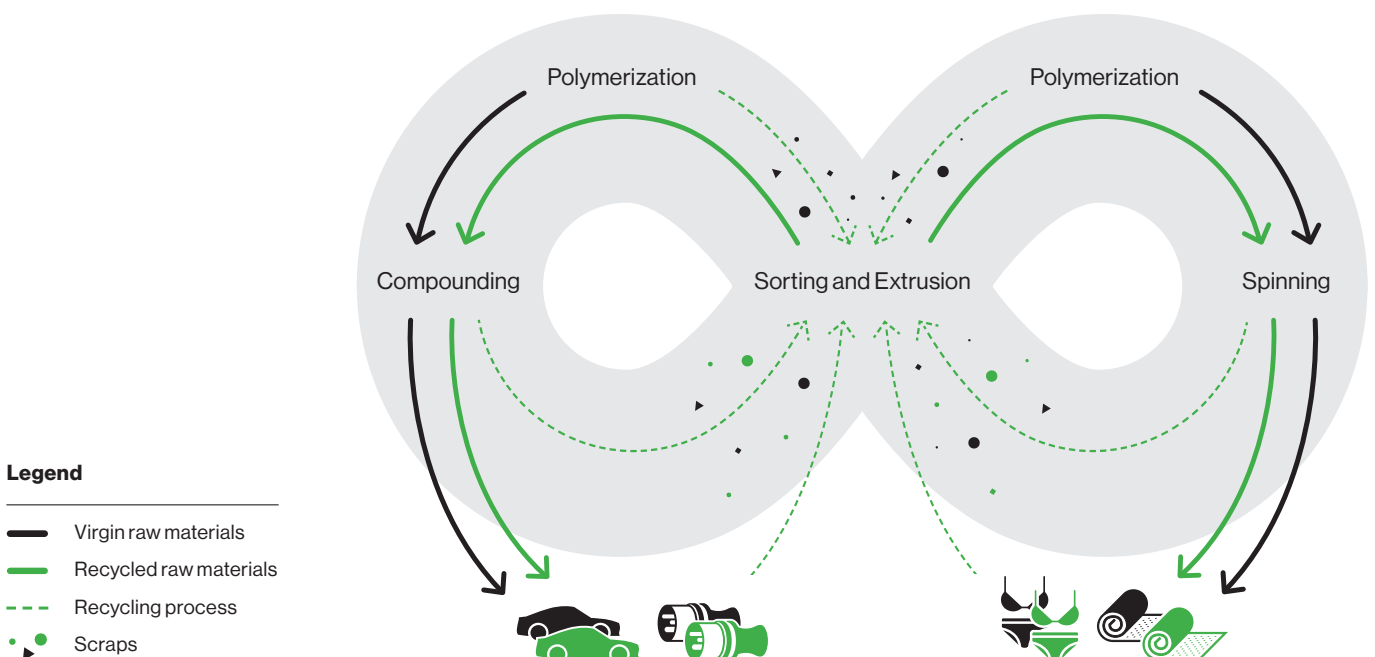
On the basis of the type of processes and know-how that characterize its production, RadiciGroup has adopted some of the principles of the circular economy and incorporated them into projects:

- **Ecodesign:** RadiciGroup increasingly collaborates with customers and suppliers to design circular products. Special attention is paid to the principle of monomateriality (sometimes called unimateriality), which means making objects using a single material or only a few compatible materials, so as to ensure the desired level of performance together with direct life-end recyclability, preferably via mechanical treatment following the disassembly of the various components.
- **Materials:** durable, recyclable and recycled materials are widely represented in RadiciGroup's product offering. The creation of Radici InNova opened up a new field of action in which the Group is already investing: new and increasingly sustainable sources of raw materials, including bio-based materials and others obtained through innovative and technologically pioneering processes.
- **Processes:** The Group invests to optimize every aspect of production, from raw material usage to energy resources, while trying to eradicate all forms of waste. Scientific and rigorous measurements are carried out on a regular basis to verify the environmental impacts of the processes. 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:** RadiciGroup products are based on carefully selected, high-performance raw materials originating from traceable, qualified supply chains. Nylon, in particular, is designed to last over time 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. Recovered materials can thus be processed into new polymers for the most challenging sectors, from automotive to technical textiles.
- **Quality recycling:** thanks to RadiciGroup's recognized experience in waste recovery and re-utilization, waste is processed into new resources. The Group is able to sort the various waste materials, 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 resources, especially energy resources, besides having intrinsic circularity are a key factor in RadiciGroup's sustainability policy. Thanks to its 20-year partnership with Geogreen, for quite some time now, the Group has had an energy mix with more than 40% clean energy.
- **Extended producer responsibility:** RadiciGroup adopts extended producer responsibility schemes and thus contributes to implementing structured, controlled and efficient circular economy models. For example, feasibility assessments of its new products are always based on their full life cycle, focusing on continuous research on materials and recyclability. In this perspective, the Group develops technically durable materials that are suitable for recycling or contain raw materials obtained from recycle (Heramid, Renycle, Repetable and Responsible). Moreover, the Group pays an environmental contribution to ensure that the costs of managing the waste generated by its production activities are covered. Finally, it actively promotes collaboration with customers to design products that facilitate the recycling of finished products at the end of their life and fosters communication and information initiatives on the themes of circularity, recycling and recyclability, as described in several sections of this Report.

Nylon recycling system for circularity

RadiciGroup, thanks to its long-standing know-how in material formulation and recycling, is able to **convey scraps either in the same industry which originated them or in a different one**. This depending on of the specific characteristics of the materials and the performance expected from final applications, **choosing the most sustainable solution**.



RESPONSIBLE®

Sustainability and circularity: Responsible®, the spunbond from recyclate, is born

In 2020, Responsible®, a new circular, low-impact product was added to the RadiciGroup product portfolio. Responsible® is the brand name of the Group's sustainable spunbond, made from mechanically recycled polypropylene, a material appreciated for its excellent chemical properties and versatility. Its high technical performance, comparable to that of virgin material, makes it suitable for any applications, even the most demanding ones in terms of strength and durability for numerous sectors such as automotive and construction, agriculture and HO.RE.CA (Hotels-Restaurants-Cafes). Through recovery and recycling, production waste is converted into polymer and then into spunbond, eliminating the need for valuable new non-renewable raw materials.

Since 2020, Tessiture Pietro Radici, the Group company that produces Responsible®, has also adhered to the ISCC PLUS (International Sustainability and Carbon Certification Plus) scheme. The latter is a certification of traceability for circular materials allocated using the mass balance approach. ISCC PLUS provides traceability along the supply chain, verifying that the company meets high environmental and social standards.

Responsible® can be used in downstream processes, ensuring high technical properties and excellent environmental performance, reinforced by the fact that 100% renewable energy is used for all company production processes.

RENYCLE®

Renycle®: another step towards circularity

At RadiciGroup all production scraps become resources. Formulated in 2019 and officially launched at the beginning of 2020, the Renycle® range of nylon obtained from recycled nylon became part of the RadiciGroup low-impact product offering.

Renycle®, an optimal solution for applications in the textile-fashion, interiors and automotive industries, boasts extremely advantageous environmental performance compared to PA6 virgin polymer. Based on the first in-house measurements, Renycle® polymer allows for energy saving of over 87% and water saving of over 90%, all the while maintaining the same quality performance with respect to its virgin equivalent. Furthermore, CO₂ emissions are cut by almost 90%, a record result, which strengthens the commitment of RadiciGroup – on the front line for some time – to fight against climate change. In addition to 100% recyclability at end of life, this product reduces the need to resort to new raw materials of fossil origin.

