

# Sustainability Report 2022

Complete version





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# Letter from the President

Disclosure 2-22

**Once again this year, I welcome you to the opening of the RadiciGroup Sustainability Report** as if I were welcoming you through the door of one of our companies. Turning the pages of this report is like stepping onto one of our sites and discovering all its unique features. Sustainability is now so much a part of us that we cannot talk about our plants, our expertise, our offer to the market without talking about **People**, the **Environment** and **Innovation** as the key factors that define us. The Sustainability Report is a transparent presentation of our company, providing a dynamic, all-round view.

In 2022, we embarked on a major review and update of our sustainability strategy through which we want to remain at the forefront of ethics and competitiveness. We know that sustainability and competitiveness go hand in hand and are mutually reinforcing. Together with 200 Stakeholders, we reflected on the material topics that guide us on our current and future path. We reaffirmed our deep commitment to the environment, people, health and safety, and communities. But we have also shared with our Stakeholders that **digitalisation**, the **value chain**, **governance** and many other issues are also of increasing relevance to us, and these are explained in the following pages.

As you will read in the report, despite the macroeconomic and geopolitical difficulties in 2022, our **environmental performance** remained **strong**. I am particularly pleased to mention the further **increase in the renewable energy** we use, the investments in decarbonisation and the **decrease in** product-related emissions. This is where we have worked extensively with the value chain to implement **solutions that perform well but are also "light" on the environment**, as described in the case studies. Innovation has played an important role on this journey; it has been the tool to explore further opportunities related to, for example, the circular economy, recycling or bio-based polymers, to make the most of the resources we use. We do not just say we are working to reduce our footprint – we prove it with facts and hard data. We have carefully measured the impact of our products through **Life Cycle Assessment** studies and will continue to do so in order to make improvements where they are needed. As you will see, digitalisation is increasingly helping us in this and in our day-to-day work, and we are putting it to work for sustainability in a number of projects.

This Sustainability Report is about people who share a common vision of **Health and Safety** as non-negotiable values, along with **respect**, **non-discrimination** and valuing individual differences. Last but not least, the report describes who we are, who our **Employees** are, those that build the Group's success every day through their work and passion, and to whom, as every year, **I would like to express my gratitude**.

**There are more than 3,100 people in our Group**, and I am pleased to see that the number of Employees is gradually increasing. And that's not all. Every year, we offer new **specialised training courses**, develop and update the skills of our Workers, offer young people positions with **growth prospects** and provide **professional development at** every stage of their careers. We recognise that our **attractiveness to young people** and our ability to retain talent depends heavily on the **integrity and credibility of our actions**. It is together with young men and women that we want to build the future of the Group. Ours is a company that reaches out to the world, but we're **proud to say that we are rooted** in the Local Communities where our businesses "live". It is a pleasure for me to discover and share with you the different ways in which we have supported **Local Communities** in 2022. Support for sporting activities, participation in cultural events and assistance to people in difficult health situations are all part of being RadiciGroup.

I would like to conclude this letter with a quote from the Group Code of Ethics, which has become an important reference point for all of us over the past year. Increasingly, **we have to have a sense of "ownership"**, of both the ability to do things and the responsibility to do them well. This is the commitment that I personally renew here with the people of RadiciGroup and all those who are part of our journey towards sustainability.

**Angelo Radici**  
President of RadiciGroup

# United Nations Sustainable Development Goals (SDGs)

Disclosure 2-23

When the United Nations developed the **2030 Agenda**, the ambitious **programme of action for people, planet and prosperity based on equitable economic growth, social welfare and environmental protection**, they first called upon companies. The latter have been entrusted with an important responsibility, to put their resources at the service of all-round sustainability. **RadiciGroup has not shied away from the challenge**. Year after year, **the Group shares the spirit of the SDGs and makes a real contribution to their achievement** through numerous initiatives described in this Sustainability Report and highlighted by the characteristic icons in the various chapters.



Specific commitments that the Group intends to make in relation to Agenda 2030 will be defined in the course of 2023. Starting with RadiciGroup's material topics and the related SDGs, qualitative and quantitative targets will be defined that the Group commits to meeting by 2030. In future Sustainability Reports, these targets will be the internal benchmark and concrete guideline for RadiciGroup's sustainability journey.

## The Vision

*Disclosure 2-23*

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

## The Mission

*Disclosure 2-23*

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

# Our values

Disclosure 2-23

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

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

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

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

## 02. **Sustainability is our guide**

We optimise our processes, invest in reducing environmental impact and produce products with measured and limited environmental impact. We promote training and take responsibility for the Health and Safety of our Workers, because RadiciGroup recognizes the centrality of people as a key principle. We work together with Local Communities, where most of our Workers are from, for sustainable harmonious growth. We put our commitment to sustainability into practice, together with our Stakeholders, to create shared value.

## 03. **Health and Safety at work**

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

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

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

## 05. **Value-added features**

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

## 06. **Always fair and transparent**

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

### 07. **We all take responsibility**

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

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

We firmly believe that sharing information and experience among the different functions within the same Company, as well as among different Group Companies, creates growth. We want to contribute to a shared culture among corporate functions and promote initiatives to strengthen team spirit, the most important raw material of all.

## The Code of Ethics

*Disclosure 2-23*

In 2022, the Code of Ethics of the parent company Radici Partecipazioni became, in all respects, the Code of Ethics of all the companies of RadiciGroup. The Code of Ethics, which was presented in a virtual event to all Employees around the world, is not an arrival point, but **rather a starting point for daily improvement, without losing sight of our common identity**, even given the diversity of corporate, social and cultural contexts, which is, on the contrary, an asset.

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

To ensure inclusiveness and full transparency, RadiciGroup's Code of Ethics is available on the Group's website to anyone who wishes to consult it.



*For the full version of the Code of Ethics.*

# The Group Quality, Environment, Energy, Health and Safety Policy

Disclosure 2-23, 2-24

As the title suggests, this Policy sets out some of the **key issues involved in managing the Group responsibly, both now and in the future**. It is also an important **guideline** to support RadiciGroup **in the implementation of the United Nations Sustainable Development Goals**.

As an integral part of the Group's governance, it aims not only to ensure compliance with the law, but also to **support proactive strategies** and **increase Stakeholder responsibility** in the process of sustainable and responsible growth.

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: putting people at the centre of everything it does, reliability, fairness and transparency. 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, Worker 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 recognised certification bodies and based on a set of well-defined procedures, understood at all organisation 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 optimising 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 eco-design 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.

June 2019

President  
**Angelo Radici**

Vice President  
**Maurizio Radici**

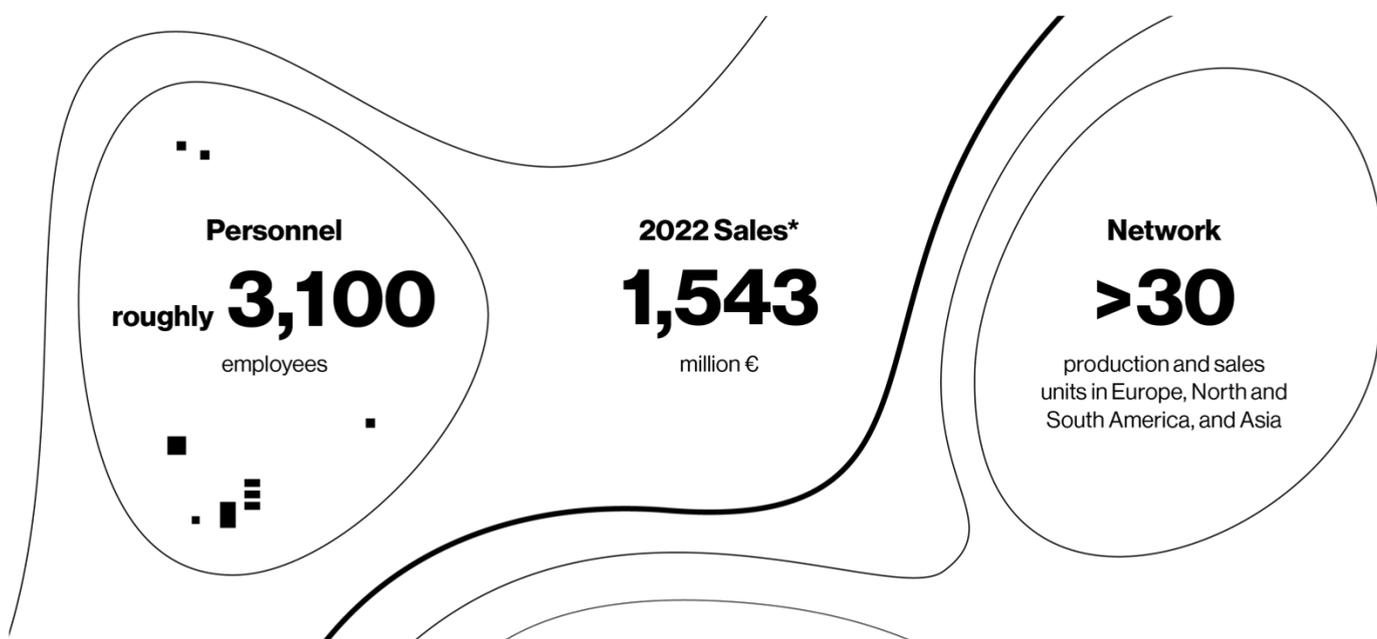
# The Group

Disclosure 2-6

RadiciGroup is one of the world's leading producers of a wide range of chemical intermediates, polyamide polymers, high performance polymers and advanced textile solutions, among which nylon yarn, polyester yarn, yarn made from recovered and bio-source materials, nonwovens and personal protective equipment for the healthcare and industrial sectors.

RadiciGroup products reach the market through a production network spanning four continents and a globally structured distribution network.

## Figures making a difference



\*Consolidated 2022 turnover of RadiciGroup.

