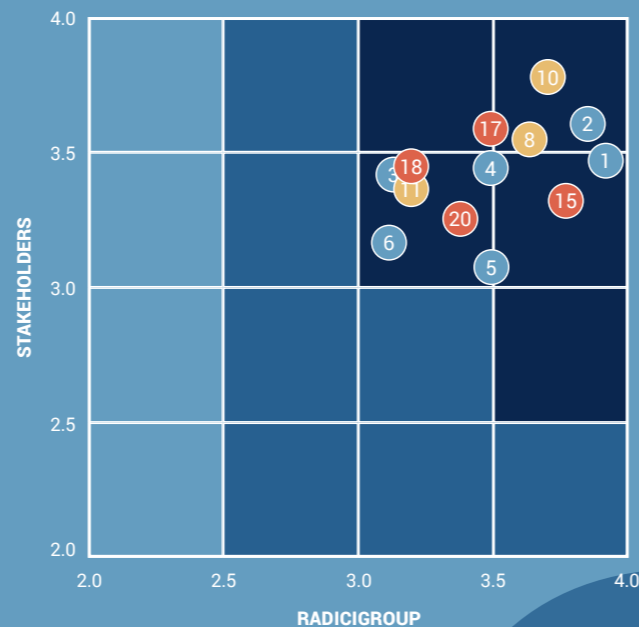


Sustainability
Report **2018**
HIGHLIGHTS

The keys to reading the Report:

1 Sustainable Development Goals (SDGs)
 Through its policies, RadiciGroup contributes actively and concretely to reaching many of the Sustainable Development Goals of the United Nations.

Here are the Sustainable Development Goals to which RadiciGroup contributes: SDG 6, SDG 7, SDG 8, SDG 9, SDG 11, SDG 12, SDG 13, SDG 14, SDG 15, SDG 17



The 13 material topics essential for RadiciGroup Sustainability Strategy

- 1 Energy
- 2 Emissions
- 3 Water
- 4 Waste
- 5 Raw materials
- 6 Sustainable product innovation and product environmental impact measurement
- 8 Employment
- 10 Occupational health and safety
- 11 Employee training and education
- 15 Economic performance
- 17 Customer satisfaction
- 18 Compliance
- 20 Certifications and integrated management systems

Materiality matrix

The materiality analysis has been conducted on 21 topics. It has led to the definition of RadiciGroup materiality matrix (13 selected topics). The tool has been revised and structured in a robust way, taking into account **the experience accrued through the years and an in-depth analysis of the context and risks** conducted across the Group.

3 Dynamic equilibrium

This is the graphical leitmotif of the Report and the principle that requires the Group to keep moving and adapt continually to changing circumstances.

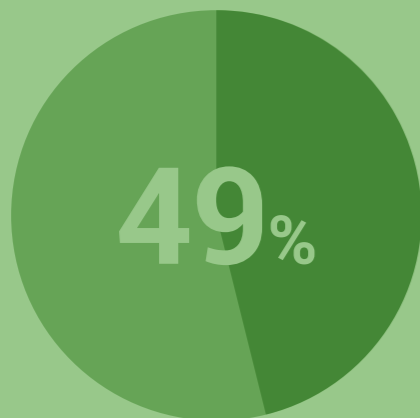
Economic Highlights

RadiciGroup's total value added and all its key economic parameters have improved **constantly over the last 3 years**.

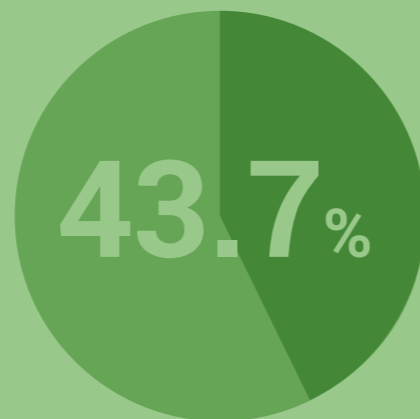
A large portion of the 2018 total value added has been allocated to employees so as to share the created social and economic value with the main Group stakeholders.