Product performance

Disclosure 103-1

- RadiciGroup is an industry forerunner in recycling waste: already in the 1950s, wool blankets – the products that led to the start of the Group's business activities – were collected at the end of their life and reused for the production of other textile products. (This is an example of circularity).
- For about 40 years, production scraps from the processes of all Group companies and others have been reused in extrusion lines, thus avoiding the waste of any virgin raw material.
- For over 20 years, Group companies have powered their plants with green energy.
- For over 15 years, Group companies have used post-consumer materials to produce PET yarn and engineering polymers.
- For about 10 years, Group companies have measured the environmental impact of their main families of products, using the life-cycle-assessment approach, which provides an analysis of the entire life cycle.

Today, RadiciGroup lower impact products are developed in the context of specific sustainability commitments:

- **develop circular products with a life cycle thinking approach, that is, thinking of the end-of-life from their origins**, 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,
- **make the best use of raw materials, select renewable source materials, reduce scraps and waste**,
- **optimize processes and measure their impacts** using scientific methods that put the Group's choices on solid ground, while ensuring transparency and traceability,
- **work with suppliers, customers, associations and scientific partners to create a sustainable value chain**.

The Group products resulting from this philosophy have two main characteristics in common, **durability and recyclability**, which make them an important choice in terms of impact reduction for downstream customers and end users. In addition, there are a number of specific features for any single product.







Why choose RadiciGroup low environmental impact products?

Because they are all durable and recyclable, both key elements in the light of circularity.

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,
- Manufactured using **green energy**, which decreases dependence on fossil fuels,
- bio-based or manufactured, entirely or in part, from **natural raw materials**, made from vegetable sources that do not compete with plants cultivated for food,
- bio-degradable: **able to separate into their different components** thanks to chemical processes.

RadiciGroup low environmental impact products

Product	BA	 Green energy	 Bio-based	 Solution-dyed	 Recycled	 Durable Recyclable	 Biodegradable
Radipol®	Specialty Chemicals	●				●	
Radipol® 6.10	Specialty Chemicals		●			●	
Heramid®	High Performance Polymers	●			●	●	
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	●		●		●	
Renycle®	Crossing Business Areas	●		●	●	●	
Repetable®	Crossing Business Areas			●	●	●	
Responsible®	Crossing Business Areas	●		●	●	●	
Biofeel®	Crossing Business Areas		●	●		●	
Biofeel® PLA	Crossing Business Areas		●	●		●	●

Transparency

Disclosure 103-1, 103-2, 103-3 Disclosure 417-1

Accessibility to relevant information concerning a product is essential to ensure greater user safety. Furthermore, such accessibility is also key to communicating product characteristics and performance, which must always be stated in a clear, precise and non-misleading manner. RadiciGroup has long worked for transparency in product formulation and communication at all levels:

- 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.

Regarding the Advanced Textile Solutions Business Area, all products comply with the obligations set forth by the REACH regulation. Moreover, yarns with a PA6/PA66 polymer matrix for textile applications are certified to the international Oeko-tex® Standard 100, Annex 6, Class I, while fibres with a PET polymer matrix are certified to Oeko-tex® Standard 100, Annex 4, Class I.

Furthermore, in the two-year period 2018-2019, the yarns of the Renycle® (nylon) and Repetable® (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. The nonwovens with recycled content in the Responsible® product family were certified as circular products in 2020, according to the International Sustainability and Carbon Certification (ISCC) system.

Concerning the Group's Specialty Chemicals Business Area, all the chemicals produced at the Novara (Italy) and Zeitz (Germany) plants comply with the requirements of the REACH regulation. This European Union regulation was adopted to better protect human health and the environment from the risks of chemical substances. The registration dossiers for the two plants are constantly updated to reflect the findings of current toxicological and ecotoxicological studies, according to the European Chemical Agency (ECHA). Product safety sheets sent to

users downstream contain the instructions for correct and safe use.

A safety sheet in accordance with REACH provisions is also issued for all products manufactured by the RadiciGroup High Performance Polymers Business Area. Additionally, for all High Performance Polymer products, a REACH Declaration is issued stating the absence of Substances of Very High Concern (SVHC), together with a specific REACH Compliance Statement (1907/2006) attesting to the fact that all the substances contained in the product have been registered or are exempt from registration. A statement is also provided pursuant to EU Directive 2011/65/EU (RoHS) on the restriction of the use of certain hazardous substances in electrical and electronic equipment. Products for the automotive sector come with IATF 16949:2016 certificates. Products that come in contact with food are accompanied by declarations of conformity, as required by the international regulations (EU Regulation 10/2011, FDA, etc.) on materials coming into contact with food.

In matters of product environmental communication, the Group's job is facilitated most of all by the Environmental Product Declarations (EPDs), based on ISO standards and Life Cycle Assessment (LCA) studies, completed and prepared according to the related Product Rules, which aid the Group in maintaining a high level of transparency. In particular, the registered EPDs cover products of the High Performance Polymers BA - Heramid A (PA66), Radilon® S (PA6) and Radilon® A (PA66) - and Advanced Textile Solutions BA - Radifloor® (PA6 and PA66) Bulk Continuous Filament and Refined Yarns.

Advanced Textile Solutions also added certifications of compliance to the Global Recycled Standard (GRS) for its nylon recycled products (Renycle®) and polyester recycled products (Repetable®), and International Sustainability and Carbon Certification (ISCC PLUS) covering traceability for circular nonwovens.

Disclosure 417-12, 417-3

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

Disclosure 103-1

During recent years, as a result of an increased awareness of the importance of each production stage with regard to quality, health, safety and conformity to current laws and regulations, a key element of the RadiciGroup sustainability strategy has become the ability to precisely trace the different steps and sources in material procurement and processing.

The increasing popularity of circular economy models has made traceability even more relevant, as it allows to:

- assess the quality, quantity and type of resources to use in the production chain, taking as a time reference the expected durability of the product,
- identify the best solutions from the viewpoint of technical, environmental and economic performance and create value added for customers,
- attest that the management and treatment of resources (e.g., materials with recycled content and waste) are in conformity with laws and regulations.

With regard to the **traceability of Group products**:

- **total traceability of virgin materials and internally handled post-industrial recycled scraps and rejects.** RadiciGroup acquires the raw materials and polymers from large companies of international repute, which are able to provide detailed information on the materials supplied,
- **total traceability of post-consumer recycled materials purchased on the market. In fact, GRS certification or certification to applicable ISO standards for goods delivered by RadiciGroup or Oeko-tex® certification require total traceability.** In addition to conformity to the requirements of the above 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.

System sustainability

Disclosure 103-1

Voluntary quality, safety, environmental and energy management systems, implemented according to the most advanced and recognized international standards, make up a framework of best practices and valuable tools for sustainable management. RadiciGroup has made management systems a pivotal part of its strategy, which goes far beyond mere compliance.

For the Group, the advantages of having management systems in place, in terms of sustainability and beyond, are numerous:

- **management systems** are built with a risk-based thinking approach, which entails an accurate analysis of the business context and processes in order to **measure, monitor and manage risks and opportunities** with a view to, by way of example, the environment, energy, and use of resources,
- management systems lead to the **organization of a systemic and process-based approach**, on the basis of which **procedures are streamlined and synergies created** among different companies or business areas for shared management of objectives, for instance, concerning health and safety aspects,
- through documented and verified process management and the common language of the systemic approach, management systems allow for the **evaluation of the results achieved over time both by individual companies and across the various functions**, as part of strategic planning,
- **through the tool of system certifications**, which are increasingly a sine qua non for accessing certain markets and highly specialized applications, management systems can be an **important element for acquiring new business opportunities**.