## A global presence

### Europe

**Czech Republic**  
Podbořany

**France**  
Saint Priest

**Germany**  
Lüneburg  
Selbitz  
Tröglitz

**Hungary**  
Szentgotthárd

**Switzerland**  
Stabio

**United Kingdom**  
Wakefield

**Romania**  
Săvinești

**Spain**  
Barcelona

### Italy

Ardesio  
Buronzo  
Casnigo  
Chignolo d'Isola  
Gandino  
Novara  
Villa d'Ogna

### North and South America

**Argentina**  
Buenos Aires  
Rio Grande

**Brazil**  
Araçariquama - São Paulo  
São José dos Campos

**Mexico**  
Ocotlán

**USA**  
Wadsworth

### Asia

**China**  
Shanghai  
Suzhou

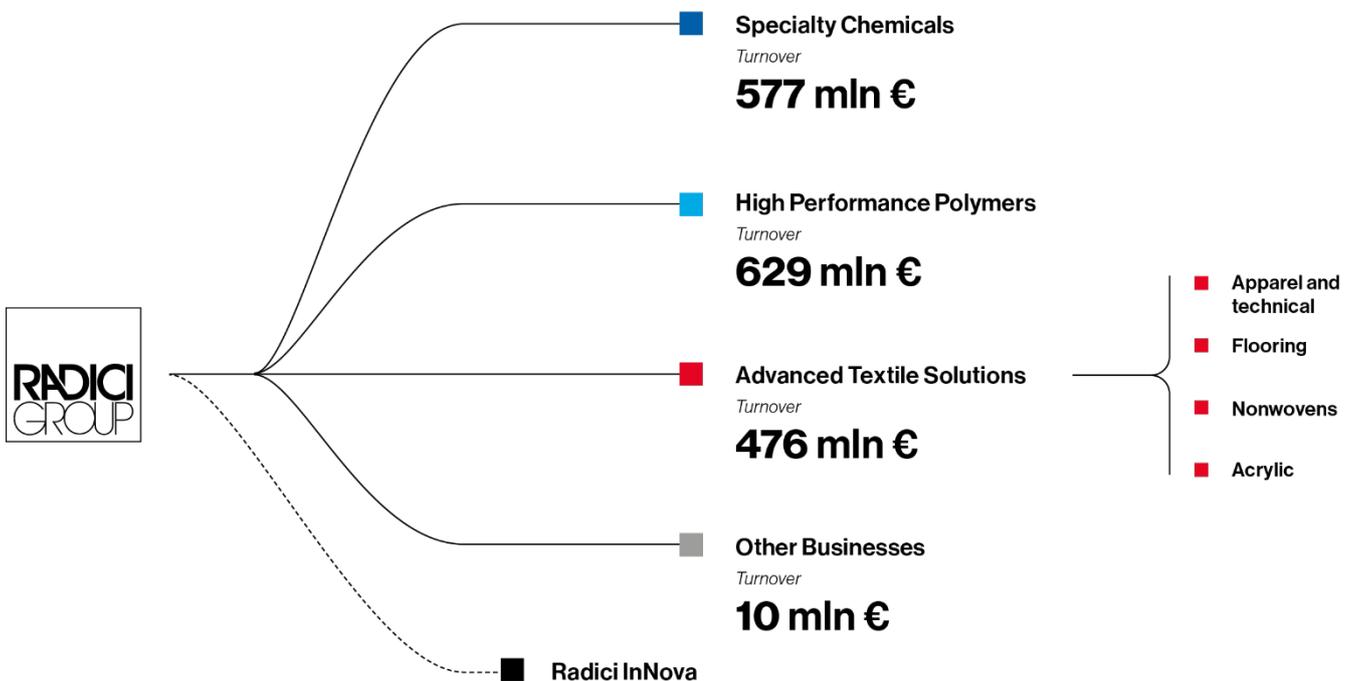
**India**  
New Delhi  
Gurugram  
Halol

Disclosure 2-1

## The Value Chain

Disclosure 2-1, 2-6

RadiciGroup is a vertically integrated global company, i.e., with control over the entire nylon production chain (mainly polyamide 6 and 66 polymers) through its Speciality Chemicals Business Area. Nylon, the Group's core business, is then processed into engineering polymers by the High Performance Polymers Area and into yarn and staple by the Advanced Textile Solutions Area for subsequent sale to other companies. Specialty Chemicals is the supplier of the two most downstream areas for polyamide polymers, selling the portion not destined for the Group to other market players. The three business areas are flanked by Radici InNova (Consorzio Radici per la Ricerca e l'Innovazione s.c.ar.l), a non-profit company set up in December 2019 to pool the expertise of the entire RadiciGroup chain.



2022 sales, consolidated at Business Area level. Individual Business Area figure includes sales to other Group Business Areas.

## Suppliers

### Strategic raw materials

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

These materials are essential for the Group's production, but they are also extremely important in its journey to reduce its impact, as they are mainly derived from oil. For this reason, the Suppliers, numbering around 70 worldwide and covering 73% of the Group's procurement costs, are all structured companies or groups that are very sustainability aware and have proven system strategies in place in the social and environmental fields that RadiciGroup monitors.

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

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

Table 01

Breakdown of RadiciGroup Supplier types by turnover in 2022	
Strategic raw materials	from EUR 950 to EUR 970 million
Packaging + transport	approximately EUR 76 million
Maintenance + utilities	approximately EUR 243 million
Other goods or services	approximately EUR 61 million
Geographical breakdown of RadiciGroup Suppliers by turnover in 2022	
Europe	around 85% of turnover*
Asia	around 10% of turnover
North and South America	around 5% of turnover

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

In 2022, the macroeconomic framework was extremely complex. The conflict in Ukraine triggered an unprecedented energy crisis and dramatically accelerated the increase in energy and gas costs that had already begun before the outbreak of the war. There were severe difficulties in the supply chain, resulting in higher prices for raw materials, semi-finished and finished goods in the European region. The scenario has had a strong impact on some supply chains, particularly those that use gas not only as a fuel, but also as a constituent element of their products. The problems became even more pronounced in the second half of the year with considerable repercussions on RadiciGroup's supply chain and the Group itself. Energy and gas costs caused some key suppliers to shut down production, forcing the Specialty Chemicals business to do the same for around two months at the turn of 2022 and early 2023 due to the inability to source some strategic raw materials, in particular ammonia, an essential component for nylon. Moreover, the geographical concentration of the crisis in Europe meant that the European nylon chain, of which RadiciGroup is a part, was uncompetitive compared to other regions of the world not affected by the same scenario.

RadiciGroup, through its Strategic Materials & Logistics function, responded to the situation by adopting a policy of geographical diversification in its purchases of strategic raw materials, turning more to Suppliers outside Europe in order to limit the impact of the crisis on its activities. With regard to energy products, the Group's relationship with Geogreen, a long-standing partner with a deep understanding of market dynamics, has also enabled it to be more resilient than in other industries and to benefit from lower tariffs.

### The Supplier-partner Geogreen

Among RadiciGroup's Suppliers, Geogreen has a strategic position. It was founded in 2000 as the Group's sole energy supplier. Geogreen, with its companies GeoEnergie SpA and Geogreen SpA is in fact one of the most qualified Italian Suppliers of an integrated system of products and services, from the supply of renewable electricity and natural gas to the

production of Hydroelectric Energy with Guarantees of Origin (GO) and Thermolectric Energy from High Efficiency Cogeneration. In addition to supplying hydroelectricity, Geogreen develops projects in the field of other renewable energies for its customers, in particular for RadiciGroup. It also provides consultancy services for the management of energy efficiency and the management of quotas and rights to emit CO<sub>2</sub> into the atmosphere.

In full accordance with RadiciGroup policies, Geogreen has always been sensitive to the protection of the environment and water in particular. In fact, the Geogreen group operates according to the highest standards of sustainability: Thanks to the grids installed in the intake channels, Geogreen helps to keep the rivers where its power plants are located clean. Its hydroelectric plants are through-flow and do not involve the creation of reservoirs or dams.

In 2022, Geogreen faced considerable difficulties due to water shortages in the Serio, Brembo and Po rivers where its main power plants are located. In some periods, the plants had to be shut down due to the almost complete lack of snowfall, which feeds the two watercourses, and the equally low rainfall. To support the Group's policy of using green energy, however, Geogreen sourced certified renewable energy on the Italian market and thus compensated for the decline in its own hydroelectric production.

In addition, Geogreen, as already mentioned, supported RadiciGroup during the energy crisis with careful market monitoring and flexible procurement planning, which enabled the Group to limit, as far as possible, the damage caused by high energy prices.

### **Other goods and services**

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

The suppliers related to this function are predominantly mid-sized domestic companies. When it comes to the day-to-day running of companies, Suppliers can even be family-run micro-businesses. For these Suppliers, it is not possible to identify a clear "local" qualification based on the distance from the RadiciGroup's site, due to the different production structures in the countries of the world where the Group operates. In fact, the "local" dimension is intuitively different in Europe, a continent with a high population and industrial density, than in Tierra del Fuego in Argentina or the United States, where the possibility of zero-kilometre sourcing is more limited and the distances are greater. However, the Group frequently makes use of local Suppliers, in the different meanings that this term can take, to maintain added value in the territory by fostering its development through induced activities. The reasons for choosing these Suppliers are manifold: from the speed of service to the ease of obtaining references, from the high standard of delivery to the fairness that these interlocutors show towards the Group, to which they are often linked by long-standing relationships.

Also in 2022, the Group maintained its usual standard of fairness with regard to contractual terms and payments to these Suppliers, which is particularly important given their smaller size and greater exposure to fluctuations in demand.

### **Relations with Suppliers**

*Disclosure 2-23, 2-24*

Transparency, trust, respect for contractual agreements and the reliability of RadiciGroup, which for many small and medium-sized Suppliers, especially local ones, is a point of reference over time, are the distinguishing elements of the Group in its relations with Suppliers. The Group has always implemented loyalty policies in the supply chain and, even during the pandemic period, has always kept its contractual commitments, thus supporting the different supply chains in which it is active.

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

## Customers

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

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

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

The ecological transition taking place in Europe in all sectors and, in particular, the transition of the automotive industry to electricity, requires the entire value chain to make a great effort in the realisation of new products and solutions.

RadiciGroup, with its own R&D structure, also thanks to partnerships with its Customers and continuous dialogue with OEMs (Original Equipment Manufacturers) in the supply chain, is developing new materials for the development of components for hybrid and electric cars and the new infrastructure needed. Its in-house Engineering Service is also able to support Customers in quickly identifying high-performance technical solutions with an improved sustainability profile. In Advanced Textile Solutions, the high proportion of small and medium-sized enterprises in the Customer base requires a special focus on relationship management that takes into account the complex, networked and often globalised value chains in which they operate. Performance and sustainability are the watchwords in the fibre application sectors, from clothing to furniture to automotive.