The Group's Energy/Water/GHG gas intensity ratios – that is, quantities of resources used and emissions generated in proportion to value added – are inversely proportional. **RadiciGroup is thus creating more and more value added, and it is sharing it with stakeholders, using fewer and fewer resources.**

labour costs/ added value



electric energy form renewable sources



Environmental Highlights

In 2018, the RadiciGroup selected energy mix consisted of a **sizeable amount of renewable source energy**. In particular, renewable source electricity, prevalently hydroelectric power, accounted for about 43.7%.

This energy mix, compared to the standard national energy mix of relevant countries, enabled the Group to **emit 29% less GHG gas**.

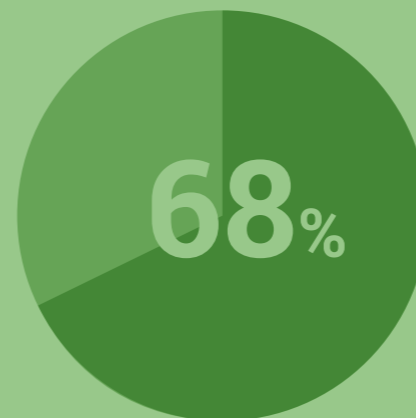
RadiciGroup carried out an **in-depth analysis of water usage by Group sites** with reference to global water stress.

The Group proactively addresses water stress by **recycling water and rationalizing water consumption** in each of its companies.

More specifically, the calculation of water recycling indicators, according to the most recent GRI parameters, brings to light the considerable water savings of the Group.

In 2018, RadiciGroup registered **water savings of 68%**.

overall water savings



Social Highlights

Retaining its workforce is an indispensable objective of RadiciGroup. Besides this goal, great attention is paid to the issue of safety.

A concrete example of this concern is the Group's in-depth analysis of the situation in each of its companies all over the world, as reported in the Sustainability Report.

Together with health and safety, training is a key element of the relationship between RadiciGroup and its collaborators.

In 2018, the Group provided **21 hours of training per person**.

A **special focus was given to training on health and safety**, to which about half of the total number of hours – both compulsory and voluntary – were dedicated.



**Green energy,
polymers from
biological sources,
solution dyeing,
recyclable products
and products from
recyclates**

Product & System Highlights

The RadiciGroup portfolio of low-impact products is constantly expanding.

This result is based on the Group's standard sustainability directives: **green energy, polymers from biological sources, solution dyeing, recyclable products and products from recyclates.**

The **start-up of an Innovation and Research (I&R) function in 2018** was a pivotal decision for the development of sustainable products and systems of the future.

New Group Quality, Environment, Energy, Health and Safety Policy

Alongside I&R, the Group's strong quality, environment, safety and energy management systems provide a solid support for both the sustainability policies and SDGs.

A case in point is the **new Group Quality, Environment, Energy, Health and Safety Policy** developed from the management systems. This policy is a strong public commitment emphasizing the role of the stakeholders and the importance of their engagement.



Stakeholder Engagement Highlights

Customers: for some time the Group's customer satisfaction survey has been an engagement tool offering a diversity of information, particularly focusing on sustainability, as demonstrated by the 2018 survey detailed in the Sustainability Report.

Suppliers: the new Group functions dealing with the supply chain have been set up to better approach the Supplier world, with the goal of building an efficient supply chain that is also attentive to the environment and people.

RadiciGroup workers: there are numerous initiatives to engage workers – from training to voluntary projects on balancing family life and work life, safeguarding health and safety, and get-togethers to become more aware of sustainability.

Communities and schools: through its Education programme, the Group develops projects together with schools. In 2018, the endeavour continued to expand and received public recognition of excellence.

Following the work of building the new materiality matrix, three groups of stakeholders (Employees, Suppliers and Local Communities) were directly consulted on material issues, and they made their contribution to the Group's vision of sustainability.





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