Certifications, in particular, attest to and strengthen RadiciGroup's commitment to quality, safety and the environment, as well as to transparent and third-party-verified product environmental impact communication.

Sustainability of the future: digitization at the service of management systems

"The Management System of Management Systems" [Il Sistema di Gestione dei Sistemi di Gestione] is the name of the software officially adopted in 2020 by the RadiciGroup QHSE functions to organically and strategically manage all the most relevant aspects of the Quality, Health, Safety, the Environment and Energy Systems.

The software package adopted the result of a laborious selection process involving the main functions of the Group and the work of about thirty people worldwide will be rolled out to all RadiciGroup sites, after a pilot testing phase in 2021, involving the High Performance Polymers Business Area.

The complexity of the scenario in which the Group operates increasingly requires the adoption of robust yet flexible tools that can simultaneously govern the organizational systems relating to Quality (ISO 9001), Health and Safety (ISO 45001), the Environment (ISO 14001) and Energy (ISO 50001). This need is in line with key requirements of other international standards, e.g., ISO 27001 (information security management system) and ISO 37001 (anti-bribery management systems). This solution, adopted according to digitalization logic aimed at supporting the RadiciGroup dynamic business model, offers numerous advantages. Firstly, sharing knowledge of all aspects covered by the software in order to be able to formulate comprehensive strategies, based on common and measured data and key performance indicators (KPIs). Secondly, specifically in terms of sustainability, the software allows for organic management of the risks and opportunities related to key issues, such as, climate change, supply chain, employee health and safety, which, after the Covid-19 experience, are becoming increasingly relevant. More structured risk governance, together with up-to-date knowledge of normative obligations, will lead to an overall reduction in RadiciGroup's risk level. A structured analysis of opportunities, on the other hand, offers relevant strategy insights. The deployment of the software package at all Group companies will be fundamental, as will robust training and engagement activities for all staff who will be called upon to "feed" the software, which is capable of providing stratified scenarios at the individual company, business area and Group levels.

Table 50 | **RadiciGroup Certifications** (updated as of September 2021)

RadiciGroup Site	ISO 9001	IATF 16949	ISO 14001	ISO 45001	ISO 50001
Corporate					
Radici Partecipazioni S.p.A.	●				
Business Area: Specialty Chemicals					
Radici Chimica Novara S.p.A.	●		●	●	●
Radici Chimica Deutschland GmbH	●		●	●	●
Business Area: High Performance Plastics					
Radici Novacips S.p.A. - Villa d'Ogna	●	●	●	●	
Radici Novacips S.p.A. - Chignolo	●		●	●	
Radici Plastics GmbH	●	●	●	●	●
Radici Plastics Ltda (Brasil)	●	●	●	●	
Radici Plastics (Suzhou) Co. Ltd.	●	●	●	●	
Radici Plastics Usa, Inc.	●	●	●	●	
Radici Plastics Mexico S. De R.l.	●	●			
Business Area: Advanced Textiles Solutions					
RadiciFil S.p.A.	●		●	●	●
Logit Sro	●		●	●	●
Radici Yarn S.p.A. - Villa d'Ogna	●		●		
Radici Yarn S.p.A. - Ardesio	●		●		
S.c. Yarnea Srl	●		●	●	
Radici Chemiefaser GmbH					●
Radicifibras Ltda	●				
Noyfil S.p.A. - Chignolo	●			●	
Noyfil S.p.A. - Andalo Valtellino	●			●	
Noyfil Sa - Stabio	●		●		
Cordonsed Sa (Argentina)					
Tessiture Pietro Radici S.p.A.	●		●	●	

In 2020, **other product certifications** were attained, namely the **Environmental Product Declarations for individual products and other certifications** mentioned in the section of the Report dedicated to the product.

Certifications and contribution to SDGs

Disclosure 103-1

The certifications held by companies are a key factor in achieving the United Nations Sustainable Development Goals (SDGs) in the context of global sustainability. Below is a table showing how the ISO standards align with the specific SDGs. Thus, certification to a specific ISO standard, together with a robust conceptual and organizational structure upstream, help to achieve the corresponding UN SDGs.

RadiciGroup Certification	Sustainable development goals to which the certification contributes
ISO 14001:2015 - Environmental Management	6 - 7 - 9 - 13 - 14 - 15
ISO 50001:2018 - Energy Management	7 - 11 - 13
ISO 45001:2018 - Occupational Health and Safety	3 - 8 - 11
ISO 9001:2015 - Quality Management Systems	9 - 12
ISO 14044:2006 - Environmental management - Life cycle assessment	9 - 12 - 13 - 14 - 15
ISO 14024:2018 - Environmental Labels and Declarations	9 - 12



The ISO 26000 standard on the social responsibility of organizations underlies the Group's entire sustainability process, and the philosophy it promotes is the same one that inspires the UN Sustainable Development Goals.

To learn more: www.iso.org/sdgs.html

Reporting principles

Disclosure 102-1

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”.

Disclosure 102-54

This Report has been prepared in accordance with the GRI Standards: Core Option.

Disclosure 102-45, 102-46

The data for this Report were provided by the following 22 production sites and the parent company:

- CORDONSED SA (Argentina)
- LOGIT Sro (Czech Republic)
- NOYFIL SA (Switzerland)
- NOYFIL S.p.A. (2 sites, Italy)
- RADICI CHEMIEFASER GmbH (Germany)
- RADICI CHIMICA DEUTSCHLAND GmbH (Germany)
- RADICI CHIMICA S.p.A. (Italy)
- RADICIFIL S.p.A. (Italy)
- RADICI NOVACIPS S.p.A. (2 sites, Italy)
- RADICI PARTECIPAZIONI S.p.A. (Italy)
- RADICI PLASTICS GmbH (Germany)
- RADICI PLASTICS Ltda (Brazil)
- RADICI PLASTICS MEXICO S. de R.L. de C.V. (Mexico)
- RADICI PLASTICS SOUZHOU Co. Ltd. (China)
- RADICI PLASTICS USA Inc. (USA)
- RADICI YARN S.p.A. (2 sites, Italy)
- RADICIFIBRAS Ltda (Brazil)
- SC YARNEA Srl (Romania)
- TESSITURE PIETRO RADICI S.p.A. (Italy)

The holding company, Radici Partecipazioni S.p.A., has provided data only for its employees, since its environmental impact is extremely limited.

The companies listed above generate almost the entire sales revenue of RadiciGroup. The entities excluded are the sales companies and the companies not comprised in the business boundaries of chemicals, engineering polymers and synthetic fibres. Radici Plastics B.V. was not included in the reporting boundaries for the purposes of this Report since the plant was shut down in 2019.

On the other hand, at year-end 2019, the Group began the procedure for the acquisition of Zeta Polimeri S.r.l., which was finalized in May 2020. Therefore, the company was comprised in the reporting boundaries of this Report only

for economic data disclosures, while the data relative to all other disclosures will be included in future editions of the Sustainability Report. Radici InNova avails itself of the services and work by personnel of other Group companies, the impact of which is already disclosed in the Report. The material topics identified and the related indicators apply to all the companies listed included in the reporting boundaries. The reporting principles adopted to compile this Report are stated below. They are the premises substantiating the intentions of the Group to prepare a document that is representative of the Group sustainability strategy, the goals achieved and the goals still to be achieved. These principles are important instruments because they enable the Group to share its results and expectations with its stakeholders in a transparent and balanced way, allowing for debate.