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

At the start of 2022, tensions over energy and the cost of many commodities were exacerbated by the outbreak of the conflict between Russia and Ukraine and the resulting risk of natural gas supply shortages. The resulting increase in energy costs has had a negative impact on the competitiveness of energy-intensive companies especially in Europe, where prices have risen much more than in Asia and the US. The repercussions were then seen across the entire manufacturing sector and the European system as a whole.

In the first half of 2022, the general level of activity in the manufacturing sector remained good, supported by strong international demand, also thanks to the weak euro exchange rate against the dollar. The exception was the automotive

sector, which experienced continuing strong supply-side constraints related to the shortage of semiconductors and other components.

Extreme volatility and rising energy costs, coupled with high inflation rates and rising interest rates in the second half of the year, led several globalised manufacturers in the most energy-intensive sectors to reduce or shut down European production and serve European customers through imports. This resulted in the last two quarters in value chains bottlenecks and a sharp drop in activity rates in many key Customer sectors, with the emergence of criticality in weak supply chain operators.

The substantial reduction in freight costs and the increased availability of shipping containers has also led to a rapid increase in imports from Asia and also from the US in many sectors. The Inflation Reduction Act passed in the US in August 2022, which is aimed at the ecological transition by means of huge funds to finance those who invest in innovative technologies and maintain eco-sustainable production in the country, has strong protectionist profiles and raises big questions about the competitiveness of the European manufacturing system and the ability of various sectors of its manufacturing system to respond effectively to global economic challenges and the ecological transition.

## Relations with Customers

*Disclosure 2-23, 2-24*

The needs of corporate customers increasingly focus on sectors with high service and performance content and on solutions that meet the challenges of the ecological transition. As mentioned, solid upstream integration with optimised and controlled processes, a widespread production, distribution and sales network, constant sensitivity to the challenges of different sectors, and a strong drive for innovation and sustainability are RadiciGroup's strengths in its relations with Customers. In addition, the high level of quality is confirmed each year by the Group's awards. In 2022, for instance, Radici Plastics (Suzhou) Co., Ltd. was awarded the Excellent Innovation Supplier Award, the latest in a series that, for more than a decade, has confirmed the integrity and reliability of the Group and its products.

Increasingly important are the co-design projects that Group companies undertake with Customers. This Sustainability Report cites case histories of collaboration on innovation, the circular economy and eco-design with exponents of the textile and engineering plastics worlds who share and nurture RadiciGroup's commitment to high-performance, low-impact products.

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

## Trade associations

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

- **Develop research projects** and **address key present and future challenges collectively**, related to products and systems.
- **Share competencies and potential risks** in the development of common solutions to meet new needs arising from the market.

- **Have one's voice heard at the institutional level** and **give authoritative support to government bodies** in their decision-making and legislative processes, as well as work to build consumer awareness and culture.

The membership, in these associations, of numerous Group competitors, providing for open and direct dialogue, testifies to RadiciGroup's full respect for all players in the scenario and for the rules of commercial fairness. Among the topics in 2022, especially for European associations, is the legislative framework that the European Union is outlining in line with the Green Deal, with the ultimate goal of climate neutrality. The Group has been particularly active on a number of system and product issues, e.g. the Eco-design for Sustainable Products Directive proposal, the Digital Product Passport, the Corporate Sustainability Reporting Directive and the extended producer responsibility schemes.

Disclosure 2-28

Table 02

RadiciGroup memberships in trade and other associations in 2022	RadiciGroup company enrolled in 2022
CIRFS – EUROPEAN MAN-MADE FIBRES ASSOCIATION CONFINDUSTRIA SMI (Sistema Moda Italia) – TexClubTec Tessile e Salute ICESP – Italian Circular Economy Stakeholder Platform AICQ Ellen MacArthur Foundation EPCA – European Petrochemical Association	<b>RADICI PARTECIPAZIONI S.p.A.</b>
<b>Speciality Chemicals</b>	
FEDERCHIMICA Confindustria Novara -Vercelli -Valsesia CEFIC – EUROPEAN CHEMICAL INDUSTRY IBIS Consortium SPRING	<b>RADICI CHIMICA S.p.A.</b>
NORDOSTCHEMIE IHK (Industrie- und Handelskammer)	<b>RADICI CHIMICA GmbH</b>
<b>High Performance Polymers</b>	
CHEMIE WIRTSCHAFTSFOERD. GMBH	<b>RADICI PLASTICS GmbH</b>
CONFINDUSTRIA FEDERCHIMICA PLASTICS EUROPE AISBL (BE) PLASTICS EUROPE Italy (through Plastics Europe Brussels) PINFA - Flame Retardants Association PROPLAST UNIPLAST - Ente Italiano di Unificazione delle Materie Plastiche TMP COMITATO ELETTROTECNICO ITAL.	<b>RADICI NOVACIPS S.p.A.</b>

Camera di Commercio italiana in Cina	<b>RADICI PLASTICS Suzhou Co. Ltd.</b>
Association of Plastics Industry (formerly SPI) OMA - Ohio Manufacturer's Association Wadsworth Chamber of Commerce	<b>RADICI PLASTICS USA Inc.</b>
<b>Advanced Textile Solutions</b>	
CONFINDUSTRIA EDANA SMI (Sistema Moda Italia) – TexClubTec	<b>TESSITURE PIETRO RADICI S.p.A.</b>
CONFINDUSTRIA	<b>RADICI YARN S.p.A.</b>
Camera di Commercio e Industria di Neamt Textile Patronal Federation	<b>S.C. YARNEA Srl</b>
VTB: Verband der Bayerischen Textil- und Bekleidungsindustrie	<b>RADICI CHEMIEFASER GmbH</b>
IHK: Industrie- und Handelskammern	
ABRAFAS – Associação Brasileira de Produtores de Fibras Artificiais e Sintéticas	<b>RADICIFIBRAS INDUSTRIA E COMERCIO Ltda</b>
SINDTEXTIL - Sinditêxtil Sindicato Indústria Fiação Tecelagem Estado São Paulo	
CIESP - Centro das Indústrias do Estado de São Paulo	
CONFINDUSTRIA FEDERCHIMICA CON ASSOFIBRE	<b>RADICIFIL S.p.A.</b>
Italian-Czech Chamber of Commerce	<b>RADICIFIL S.p.A. – LOGIT Sro</b>

## RadiciGroup products and application sectors

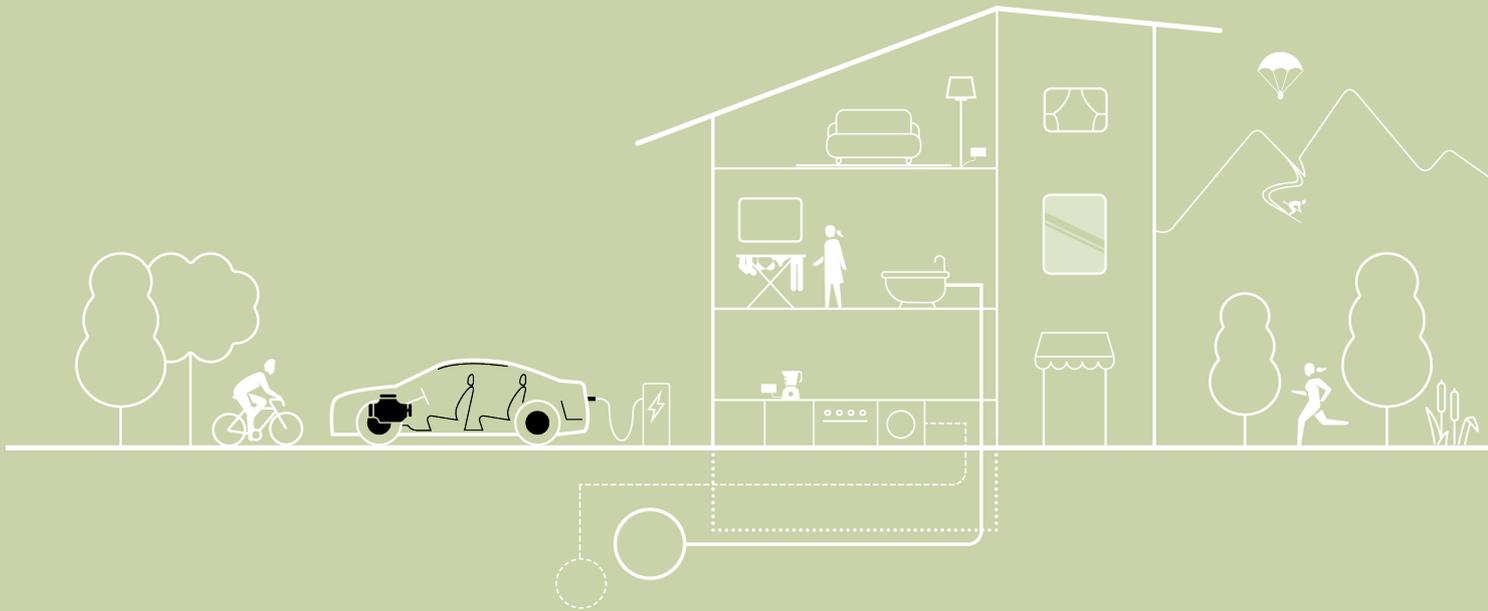
RadiciGroup can count on some thirty brands that make its products recognisable in each of the many application sectors they address. An overview of these same areas is presented below.

To learn more about the Group's products:



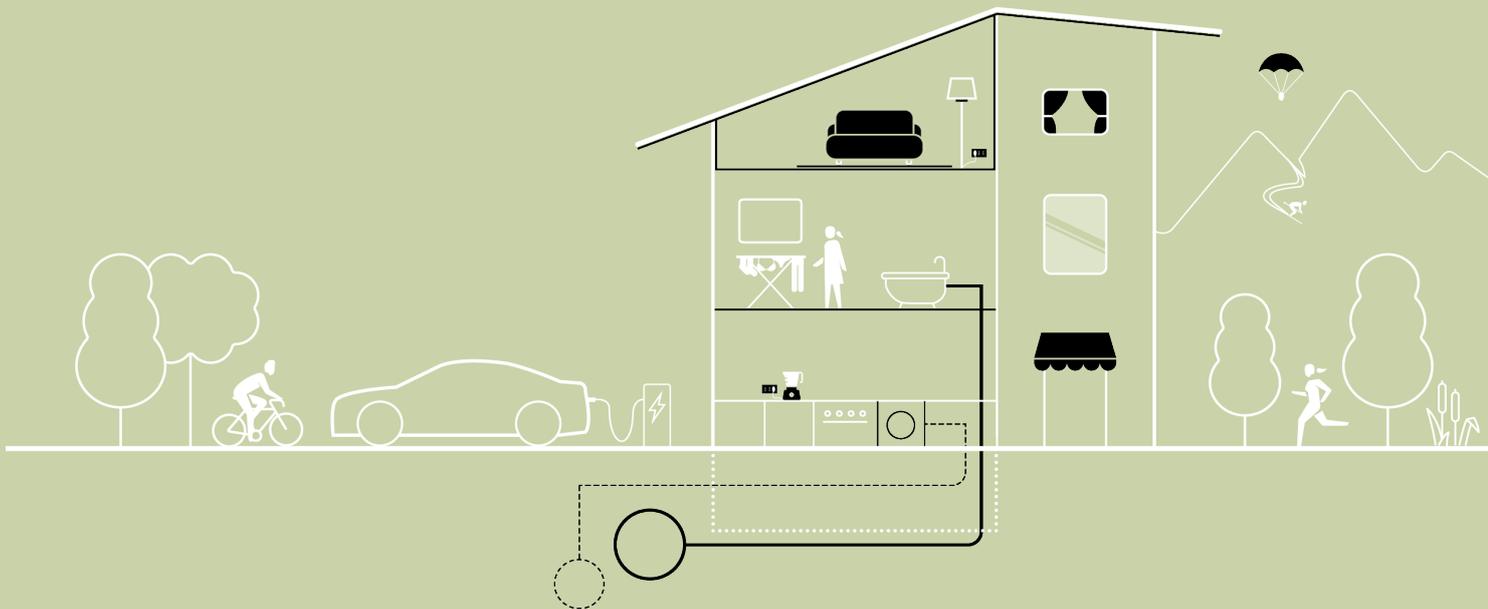
### Automotive

A relevant presence as for engineering polymers 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 and trunk lining. A cutting-edge know-how to ensure safety, performance and sustainability of materials.



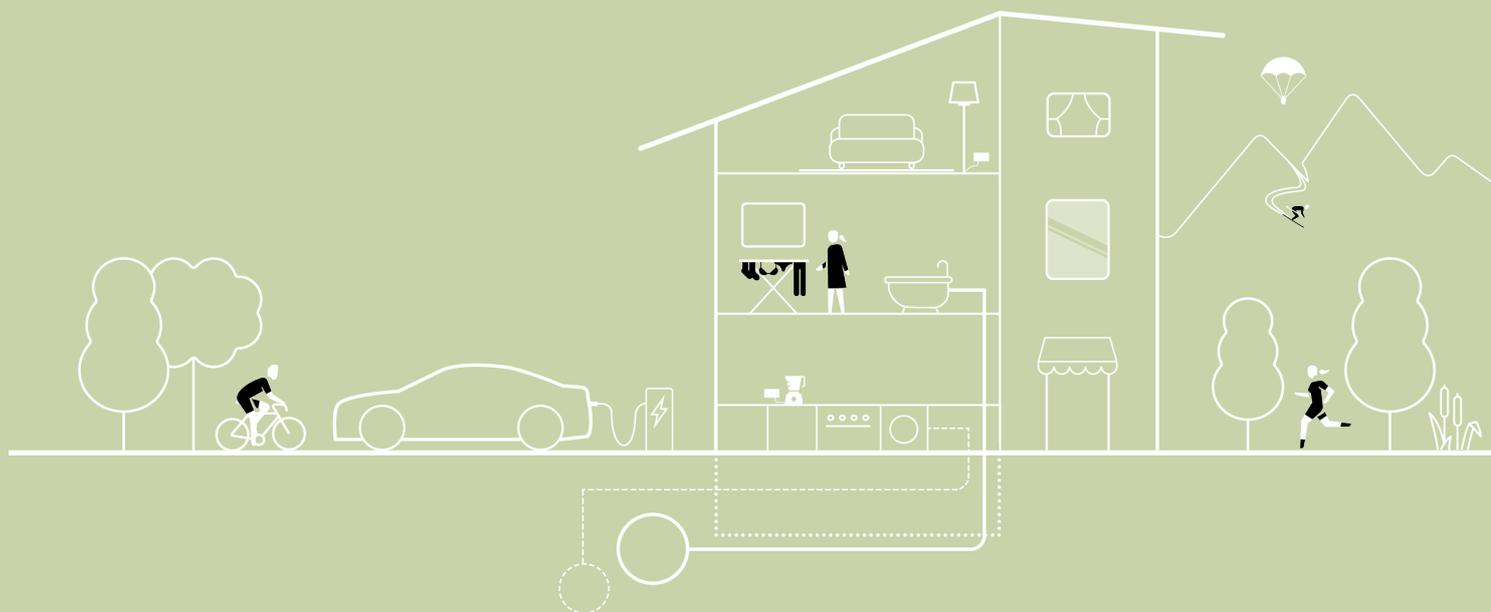
### Interior & Outdoor

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



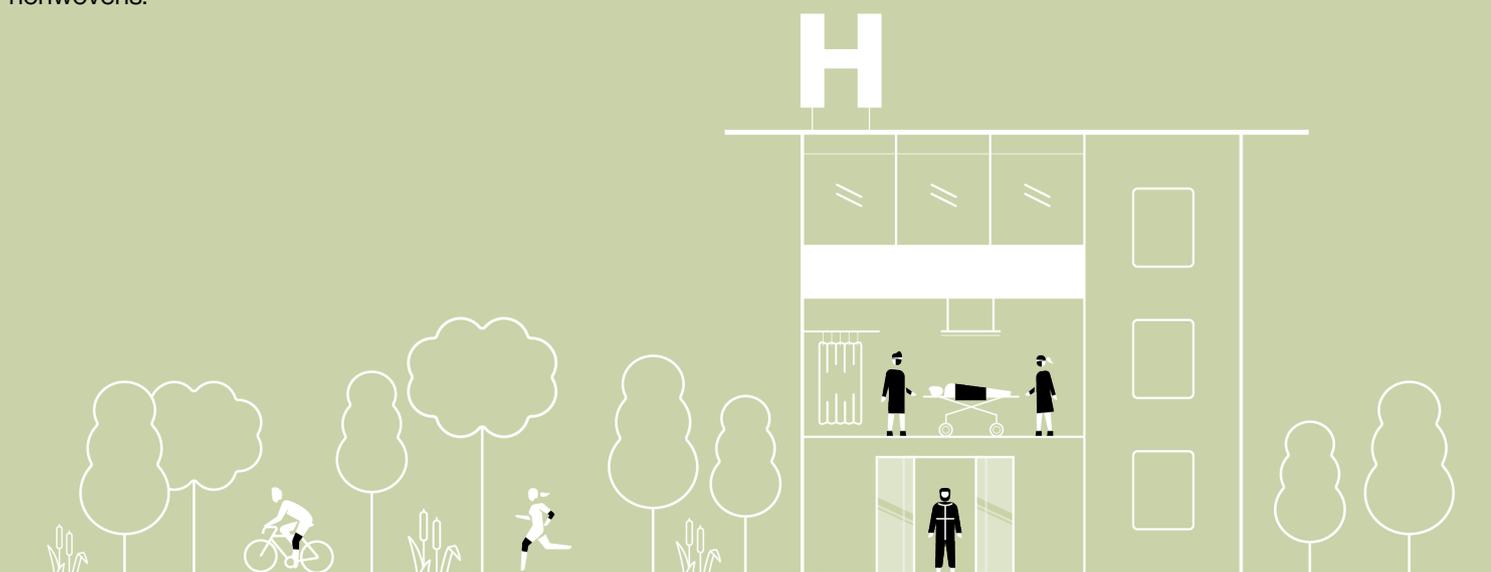
### Apparel

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



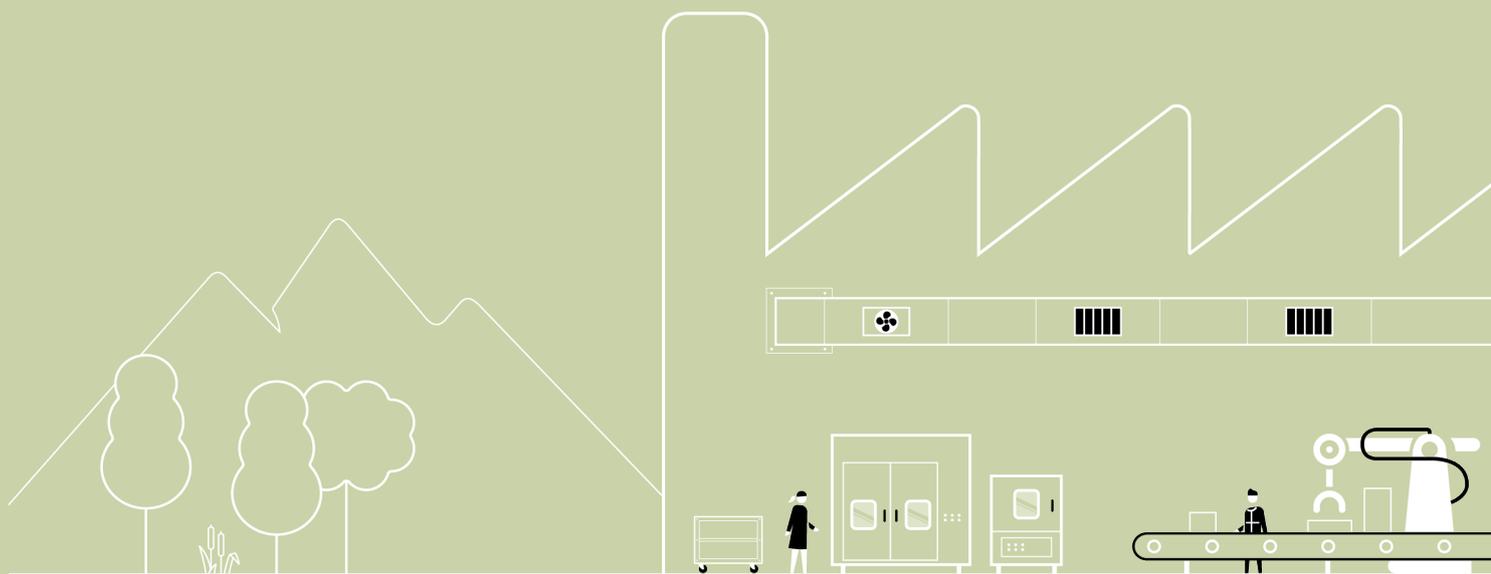
### Medical sector

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 face masks, production of protective devices such as gowns, suits, caps, and shoe covers manufactured with RadiciGroup nonwovens.