Stakeholder inclusiveness

Disclosure 102-43

In 2018, RadiciGroup revised the mapping of its stakeholders and surveyed their legitimate expectations, as reported in the table “*Mapping of Stakeholders, their expectations, risks and opportunities, and engagement methods*” on page 97. The 2018 revision is also considered valid for 2020.

Some stakeholder groups - particularly Employees, members of local communities and suppliers - were actively engaged in the materiality analysis according to the procedures described below. Their contribution was valuable in that it created a more complete and shared vision of the sustainability topics that are essential to the Group. Furthermore, in numerous instances described in the section, “Stakeholders”, these groups engaged in initiatives fostering dialogue and collaboration on sustainability topics and their promotion. Lastly, year after year, both the full and summary versions of the Sustainability Report are circulated to the stakeholders through internal briefings and training sessions, as well as traditional and social media. Together, these initiatives cover a wide communicative spectrum, thus ensuring that the Report, and all the ideas and information contained in it, can potentially reach all the Stakeholders.

Sustainability context

Each material topic is included in the wider context of the RadiciGroup sustainability strategy aimed at actively working towards sustainable development for its production businesses, and thus contributing to the more general United Nations Sustainable Development Goals mentioned above in the introductory pages of this Report. An analysis of the context in which RadiciGroup operates has also been included in this edition of the Report to aid in capturing the characteristics and the strategies of the various Group business areas.

Materiality

The Corporate Mission, Vision and Values, along with an analysis of the context and the legitimate expectations of stakeholders, have guided the Group in identifying its material topics. The thorough process used to identify the material topics followed a specific established corporate procedure and is described under “*materiality analysis*”. This process allowed to clearly identify the topics on which RadiciGroup has to focus its strategies and resources in the context of sustainability.

Completeness, accuracy and balance

This Sustainability Report reports on material topics that apply to the totality of the companies providing data for the year 2020 and the two preceding years. Together, these companies account for substantially all of RadiciGroup’s sales revenue and nearly all of its employees, which gives the Report full representativeness. As in every year, numerical data were collected in disaggregated form. Each production site provided its results, which were then aggregated at the central level. Data over the last three years are shown in the Report. 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. Computation methods and measurement units are shown, where appropriate, and

any estimates and assumptions made are also indicated. The uncertainty margin was estimated to be less than 5%. A similar method was implemented for collecting information for non-numerical indicators. Questionnaires in the English and Italian languages were sent to the production sites and the results were restated in summary form so as to highlight what was common to the various sites group-wide.

Comparability

Disclosure 102-48, 102-49

This Report has been prepared in accordance with the GRI Standards: Core Option. The introduction of SAP ERP (enterprise resource planning software) in the entire High Performance Polymers Business Area has allowed for revalidating the sources of some data and homogenizing the data, thus increasing the accuracy of the measurements.

Clarity

Special effort has been made to organize the information for every version of the Report with the objective of ensuring the clarity and accessibility of the document. The full text of the Report will be released in Italian and English. Abridged or shorter versions will also be made available, which are intended for wider circulation to stakeholders and will allow them to become familiar with the most relevant results of the Group on economic, environmental and social topics in simplified form.

Reliability

The strategic and operational processes that bring the Sustainability Report to life are illustrated and documented in the text, with special reference to the corporate sustainable development strategy procedure that describes the processes for defining the RadiciGroup context, mapping stakeholders and their expectations, and identifying material topics.

Disclosure 102-56

The Sustainability Report has been externally assured by the independent certification body CertiQuality to be in accordance with the GRI Standards: Core Option

reporting model. The economic and financial figures for disclosure 201-1 underwent a voluntary audit by Deloitte, as part of the annual audit of the Radici Partecipazioni S.p.A. consolidated financial statements.

Timeliness

Disclosure 102-50, 102-51, 102-52

This Sustainability Report covers data and events for the calendar year 2020 (Disclosure 102-50) and is being released about one year after the release of the previous version, published in October 2020 (Disclosure 102-51). Any data that do not refer to the reporting year, but were included to bring the document up to date, are duly pointed out. RadiciGroup publishes its Sustainability Report on an annual basis.

Precautionary principle

Disclosure 102-11

RadiciGroup is fully aware of the potential risks of its business activities to the environment and people. Extensive and accurate risk analysis work is carried out within the management systems in all Group companies, with the collaboration of the various functions. RadiciGroup consistently conducts extensive monitoring, prevention and mitigation actions, and realizes the precautionary principle using numerous tools, including the ISO 14001 Environmental Management System and the ISO 45001 Occupational Health and Safety Management System at all its main sites.

Building RadiciGroup Sustainability Strategy

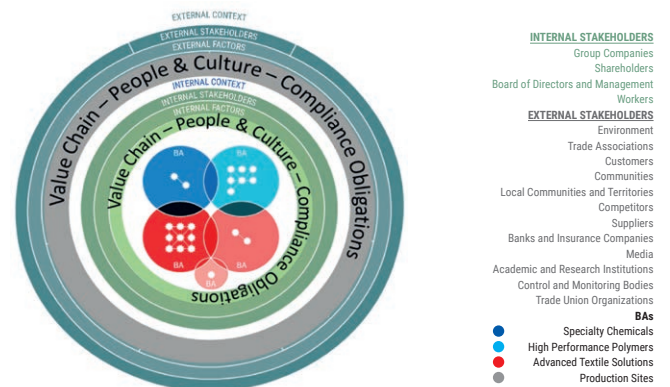
The RadiciGroup strategy in relation to sustainability is defined based on the principles formulated in the Group Vision, Mission and Values, the Policies and the Business Plan (www.radicigroup.com/en/corporate/radicigroup/vision-values) and is implemented through a multi-function approach with the engagement of Group top management, the GRI Coordination Group, RadiciGroup sites and the stakeholders. In particular, the strategy is structured around:

- analysis of the organization's context, to make decisions based on an overall and well-thought-out view of the scenario in which RadiciGroup operates,
- Stakeholder mapping and understanding of the legitimate expectations and interests of the stakeholders, together with risks, expectations and opportunities arising from the relationship with the stakeholders,
- engagement with stakeholders and the expectations expressed by them,
- materiality analysis, a fundamental tool to objectivize the process used to identify the most relevant topics, including the process of stakeholder engagement in the assessment of materiality itself, and to incorporate the vision of management related to each potentially material topic.

Context analysis

In 2018, extensive context analysis work, jointly managed by the heads of the Quality, Health, Safety and Environmental (QHSE) Management Systems and the sustainability team, led the main RadiciGroup companies to take a closer look at all the factors, both external and internal, that could influence their strategy and operations or could be influenced by the companies themselves.

The context analysis highlighted the characterizing factors for each site, business area and the Group as a whole, which can be concisely represented by the figure shown here.



Context & Risks/Opportunities

Context analysis is carried out taking into consideration the main areas that can affect the company performance, namely: the **value chain** (market / customers/ supply chain/ economic factors/ etc.); **people and culture** (human resources and civil society); and **compliance with normative obligations**.