### Industrial sector

A range of engineering polymers and advanced textile solutions for industrial applications such as energy chains, solenoid valves, 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 as for exposition to harsh environment.



# Governance

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

## The Board of Directors and the Board of Statutory Auditors

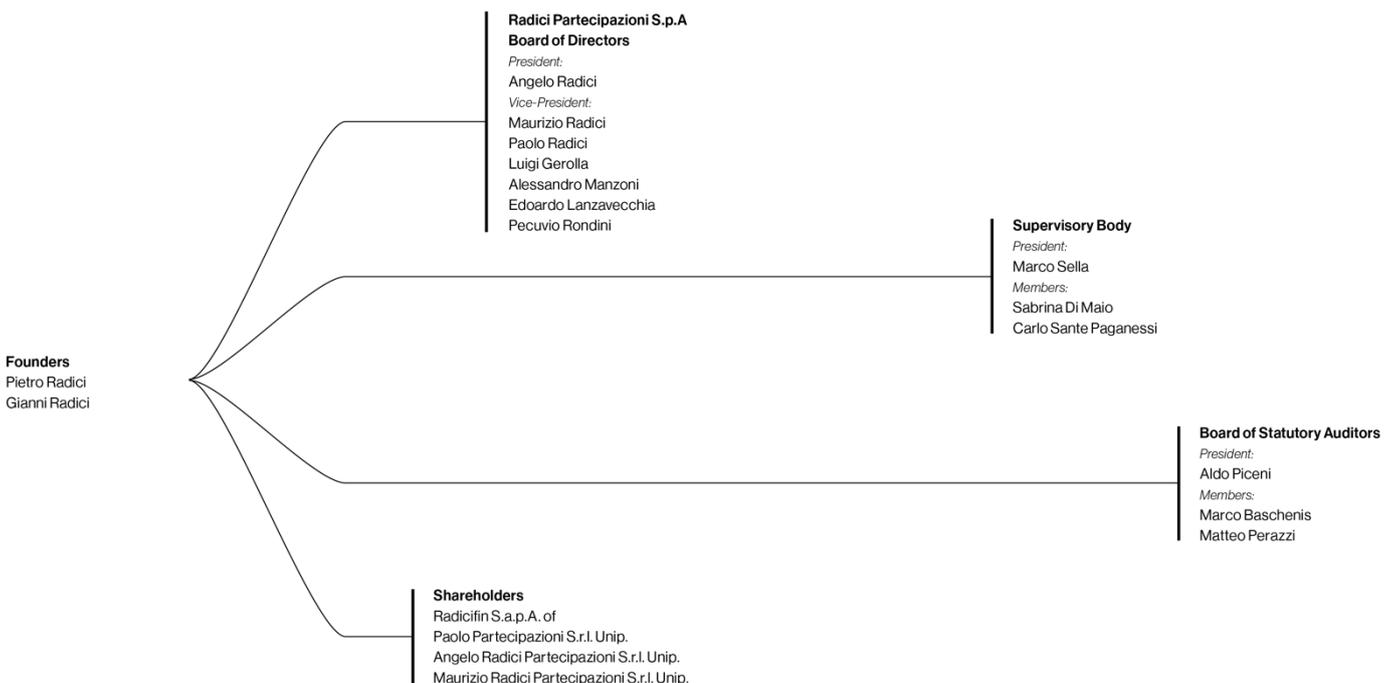
Disclosures 2-9, 2-10, 2-11

### The composition of governance bodies

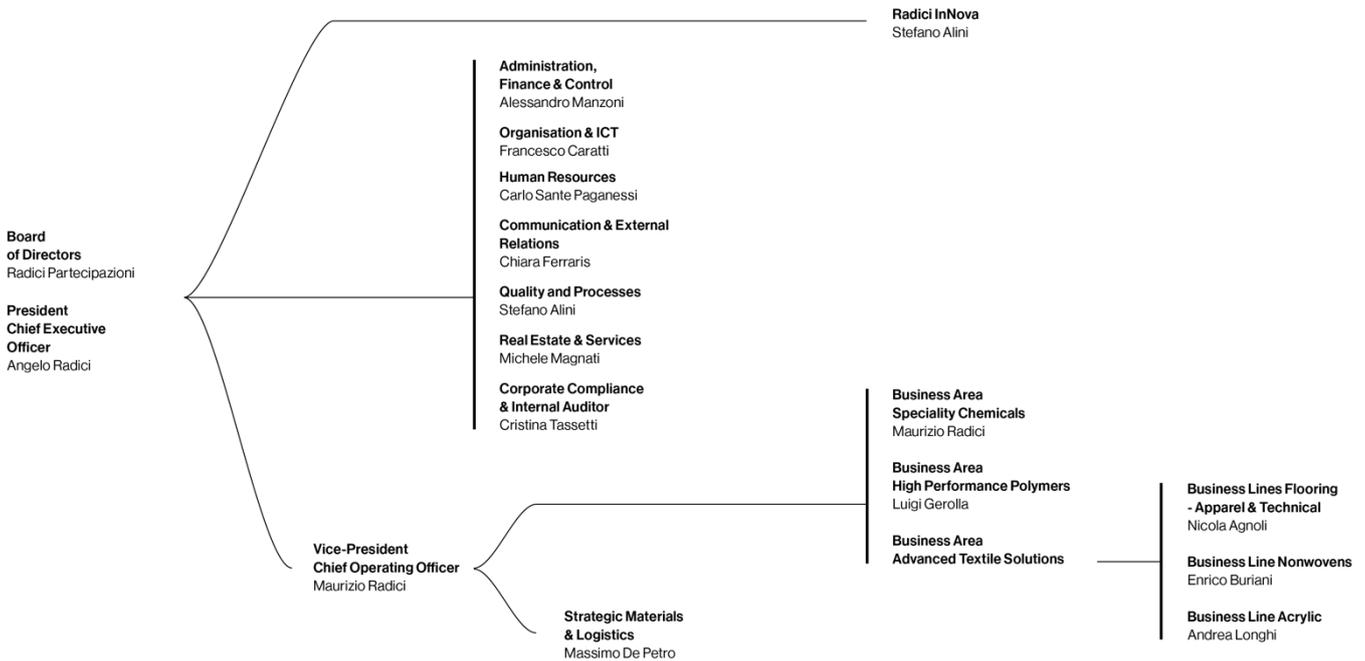
RadiciGroup's governance is carried out through the Board of Directors (hereinafter BoD), with strategic and administrative duties and the broadest powers in matters of ordinary and extraordinary management, and the Board of Statutory Auditors. The latter is composed of three members, Aldo Piceni, Marco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

The Board of Directors of Radici Partecipazioni, in office for one year, consists of seven members. Majority Shareholders Angelo Radici (President and CEO), Maurizio Radici (Vice President and COO) and Paolo Radici together with Directors Alessandro Manzoni (Managing Director), Luigi Gerolla (non-executive member), Pecuvio Rondini (non-executive, independent member) and Edoardo Lanzavecchia (non-executive, independent member) are members of the Board.

The 7 Directors currently in office were appointed by the Shareholders' Meeting of 31 May 2022. The Directors are all over 60. Members' seniority in office is more than ten years. There are currently no women or Stakeholders from under represented social groups on the BoD. The Directors were appointed to bring their specific expertise in industrial, economic-financial, administrative and legal matters by virtue of the experience gained and consolidated in the management of the Group's various businesses at national and international level.



Updated 31 December 2022.



Disclosure 2-18

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

Disclosure 2-19, 2-20

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

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

**Conflicts of Interest**

Disclosure 2-15, 2-16

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

With regard to the potential occurrence of conflicts of interest, it should first of all be noted that all RadiciGroup personnel must pursue, within the scope of their activities, the general objectives and interests of the Group, and avoid finding themselves in situations or activities that may be in conflict with these principles, in accordance with the explicit provisions of the Code of Ethics. The Board of Directors of Radici Partecipazioni applies this guideline scrupulously. The Board of Statutory Auditors of the parent company is responsible for checking that no conflicts of interest occur.

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

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

- Itepa S.p.A. based in Colzate (Bg);
- Geoenergie S.p.A. based in Bergamo (and its subsidiaries);
- Società Elettrica Radici S.p.A.;
- Hotel Excelsior San Marco Sr.l.

Further details on these companies can be found in the Notes to the Financial Statements. In addition, a specific procedure is being defined in 2023, concerning the related parties themselves, to ensure the transparency and substantive and procedural fairness of the Group's transactions with related parties.

During the reporting year, no reports of any kind were received by the SB or through the whistleblowing system, which are the main point of contact between Stakeholders and RadiciGroup management.

## **The 231 Model and the Corporate Compliance and Internal Auditor Function**

*Disclosure 2-24*

As of 2021, Radici Partecipazioni S.p.A has voluntarily adopted an organisation and management model in accordance with Legislative Decree 231/2001 (the latter relating to the companies Radici Partecipazioni SpA, RadiciFil S.p.A. and Radici Chimica S.p.A. for 2022). The model is an important tool for monitoring and managing the risk of social, environmental and administrative crimes. Within the context of the Organisational Model, the Supervisory Board, endowed with the appropriate requisites of independence, professionalism, honourableness and authority, in turn ensures that no situations of potential or actual conflict of interest arise at the level of the BoD and, more generally, at the level of RadiciGroup companies.