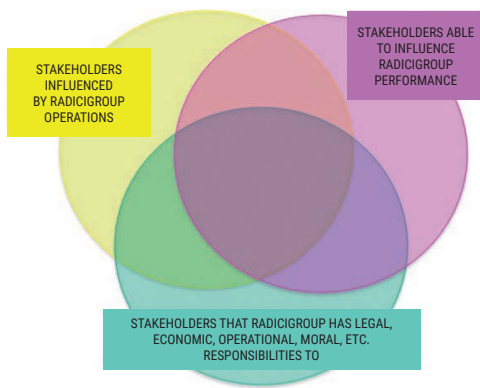
For each area, the analysis identifies current and forecast performance and related risks and impacts. The analysis produces a list of the actions that have been identified and a brief description of each (supported by business plans, projects, investments, etc.).

Mapping of stakeholders, engagement methods and analysis of risks and opportunities

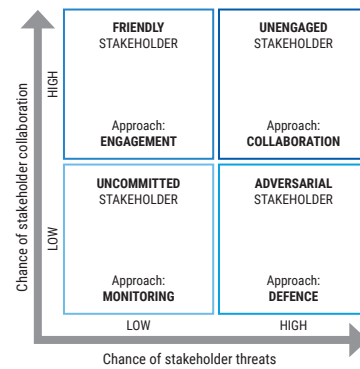
Disclosure 102-40, 102-42, 102-43, 102-44, 102-15

Together with the analysis of the context and the inherent risks, in 2018 RadiciGroup also undertook a review of the Stakeholder Mapping, created by the GRI Coordination Group, and linked to an in-depth analysis of the context that brought out ideas (and stakeholders) not previously considered. Some categories have been added, while others have been modified to better reflect the reality of the Group. In addition, a weighted mapping of Stakeholders has been built based on their level of interaction with RadiciGroup (diagram #1) and the way the Group wishes to relate to them (diagram #2).

Stakeholder assessment grid #1



Stakeholder assessment grid #2



This is the stakeholder list resulting from the work described above:

- Environment
- Trade associations
- Group companies
- Shareholders
- Board of Directors and management
- Customers
- Communities
- Local communities and territories
- Competitors
- Suppliers
- Banks and insurance companies
- Workers
- Media
- Academic and research institutions
- Control and monitoring bodies
- Trade union organizations

For each of these categories of stakeholders, the expectations, risks and opportunities related to their engagement have been taken into consideration, as already reported in numerous previous Sustainability Reports. This is a table that summarizes the relevant points regarding RadiciGroup's relationship with its stakeholders.

Table 51 | Mapping of Stakeholders, their expectations, risks and opportunities, and engagement methods

Stakeholders	Stakeholders' Legitimate Expectations	RadiciGroup Response	Risks for RadiciGroup*	Process owner (RP,reference process)	Risk Mitigation	RadiciGroup Opportunities	Process owner (RP,reference process)	Engagement Method	Process owner (RP,reference process)
Workers	<ul style="list-style-type: none"> Ethical employment relationship Stable employment relationship Health and Safety Fair compensation Career path Training and education 	<ul style="list-style-type: none"> Compliance with legal obligations RadiciGroup Code of Ethics Policies and procedures of voluntary management systems (QSE) Training and education programmes and assessment of competencies and performance Succession plans Assessment plans 	<ul style="list-style-type: none"> Demotivation^{RR+ OR+FR} Disengagement^{OR} Absenteeism^{OR} Corruption^{RR+FR+PR} Fraud^{RR+FR+PR} Reputational risk^{RR} 	Ethics Committee HR	<ul style="list-style-type: none"> Code of Ethics RadiciGroup Human Resources policies Adoption of voluntary management systems (QSE) MBO and benefits Career management Engagement Training and education activities 	<ul style="list-style-type: none"> Retention Motivation Efficiency 	HR	<ul style="list-style-type: none"> Training, development and assessment programmes Internal communications Engagement Special targeted events "Sto bene [I feel good]" (WHP) 	HR
Customers	<ul style="list-style-type: none"> Products and/or services meet expectations Fair and transparent relations Collaboration and relationship continuity Joint R&D projects Consulting on end customer needs, global problem solving and compliance obligations 	<ul style="list-style-type: none"> Clarity of specifications Quality consistency and quality improvement policies Implementation of Code of Ethics principles Teams dedicated to joint projects Dedicated and professionally competent staff 	<ul style="list-style-type: none"> Complaints^{OR} Insolvency^{FR} Customer losses^{OR+FR} Ineffective customer approach strategy^{OR} Reputational risk^{RR} R&D work delayed or inadequate^{OR} Supply chain risk due to disappearance of market and/or product substitution^{OR} 	MKT - AFC	<ul style="list-style-type: none"> Management and technical assistance Complaint management Credit management Controlling activities Strategic and operational marketing activities R&D activities CRM activities Cultivation of customer loyalty Search for new customers Customer satisfaction activities Monitoring of supply chain Monitoring of production and replacement processes 	<ul style="list-style-type: none"> Market leadership Reputation Retention Business continuity and profitability Conquest of new markets 	MKT - AFC	<ul style="list-style-type: none"> Networking and business meetings Knowledge sharing Partnerships and joint projects Communication Targeted special events and trade fairs 	MKT
Suppliers	<ul style="list-style-type: none"> Fair value (price) Stable relationship Fair and transparent relations RadiciGroup solvency Joint development projects/activities 	<ul style="list-style-type: none"> Supplier Code of Conduct Procurement procedures General procurement terms and conditions Compliance with purchase specifications 	<ul style="list-style-type: none"> Non-conforming products / services^{OR} Business continuity not guaranteed^{FR} Corruption^{RR+FR+PR} Fraud^{RR+FR+PR} Abuse of RadiciGroup intellectual property^{FR} Failure to comply with legal requirements^{RR+PR} Failure to comply with the Supplier Code of Conduct^{RR+PR} Reputational risk^{RR} 	Ethics Committee HR	<ul style="list-style-type: none"> Business risk analysis Controlling activities Supplier Code of Conduct Procurement procedures and purchase specifications Risk surveillance activities 	<ul style="list-style-type: none"> Reputation Business continuity Synergies Development 	P&L	<ul style="list-style-type: none"> Networking and business meetings Knowledge sharing Partnerships Acceptance of the Code of Conduct Communication 	P&L - MKT
Group companies	<ul style="list-style-type: none"> Products and/or services meet expectations Fair and transparent relations Collaboration and strengthening of value chain 	<ul style="list-style-type: none"> Guidelines and procedures Assistance and consulting Network building Synergies Knowledge sharing 	<ul style="list-style-type: none"> Misalignment of parent company and subsidiary policies^{OR} Reputational risk^{RR} 	Q&P	<ul style="list-style-type: none"> Integrated management systems Group-wide projects and work groups Coordinating activities 	<ul style="list-style-type: none"> Synergies Optimization Business opportunities 	Q&P	<ul style="list-style-type: none"> Networking and business meetings Group-wide teams Knowledge sharing Communication 	Q&P

Shareholders	<ul style="list-style-type: none"> Return on invested capital Business profitability Increase in intangible value 	<ul style="list-style-type: none"> Strategic plans and related budgets Management systems Acquisitions Reorganizations 	<ul style="list-style-type: none"> Market risk^{SR} Financial risk^{FR} Reputational risk^{RR} 	AFC	<ul style="list-style-type: none"> Risk prevention and response^(FC01) Controlling activities^(FC01) Marketing and communication policies^(PR10) 	<ul style="list-style-type: none"> Business continuity and profitability 	AFC	<ul style="list-style-type: none"> Daily strategic and operational engagement Reporting activities and programme meetings Communication 	AFC
Board of Directors & Management	<ul style="list-style-type: none"> Business profitability Increase in intangible value Fair and transparent relations Collaboration and strengthening of value chain 	<ul style="list-style-type: none"> Strategic plans and related budgets Management systems Acquisitions Reorganizations Guidelines and procedures Network building Synergies Knowledge sharing 	<ul style="list-style-type: none"> Market risk^{SR} Financial risk^{FR} Reputational risk^{RR} Misalignment of parent company and subsidiary policies^{OR} 	AFC - COM&ER	<ul style="list-style-type: none"> Controlling activities Marketing and communication policies Integrated management systems Group-wide projects and work groups Coordinating activities 	<ul style="list-style-type: none"> Business continuity and profitability Synergies Optimization Business opportunities 	AFC	<ul style="list-style-type: none"> Daily strategic and operational engagement Reporting activities and programme meetings Knowledge sharing Group-wide teams 	BA Managers - Q&P
Banks & insurance companies	<ul style="list-style-type: none"> Profits Stable relationship Fair and transparent relations RadiciGroup solvency 	<ul style="list-style-type: none"> Short- and medium-term economic plans and policies Clear economic/ financial reporting compliant with laws and regulations Third-party audited financial statements Policies for reducing financial indebtedness 	<ul style="list-style-type: none"> Increase in interest rates^{FR} Lack of financing^{FR} Bank bankruptcy^{FR} 	AFC	<ul style="list-style-type: none"> Direct ongoing collaboration with banks Policies and plans aimed at strengthening RadiciGroup financial soundness and reputation^(FC01) Controlling activities^(FC01) Search for financing at best interest rates^(FC01) Careful monitoring of banks 	<ul style="list-style-type: none"> Reputation Trust Business continuity 	AFC	<ul style="list-style-type: none"> Networking and business meetings Sharing information Partnerships Communication 	AFC
Environment	<ul style="list-style-type: none"> Continuity Protection Respect Equilibrium 	<ul style="list-style-type: none"> Sustainable development 	<ul style="list-style-type: none"> Lack of raw materials^{OR} Catastrophic events^{PR} Accidental events^{OR} 	GRI team - P&L	<ul style="list-style-type: none"> Compliance with legal obligations Prevention activities Voluntary plans and actions for environmental protection 	<ul style="list-style-type: none"> Business continuity New markets 	MKT	<ul style="list-style-type: none"> Policies as per Sustainability Report 	GRI team
Trade union organizations	<ul style="list-style-type: none"> Freedom of association Dialogue Trust Collaboration Communication 	<ul style="list-style-type: none"> Compliance with legal obligations RadiciGroup Code of Ethics Presence of trade unions Regular meetings with trade union organizations 	<ul style="list-style-type: none"> Strikes^{OR} Reputational risk^{RR} Legal proceedings^{OR+FR+RR} 	HR	<ul style="list-style-type: none"> Concerted arrangements Joint projects Legal action 	<ul style="list-style-type: none"> Reputation Corporate climate 	HR	<ul style="list-style-type: none"> Concerted arrangements Development of joint projects 	HR
Local Communities & Territories (schools, etc.)	<ul style="list-style-type: none"> Environmental protection and safety Local community-friendly employment policies (local resources, people with disabilities, youth, etc.) Economic and social support Transparency and communication Leadership in training local resources 	<ul style="list-style-type: none"> Responsible medium- to long-term environmental policies Employment policies favouring local human resources^(PR03) Sustainability Report and constant communication^(PR08) Social and philanthropic marketing 	<ul style="list-style-type: none"> Environmental risks^{PR} Health and safety^{FR} Less employment in community^{PR} Risk of social context degradation^{PR} Reputational risk^{RR} 	GRI team - MKT - HR	<ul style="list-style-type: none"> Compliance with legal obligations RadiciGroup Sustainability policies and integrated management systems Implementation of RadiciGroup employment policies Cultivation of relationships with local communities (e.g., open factories) 	<ul style="list-style-type: none"> Reputation Mutual support Local professional pool 	GRI team - MKT - HR	<ul style="list-style-type: none"> Communication Targeted special events Activities as per Sustainability Report RadiciGroup Education Programme "RadiciGroup Education" Project Career Day 	GRI team - MKT - HR
Control and monitoring bodies	<ul style="list-style-type: none"> Compliance with legal and regulatory obligations 	<ul style="list-style-type: none"> Compliance with legal and regulatory obligations 	<ul style="list-style-type: none"> Sanctions^{OR} Sequester and closing of plants^{OR} Conviction and sentencing^{OR+FR} Reputational risk^{RR} 	CEO - AFC	<ul style="list-style-type: none"> Adoption of certified management systems Prevention activities Training and education Organizational model 231 	<ul style="list-style-type: none"> Business continuity Continual improvement of management systems Saving Reputational solidity Innovation 	AFC - HR - Q&P - L&P	<ul style="list-style-type: none"> Communication Sharing and cooperation Transparent information 	MKT - AFC

Competitors	<ul style="list-style-type: none"> Fair and transparent relations Fair competition Joint action to protect common interests 	<ul style="list-style-type: none"> Application of the Code of Ethics Implementation of RadiciGroup Vision, Mission and Values Active participation in production chain/sector programmes and projects 	<ul style="list-style-type: none"> Loss of market share ^{OR+RR} Ineffective joint marketing-R&D strategy and management systems ^{OR} Reputational risk ^{RR} Ineffective communication strategy ^{OR} 	MKT	<ul style="list-style-type: none"> Strategic and operational marketing activities Membership in industry and sector associations Monitoring of internal activities CRM activities 	<ul style="list-style-type: none"> Collaboration through trade associations to safeguard the market Industry-wide innovation Reputation 	MKT	<ul style="list-style-type: none"> Networking and business meetings Social events Communication 	MKT
Media	<ul style="list-style-type: none"> Clarity Transparency Ongoing relationship Mutual trust 	<ul style="list-style-type: none"> RadiciGroup marketing policies ^(PR10) Consistent communication policies 	<ul style="list-style-type: none"> Reputational risk due to lack of information or spread of misleading information ^{RR} 	MKT	<ul style="list-style-type: none"> Ongoing media communication activities of corporate and BA functions 	<ul style="list-style-type: none"> Reputazione 	MKT	<ul style="list-style-type: none"> Press Office activities Active social media presence Engagement in initiatives 	MKT
Academic & research institutions	<ul style="list-style-type: none"> Knowledge sharing Employment opportunities Support 	<ul style="list-style-type: none"> Internships Education days Sponsorships 	<ul style="list-style-type: none"> Misalignment of skills offered vs. skills required by RadiciGroup ^{OR} Reputational risk ^{RR} 	I&R	<ul style="list-style-type: none"> Strong relationships with schools and universities Joint projects and training programmes 	<ul style="list-style-type: none"> Reputation Pool of competencies and professional profiles 	I&R	<ul style="list-style-type: none"> Targeted special events Career days Collaboration (training and profile selection) Communication 	I&R
Trade association	<ul style="list-style-type: none"> Collaboration Trust Innovation proposals 	<ul style="list-style-type: none"> Dialogue and participation Transparency and communication Training and information Sharing of knowledge and experiences 	<ul style="list-style-type: none"> Risk of conceding to unshared decisions ^{OR} Weakened network and loss of lobbying capacity ^{RR} Reputational risk (e.g., activist organization) ^{RR} 	MKT - I&R	<ul style="list-style-type: none"> Active presence of RadiciGroup representatives as influencers in associations Transparent communication about sustainability results: GRI, PCRs, EPDs, LCAs, etc. 	<ul style="list-style-type: none"> Reputation Public relations and influencer activities 	MKT - I&R	<ul style="list-style-type: none"> Participation in activities and decision-making processes Communication 	MKT - I&R
Communities	<ul style="list-style-type: none"> A better world Meeting their needs 	<ul style="list-style-type: none"> Sustainable development 	<ul style="list-style-type: none"> Market risk ^{SR} Reputational risk ^{RR} 	MKT - I&R	<ul style="list-style-type: none"> Attention Knowledge 	<ul style="list-style-type: none"> Innovation New markets 	MKT - I&R	<ul style="list-style-type: none"> Communication Dialogue Networking and business meetings Policies as per Sustainability Report 	MKT - I&R