Furthermore, as of 2022, the Group has strengthened its structure with a managerial figure, the Corporate Compliance and Internal Auditor. The latter works on analysing and improving governance risk management processes at the Italian and international level, conducts process audits and ensures the correct and widespread application of corporate policies. In this case, the Internal Auditor's objective is to verify that the existing corporate risk management, control and governance processes are adequate and, in particular, to verify:

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

The BoD is briefed on any new situations that could lead to conflicts of interest or new governance risks by the Board of Statutory Auditors, the Supervisory Board and the Corporate Compliance and Internal Auditor. No reports were made in 2022.

*Disclosure 2-26*

RadiciGroup provides a reporting portal for those (Employees, Customers, Suppliers, Business Partners, Consultants) who wish to report, in good faith, irregular conduct, breaches of the Code of Ethics, the Organisational Model pursuant to Legislative Decree 231/2001 for those companies that apply it, the internal procedures adopted or the external regulations in any event applicable to the Group.

Reports on the whistleblowing portal, which is active for all RadiciGroup companies, must be made to protect the integrity of the Group and must be circumstantial, i.e., based on precise and concordant facts.

## Sustainability Governance

Disclosure 2-12

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

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

### The Health, Safety, Environment and Energy Policy

Disclosure 2-23

The Health, Safety, Environment and Energy Policy was signed by the Group President and Vice-President in 2019. It brings to the Management Systems and daily operations the focus on people and their health and safety, the commitment to combat climate change and favour the careful use of resources, and a search for process quality that feeds a virtuous circle of continuous improvement. The policy bases its principles on the best-practices underlying ISO systems and is intended to guide daily and strategic actions and decisions in the Group.

### The Code of Ethics

Disclosure 2-23

In 2022, the Board of Directors of Radici Partecipazioni approved the RadiciGroup Code of Ethics, which is intrinsically linked to ESG issues, and acts in accordance with this guideline by promoting its values. The President, in his letter introducing the Code itself, described it as the benchmark for everyday action. Not only that, he described it as the tool through which RadiciGroup presents itself to Stakeholders. Employees, in particular, have been involved in the definition of the values underlying the Code of Ethics, which derive from the joint work of 60 Group employees worldwide.

### Materiality analysis and non-financial reporting

Disclosure 2-14

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

## The 2030 Agenda

In 2023, the Shareholders will discuss and approve the practical resolutions that the Group plans to implement in the medium and long term, such as decarbonisation, use of resources, respect for human and Workers' rights, and the circular economy, by setting objectives that define RadiciGroup's contribution to the 2030 Agenda.

### *Disclosure 2-17*

Although no specific sustainability training activities have been set up so far for the Board of Directors, the Board members recognise the importance of having specific skills in order to best guide the transition to a fully sustainable business model. Board members thus keep themselves constantly updated on social, environmental and production issues through their direct involvement in the activities of the Group for which sustainability is an increasingly strategic driver.

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

In addition to this, in 2022, the screening and approval of material topics for the Sustainability Report and the discussion of the Group's contribution to the 2030 Agenda were the occasion for numerous in-depth studies, led by consultants external to RadiciGroup, on the main ESG topics.

## Sustainability Governance in Action

### *Disclosure 2-13, 2-24*

### **The mission of Management Systems**

The adoption of Quality, Health and Safety, Environmental and Energy Management Systems, according to ISO 9001, 45001, 14001 and 50001 standards, allows for the uniform application of certain criteria common to all standards, such as understanding the organisation's internal and external context, the needs and expectations of Stakeholders, and the setting up of a risk and opportunity analysis carried out across all the requirements of the standards. This work enables the identification, monitoring, prevention and mitigation of impacts of and on the Group by supporting Shareholders in their knowledge and decision-making regarding economic, environmental and social sustainability.

Through the Radici Partecipazioni Management Review, which takes place annually, Shareholders are updated on the status of the Group's potential and actual impacts. Here, the proper management of the ESG variables considered most important is assessed, with an approach aimed at continuous improvement.

### **The work of the Corporate Sustainability Group**

The Group consists of Corporate and Business Area experts on various environmental, social, economic and reporting issues. One of its main tasks is to propose to the Board of Directors the most important sustainability topics, which are to be constantly monitored. Along with this activity, starting in 2022, it undertook the analysis of the Group's ESG impacts and the formulation of RadiciGroup's Agenda 2030 proposal, with related medium- and long-term goals, to be submitted to top management. The Corporate Sustainability Group, in cooperation with the groups of experts in each BUSINESS AREA, oversees the production of the Sustainability Report.

### **The role of Radici InNova**

Starting in 2020, the Board of Directors has entrusted Radici InNova, RadiciGroup's research and innovation consortium, with the task of identifying solutions that have not yet been explored as part of the Group's sustainability strategy, with a

focus on opportunities related to environmental and product sustainability. Through the Innovation Committee, which meets quarterly, the Board is informed about the progress of the projects carried out by Radici InNova.

### **Business Area Projects**

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

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

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

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

# The Sustainability Strategy

Disclosure 2-22

**RadiciGroup focuses its sustainability strategy on achieving the goals of Agenda 2030 and the objectives of the European Green Deal.** Aware of the importance of keeping this strategy aligned not only with the legislative framework and the most advanced standards, but also with the expectations of Stakeholders and the context in which it operates, in 2022 it carried out a materiality analysis, described in detail in the chapter "Building the Report". Approximately 200 Stakeholders were involved and the logic of dual materiality was followed, resulting from the combination of "impact materiality" and "financial materiality".

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

Specific commitments have been formulated for each topic below. These commitments will be further implemented in the RadiciGroup Agenda 2030 project and are partly reflected in the results and information already reported below.

## The material topics underpinning the Sustainability Strategy

*From the RadiciGroup Code of Ethics:*

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

### Environmental

- **Sustainable management of energy resources**

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

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

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

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

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

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

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

Invest in the implementation of innovative processes to support circularity.

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

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

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

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

## Social

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

## Governance

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

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

## Stakeholders

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

Principles underpinning the relationship between RadiciGroup and its Stakeholders include:

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

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

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

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

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

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

# E for Environmental

## MATERIAL TOPICS

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



## The E of Environmental

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

- **Preserves the intrinsic value of resources** and makes best use of them.
- **Decouples resource consumption from economic growth** as far as possible.
- **Supports the energy transition** through the use of renewable energy and **participates in the decarbonisation process to combat climate change.**
- **Works for process innovation** in the service of the environment.
- **Eco-design products** that are safe for those who produce them and those who use them, and "light" on the environment with **low-impact systems.**
- **Regularly measures the performance** of all its production sites and **transparently communicates** on this performance.
- **Is increasingly broadening its perspective** by looking at the value chain as a horizon for action.

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

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

As a general consideration, it should be noted that the energy crisis and the resulting shortage of certain strategic raw materials led to a number of shutdowns and restarts of Group companies in 2022, as well as the continuous shutdown of plants in the Specialty Chemicals division for approximately two months. While this has led to a reduction in the absolute values of energy and water consumption and emissions, it has also led to a systematic deterioration in the ratios that relate this consumption to units processed. Every break and restart results in loss of efficiency, waste and second choices when restarting and transitioning from one production campaign to another.

Taking these considerations into account, the Group's environmental performance in 2022 remains remarkably stable, although many indicators may appear to be deteriorating if read without the premise given here.

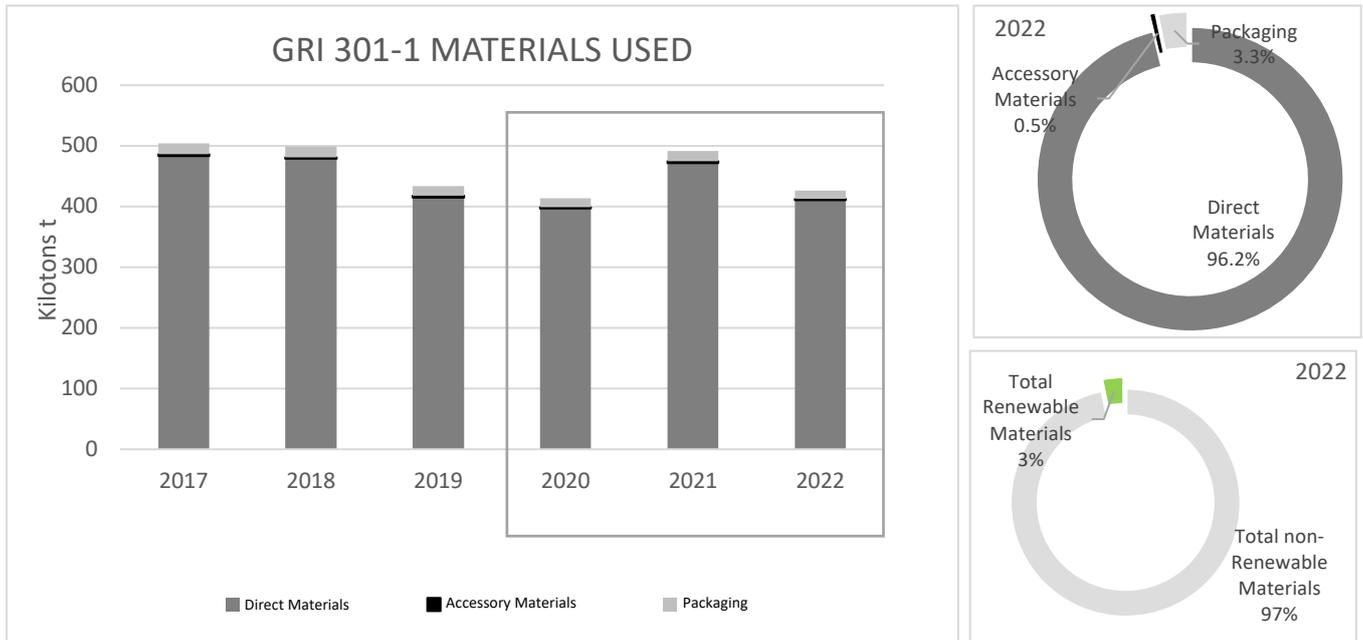
## Materials used

**In line with Goal 12 of the United Nations 2030 Agenda (Responsible Consumption), RadiciGroup has long promoted an economic model capable of making the best use of resources and transforming waste into new opportunities.** The 2022 data, although roughly in line with pre-Covid data, show a decrease (-13.1%) compared to the previous year, which was, however, a peak year, a decrease directly related to the shutdown of the chemical area and production interruptions. The only exception was a growth in renewable auxiliaries (+73 tonnes), linked to the High Performance Polymers Business Area, which used renewable auxiliaries for its production [Table 03]. On a positive note, high levels of production efficiency were maintained in the Group. Although it is not possible to give a precise figure due to the extremely diverse nature of the processes in RadiciGroup companies, it is empirically possible to state a percentage of around 90-95% for production yields, which is significant in view of the numerous stop-and-go events that characterised the second half of the year. Processes are always subject to control systems capable of reducing faulty batches and, consequently, waste, an important fact that has helped to limit the inconvenience of production fragmentation.