* Some risks are related to a failed or incomplete response to the stakeholders' legitimate expectations and are reported in order of probability of occurrence. Furthermore, risks are classified by category as follows:

Table 52

Description	Risk Category	Category Code	Examples
Risks related to events likely to increase or decrease the value of the business (i.e., give rise to net income or loss). A risk can be positive or negative.	Strategic Risk	RS	Sales budget, raw materials procurement, etc.
Risks related to events likely to decrease the value of the business (i.e., give rise to a loss).	Operating Risk	RO	Process, technology, complexity of rules and regulations, human resources, information systems and infrastructure, control and quality systems, contractual liabilities (related to specific products, penalties, etc.).
Risks related to events only likely to decrease the value of the business (i.e., give rise to a loss).	Financial Risk	RF	Overdraft, financial exposure, payments, solvency, etc.
Risks related to events only likely to decrease the value of the business (i.e., give rise to a loss).	Reputational risk	RR	Ability to stay in the market, trust, reliability, image and ability to ensure product standards, communication processes, COMM-ER and CSR.
Risks related to events only likely to decrease the value of the business (i.e., give rise to a loss).	Pure risk	RP	Owned property, work-related injuries, production continuity, natural disasters, social and political events, illegal acts, environmental pollution, etc.

At the basis of all RadiciGroup's responses to these expectations and risk mitigation policies is constant assessment of performance and the principle of continual improvement established in ISO 9001, illustrated in procedure PR09 and implemented daily in the Group's businesses.

At the basis of stakeholder engagement activities are the principles illustrated in the RadiciGroup Sustainability Report, namely the principles of inclusiveness, dialogue, transparency and clarity.

Along with this analysis, in 2019 some specific risk analyses were also conducted dealing with the Group's market scenario and the economic and financial context in which it operates. The results of the targeted analyses are summarized below:

Market risk

The Group is exposed to risks resulting from competition and fluctuations in volumes and prices. Against such eventualities, in 2019 it continued to monitor the market so as to promptly catch any signal the market might have sent out both in terms of potentially risky situations and opportunities.

Financial risk

RadiciGroup is exposed to certain financial risks associated with its operations. These risks are kept under constant review by the centralized function of Finance, Credit Management and Procurement, an approach aimed at anticipating potential negative scenarios and taking appropriate action to mitigate them. In particular, in 2019 the Group had the need to monitor the following potential risks:

- credit risk,
- liquidity risk,
- interest rate risk,
- exchange rate risk.

Such analysis supplements the process of identifying material topics.

The analysis revealed that the organization is not exposed to particularly risky situations, either internal or external, and the topics illustrated above may be ranked as relevant but not strategic, albeit worthy of continual close monitoring.

Materiality analysis

Disclosure 102-43, 102-46

To further strengthen its sustainability strategy, during 2018 and 2019, RadiciGroup also conducted a substantial revision of the materiality analysis system, basing it on the context analysis and the stakeholder mapping described above and on the materiality analysis for the years 2015, 2016 and 2017.

Through a questionnaire, the members of the Sustainability Team were asked to express their assessment of the general importance of each topic, the potential impacts of the topic on the Group (economic, reputation or any other kind of impact) and how the topic was being managed by the Group. **This assessment constituted the internal materiality analysis, validated by Group top management.**

The strengthening of the method has led to greater clarity in the objectives, a more group-wide approach and the concrete involvement of some categories of stakeholders: local communities, suppliers and employees. These stakeholders have been selected on the basis of their proximity, either physical or strategic, to RadiciGroup and their growing degree of interaction with the Group.

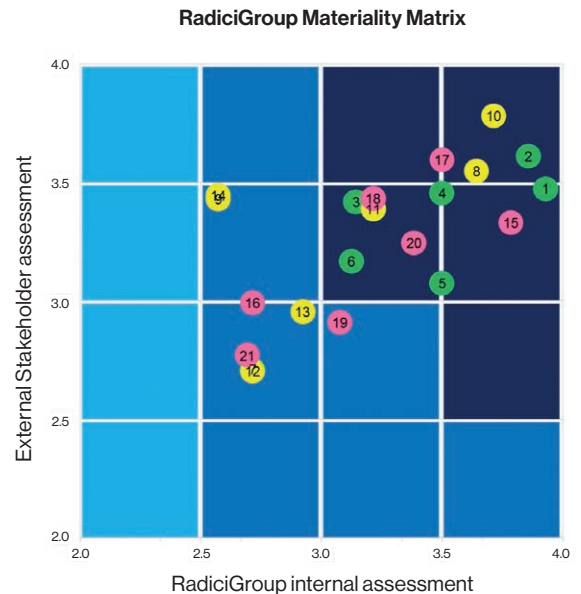
An assessment questionnaire, similar to the one submitted to the sustainability Team, was extended to some key RadiciGroup suppliers, to a representative group of the inhabitants of the Province of Bergamo, diversified by place of residence, age group, employment and educational level, and to the approximately 170 employees who had attended a training course on the Sustainability Report held in 2018. **This assessment constituted the external materiality analysis.**

Table 53 | In the table below are listed the topics on which the stakeholders expressed their opinion

Environmental Development	1	Energy
	2	Emissions
	3	Water
	4	Waste
	5	Raw materials
	6	Product sustainable innovation and measurement of product environmental impacts
	7	Supplier environmental assessment
Social Development	8	Employment
	9	Equal opportunity and non-discrimination
	10	Occupational health and safety
	11	Employee training and education
	12	Supplier social assessment
	13	Interaction with local communities
	14	Consumer health and safety
Economic & Management Development	15	Economic performance
	16	Labelling and marketing communications
	17	Customer satisfaction
	18	Regulatory compliance
	19	Value chain traceability
	20	Certifications and integrated management systems
	21	Listening to the communities

The topics brought to light by the internal and external materiality analyses are shown in the following Materiality Matrix, which was kept valid also for the year 2020.