Table 03 | **GRI 301-1 Materials used by weight or type**

Materials used by weight and type		2020	2021	2022
t	Direct materials*	397,372	471,310	410,473
t	Accessory materials	1,936	3,102	2,126
t	Packaging	14,098	16,768	14,059
t	<b>Total</b>	<b>413,406</b>	<b>491,180</b>	<b>426,659</b>
<b>Non-renewable materials</b>				
t	direct materials	395,871	469,180	409,507
t	Accessory materials	1,934	3,099	2,050
t	Packaging	1,430	1,822	1,392
t	<b>Total non-renewable materials</b>	<b>399,235</b>	<b>474,101</b>	<b>412,949</b>
<b>Renewable materials</b>				
t	Direct materials	1,501	2,130	966
t	Accessory materials	2	3	76
t	Packaging	12,668	14,946	12,668
t	<b>Total renewable materials</b>	<b>14,171</b>	<b>17,079</b>	<b>13,710</b>
% renewable packaging to total packaging		89.9%	89.1%	90.1%
% renewable direct materials to total direct materials		0.38%	0.45%	0.24%
% renewable materials to total materials		3.43%	3.48%	3.21%

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



**Process waste**

Disclosure 306-1,2

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

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

This logic explains the indicator shown below, which shows an increase in non-hazardous waste destined for internal recovery as a percentage of total non-hazardous waste destined for recovery, despite a series of decreases in absolute numbers due to reduced production. Indeed, the figure increased from 53.1% in 2021 to 55.0% in 2022, thanks to the hard work of Radici EcoMaterials and the other RadiciGroup companies that recover post-consumer waste for open and closed-loop recycling, driven by growing market demand [Tables 04 - 07].

Table 04 | **Total weight of waste by type and destination\***

	2020	2021	2022
<b>t Total hazardous waste</b>	<b>1,949</b>	<b>3,088</b>	<b>2,493</b>
t Hazardous waste directed to recovery	561	817	768
t Hazardous waste directed to disposal (GRI 306-5)	1,388	2,271	1,725
<b>t Total non-hazardous waste</b>	<b>13,968</b>	<b>18,730</b>	<b>17,073</b>
t Non-hazardous waste directed to recovery	11,852	15,998	14,360
t Non-hazardous waste directed to disposal (GRI 306-5)	2,116	2,731	2,713
<b>t Total waste (GRI 306-3)</b>	<b>15,917</b>	<b>21,818</b>	<b>19,566</b>
<i>of which</i>			
t Occasional non-process waste (building renovations, maintenance, etc.)	565	1,581	388
t Non-hazardous waste (formerly by-products) directed to internal recovery	6,494	8,487	7,900
t Process waste directed to external treatment	8,858	11,750	11,278
% Non-hazardous waste for internal recovery/total non-hazardous waste directed to recovery (GRI 306-4)	54.8%	53.1%	55.0%

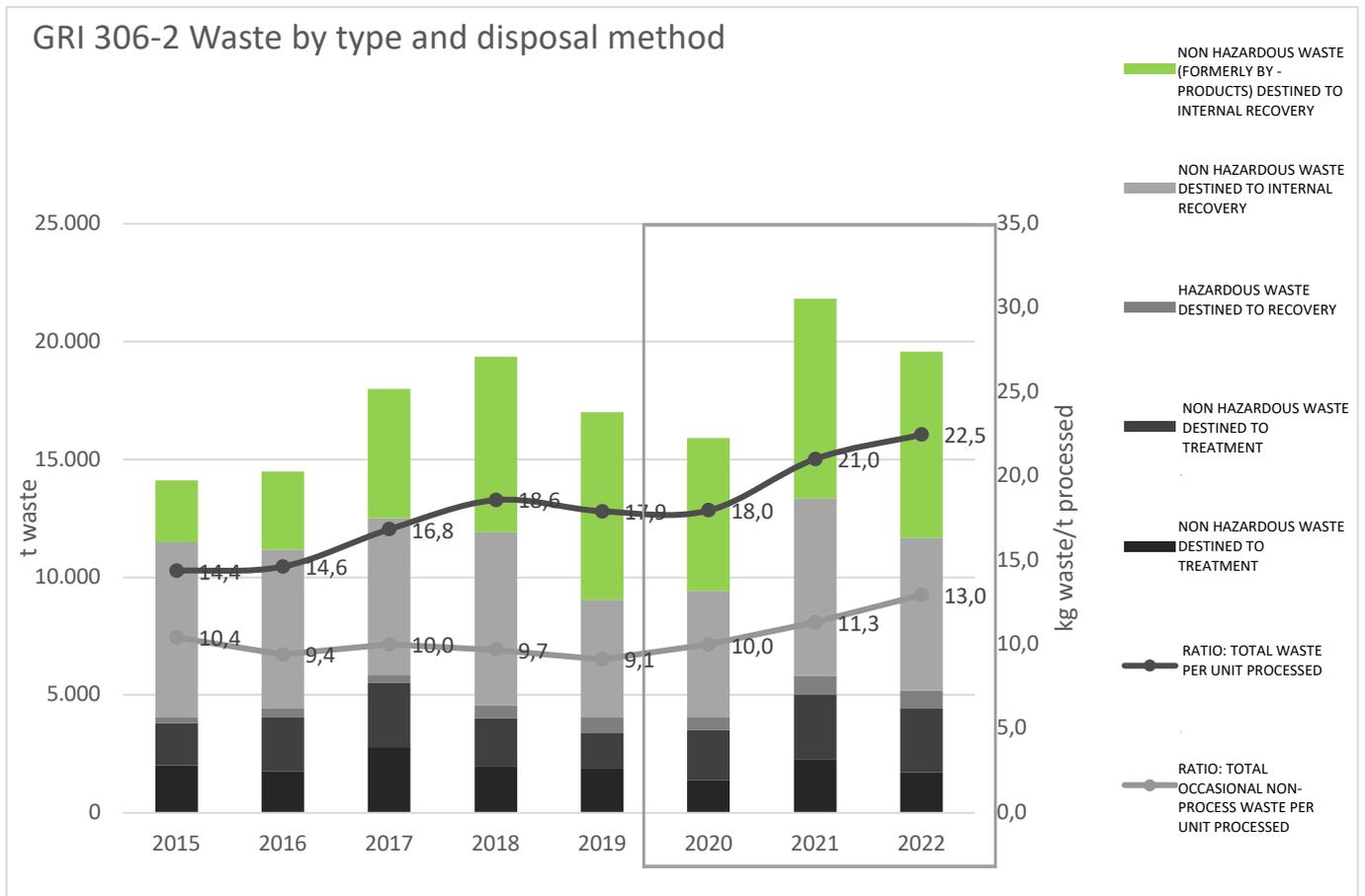
\* Based on the documentation held by the Group and provided by the companies in charge of waste management and treatment, it is not possible to give more detailed information, as required by the GRI model, concerning the actual disposal method.

Table 05

<b>Ratio - Process waste per unit processed</b>	2020	2021	2022
kg/t	10.00	11.32	<b>12.95</b>

Table 06

<b>Ratio - Total waste per unit processed</b>	2020	2021	2022
kg/t	17.96	21.02	<b>22.47</b>



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

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

Finally, the Group's companies, starting with HPP, have in recent years progressively signed up to **Operation Clean Sweep (OCS)**, an **international programme to combat the dispersion of polymer dust and granules** into the environment, focusing on product handling from the entry of raw materials into the factory to the exit of semi-finished products destined for Customers. Operation Clean Sweep involves the entire supply chain, including transport and logistics. RadiciGroup decided to voluntarily join the initiative, which specifically involves the implementation of improvement actions and training courses involving all operators, with the aim of better understanding the importance of OCS and becoming a driver of progress.

## 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, compatibly with the chemical-physical characteristics of the substances, the most sustainable alternative from a technical, economic and environmental standpoint, for the packaging and transport of direct and indirect raw materials, which are generally transported in bulk in tanks, by train and by road.
- Unless otherwise transportable, the Group prefers to transport non-bulk input materials in octabins, big bags and, in general, packaging optimised for shape and size. Across sites it is common practice to make internal use of recyclable card and plastic packaging.
- An interesting option that has gained ground in recent years is renewable packaging, which shows an increase in 2022, albeit limited (+1% compared to 2021, taking into account the total amount of packaging).
- Lastly, a forward-looking solution – unique to the Group – was found many years ago for feeding the large quantities of polyamide 6 polymer produced by the Radici Yarn factory to the neighbouring Radici Novacips site for compounding. An underground pneumatic pipeline was designed and constructed, which totally eliminated the need for packaging.

### **Radici Plastics Mexico: A year of awards**

*All RadiciGroup Companies are not only working to improve the degree of sustainability of their products, but also to implement increasingly environmentally friendly systems and plants. This well-established commitment was also recognised in 2022 with the "Distintivo Azul" awarded by the Asociación Nacional de Industrias del Plástico A.C. (ANIPAC) to Radici Plastics Mexico for its excellent implementation, for two years in a row, of the "Cero Pérdida de Pellets - CPP programme", an initiative to combat the dispersion of plastic pellets and dust into the environment. This was achieved through zero pellet loss containment and handling practices, from raw material input to semi-finished product output, destined for customers. Radici Plastics Mexico is the fourth Company and the first in the automotive sector to receive the award at national level. The CPP is the local version of "Operation Clean Sweep - OCS", an international programme promoted by industry trade associations in 57 countries worldwide, which RadiciGroup High Performance Polymers and all its sites signed up to on a voluntary basis in January 2019, as part of RadiciGroup's Sustainability Policy. Not only that, but one year after moving to the new plant with double the production capacity, the Company also obtained ISO 14001 certification for environmental management and ISO 50001 certification for energy management systems in 2022. These are important milestones, the result of intense strategic and organisational activity, with 100% of the High Performance Polymers Business Area sites now certified to ISO 9001, ISO 14001 and ISO 45001.*

## Energy

**Consistent with Goal 7 (Affordable and Clean Energy) and Goal 13 (Climate Action) of the 2030 Agenda, the reduction of emissions and the adoption of renewable energy are the pillars of the Group's strategy to combat climate change.** Aware of the fact that the main source of CO<sub>2</sub> is energy production, RadiciGroup constantly monitors its energy performance and promotes the rational use of energy. Many sites have integrated the Environmental Management System with the requirements of ISO 50001, concerning energy management. For Italian sites that consume large amounts of energy, there is also a specific professional figure, the Energy Manager, in accordance with Law No. 10/1991. The role of the Energy Manager is to create a fully-fledged overall company policy of energy conservation for the benefit of economic and environmental policies.