Disclosure 102-47



Materiality criteria

A = relevant and strategic (i.e., material) topics

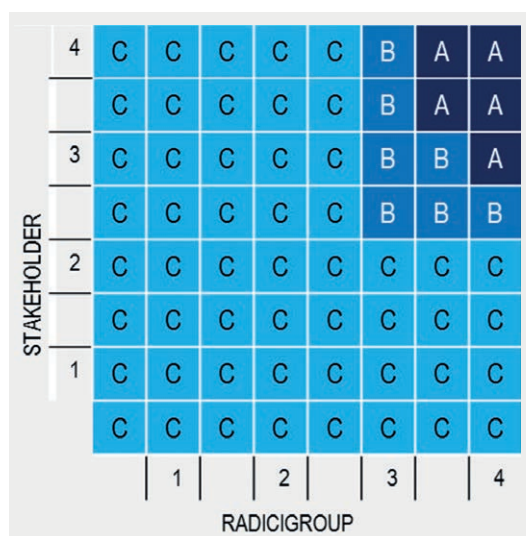
Areas of interest and operation critical for both RadiciGroup and the Stakeholders that need to be taken into consideration by management as strategic.

B = relevant but non-strategic topics

Areas relevant to corporate performance and Stakeholders, but not central to business strategy (some topics may be considered material in view of future strategies, especially those on which Stakeholder attention is growing).

C = non-relevant topics

Low-priority areas for RadiciGroup and its Stakeholders, but which must be monitored in any case.



(Source: PR 08 – “Approach to management for sustainable development”, ed. 2 – 2019)

The topics considered material were subject to reporting and included in this Sustainability Report, objectivized through the indicators and illustrated by case histories. The table below allows the reader to identify the material topics in the various chapters.

Table 54 | **Material topics included in the report**

Environmental Development	1	Energy	Page 60
	2	Emissions	Page 66
	3	Water	Page 68
	4	Waste	Page 56
	5	Raw materials	Page 54
	6	Product sustainable innovation and measurement of product environmental impacts	Page 81
Social Development	8	Employment	Page 23
	10	Occupational Health and Safety	Page 73
	11	Employee training and education	Page 29
Economic & Management Development	15	Economic performance	Page 43
	17	Customer satisfaction	Page 31
	18	Regulatory compliance	Page 88
	20	Certifications and integrated management systems	Page 92

Assurance statement

Disclosure 102-56

This Sustainability Report is validated by the third-party certification company CertiQuality to be in accordance with the reporting model "Global Reporting Initiative" - GRI Standards: Core Option.



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VERIFICATION OF THE 2020 YEAR SUSTAINABILITY REPORT OF RADICI GROUP

Scope

CertiQuality S.r.l. received by Radici Partecipazioni S.p.A. a limited assurance engagement for the Sustainability Report of Radici Group relating to the year 2020, in order to assess its consistency with the guidelines of the GRI (Global Reporting Initiative) Standards, with reference to the option "core", which indicates that the report contains the minimum information needed and the quantification of at least one performance indicator for each identified material topic. This letter describes the activities carried out, it reports on the audit findings and the recommendations for improvement.

The verification has been carried out with reference to the "GRI Standards" published in 2016 by the Global Reporting Initiative and partly updated at a later time, and it has concerned in particular:

- the verification of the definition principles of the report content (stakeholder inclusiveness, sustainability context, materiality, completeness);
- the correct definition of the report boundary;
- the verification of the principles for guaranteeing report quality (balance, comparability, accuracy, timeliness, clarity, reliability of the data and information management system);
- the compliance of the report contents with the ones set out by the GRI Standards guidelines for the "core" implementation level.

The verification has been carried out in compliance with the procedures implemented by CertiQuality for audits complying with the UNI EN ISO 19011:2018 standard. Due to the COVID-19 emergency, the audit has been partially carried out off-site, by interviewing relevant staff in videoconference and by remotely examining the shared documentation.

Methods

The activity has been carried out in accordance with the following operating methods:

- analysis of the "2020 Sustainability Report of Radici Group" document, with particular reference to the principles and contents set out by the GRI guidelines (definition of the report boundary, standard information and performance indicators);
- interviews with the positions directly or indirectly involved in the drawing up of the document and in the processing of data and information (from collection to further processing);
- examination of documents and records in place at the operative site of Radici Partecipazioni S.p.A. in Gandino and at a representative sample of production sites included in the report boundary: Tessiture Pietro Radici Gandino; Radici Chimica GmbH (Germany); Radici Plastics GmbH (Germany); Radici Plastics Ltda (Brazil); Radicifil Casnigo; Cordonsed SA (Argentina);
- the analysis has concerned both the procedures implemented for the collection, filing and processing of data and the technical-normative aspects of the activities carried out.

The economic-financial data are taken from the consolidated balance sheet of Radici Partecipazioni S.p.A., that already underwent a voluntary auditing of accounts (as per letter by Deloitte & Touche of 25/05/2021), therefore they have not been further checked.

The verification activities concerning the management of the data and information contained in the report have been carried out on samples, taking care of ensuring that all the aspects handled in the document have been adequately covered.

Results and recommendations

Despite everything, in the year of the pandemic, the Sustainability Report of Radici Group shows good results, often improved compared to the previous year, as evidence of a good capacity of response to the problems encountered at a global level. Likewise, the drafting of the document has also progressed, in



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some cases expanding the information reported and improving the classification of some issues within the Group's strategies and policies. The work relating to the collection and processing of data as well as the drawing up of the 2020 Sustainability Report of Radici Group is analogous to the one of the previous editions.

The document provides an exhaustive overall picture of the relationship of the group companies with the context in which they operate. Numerical Performance Indicators are represented over a three-year period 2018-2020, with some references in the text to a wider period, in order to enable an evaluation of the trend of performances from the start of the GRI design. Information is reported in a clear and balanced way and the language used, supplemented where necessary by some explanatory notes, allows it to be understood even by a not strictly technical public.

As far as the report boundary is concerned, there are no significant exclusions; the exclusion of the environmental aspects relating to the administrative headquarters of the group and the exclusion of all aspects relating to the commercial units, declared within the report, is not relevant within the group, and it is therefore justified. The dealing with environmental aspects is organized according to themes (materials used - waste; energy consumption - emissions into the atmosphere; water consumption - water drainages) which make it easier to read.

Both the standard information and the representation of indicators show a good degree of consistency with the requirements of the GRI Standards guidelines, further improved in comparison with the previous year: for example, the descriptions of the management approaches implemented by the group with reference to some of topics handled have been improved. Another positive aspect which has been confirmed is the specific implementation, even though partial, of new indicators (GRI-306 concerning the waste aspect), with the report of new data and information that complete a picture that is already wide and exhaustive.

The data collection and data processing system is sufficiently well-structured and documented at the central level and has been improved at the local level, even if from the verifications carried out on the sample sites some margin for improvement is confirmed, especially with respect to foreign sites. (e.g. waste classification, conversion factors among different units of measurement).

The audits carried out confirm some specific margins for improvement of limited relevance, inherent, for example, to the homogeneity in the collection of data in different contexts even in the face of very different regulations (e.g. classification and destination of waste, accidents). More generally, it is recommended to pursue further the constant improvement of the data management system, especially as regards the information transmitted to foreign sites regarding the criteria for data collection and the checks to be carried out on the collected data.

Conclusions and asseveration

The verification of the "Sustainability Report of Radici Group" concerning the year 2020 has not given rise to any significant issues, neither as regards compliance with the principles of the guidelines of the GRI Standards, nor as regards its content in terms of reported information or Performance Indicators, while still leaving some room for improvement.

In view of the above, the Sustainability report of Radici Group relating to the year 2020 is declared to be asseverated to the "core" option requirement level of the GRI guidelines.

October 26th, 2021



Certiquality S.r.l.
The President
Cesare Puccioni



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An important group of people collaborated on preparing the Sustainability Report, making a major contribution to the commitment to transparency and reporting made by the Group starting in 2003.

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