The Group's energy consumption in 2022 was affected by the difficult crisis situation in Europe. The absolute values in the tables below all show a decreasing trend with one exception: fuel and electricity from renewable sources. Indeed, the purchase of biogas by companies is growing, increasing by 28.6% in 2021 and by 31.2% in the three-year period 2020-2022. This is a specific choice affecting the Specialty Chemicals business area, which cannot replace natural gas power for its plants, but uses alternatives with a lower impact [Tables 07 - 08]. In addition, the Group's energy strategy has led to a progressive and significant reduction in dependence on fossil fuels for both direct and indirect primary energy, from 7.6 GJ/t in 2011 to 5.2 GJ/t processed in 2022 [Tables 11 - 12]. Despite the difficult scenario and the drought that severely affected the hydroelectric production of Geogreen, RadiciGroup's historical partner, the Group confirmed its commitment to the energy transition in 2022 by purchasing an increasing amount of green electricity [Table 09]. Today, worldwide, the Group's percentage of energy from renewable sources is 59%. The amount of green energy generated by the Group is currently limited, but the sources are being diversified and, in addition to hydroelectricity, photovoltaic power has been introduced, the share of which is expected to increase over time. By 2022, all Italian companies purchased 100% renewable energy in line with a commitment repeatedly expressed by the President of RadiciGroup [Table 10], with the exception of Radici Chimica Novara, which purchased its energy (electricity and steam) in outsourcing from a dedicated supplier, using for part of its consumption a cogeneration plant (outside its site) for the combined production of electric and thermal energy. A similar situation for Radici Yarn in Villa d'Ogna, which, however, uses trigeneration (on its own site) for the simultaneous production of electricity, heat and cooling alongside purchased renewable energy. These two plants are indeed gas-powered, but have proven advantages of efficiency and reduced emissions. It should also be mentioned that natural gas is the fossil fuel with the lowest impact.

Finally, it is worth emphasising the constant presence in the RadiciGroup energy mix of a share of energy from nuclear power, a non-renewable but zero-emission source.

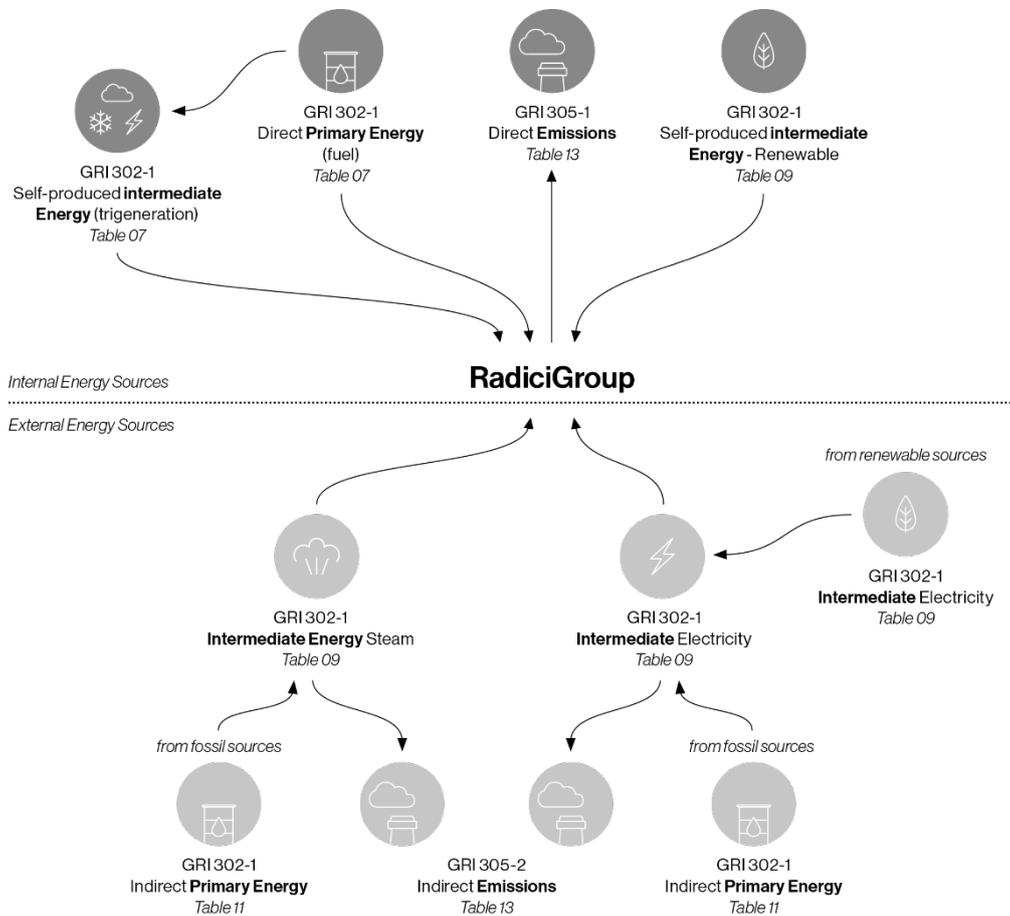


Table 07 | **Fuel consumption (direct primary energy consumption)**

	2020	2021	2022
<b>GJ</b> Total direct primary energy	<b>1,616,733</b>	<b>1,844,761</b>	<b>1,542,363</b>
<b>GJ</b> Subtotal direct primary energy from non-renewable sources	<b>1,580,423</b>	<b>1,807,715</b>	<b>1,494,716</b>
<b>GJ</b> from natural gas - non-renewable *	1,573,933	1,800,151	1,486,636
<b>GJ</b> from diesel fuel - non-renewable	1,560	1,592	1,234
<b>GJ</b> from LPG - non-renewable	4,217	5,298	5,126
<b>GJ</b> from fuel oil - non-renewable	713	674	<b>1,720</b>
<b>GJ</b> Subtotal direct primary energy from renewable sources	<b>36,310</b>	<b>37,046</b>	<b>47,647</b>
<b>GJ</b> from biogas - renewable	36,310	37,046	47,647

\* To convert natural gas from Nm<sup>3</sup> to GJ, a factor of 39.01 (source mod. GRI 3.1) was used for all companies, observing the precautionary principle.

Table 08 | **GRI 302-1 - Direct primary energy consumption per unit processed**

	2020	2021	2022
<b>GJ/t</b> Non-renewable direct primary energy	1.78	1.74	1.72
<b>GJ/t</b> Total renewable + non-renewable direct primary energy	1.82	1.78	<b>1.77</b>

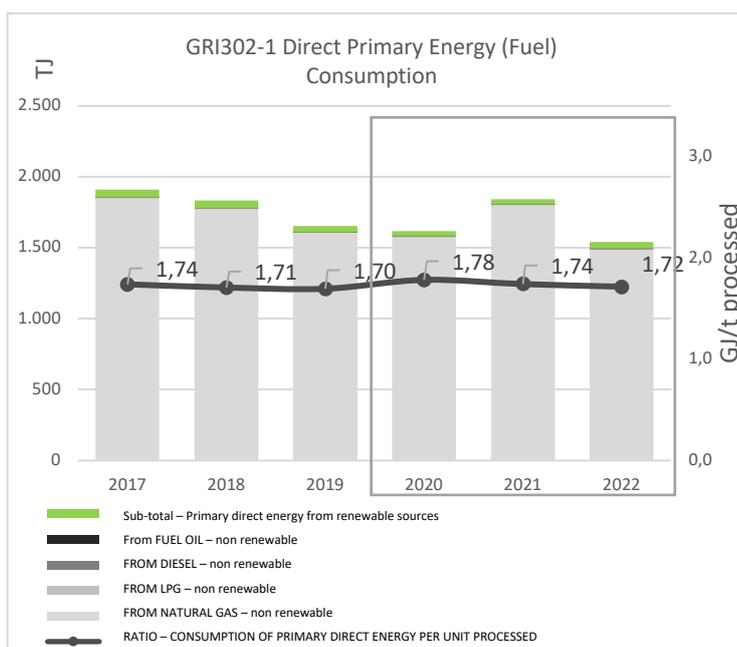
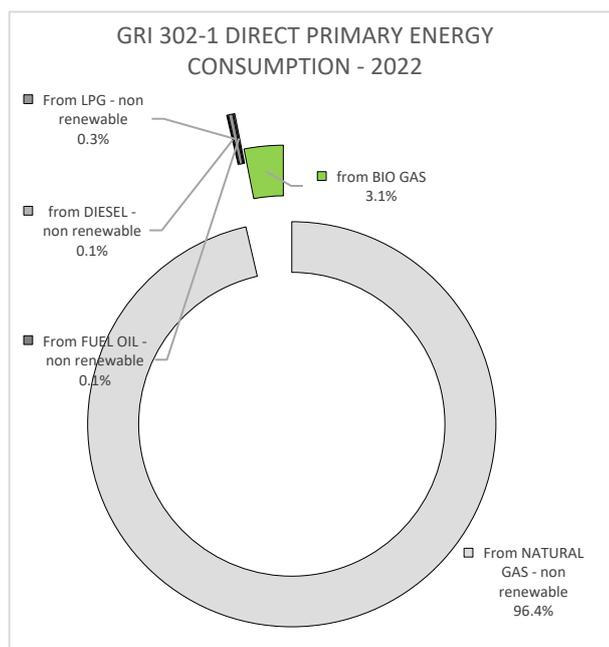


Table 09 | **"Transformed" energy consumption by primary (indirect) energy source**

		2020	2021	2022
<b>GJ</b>	<b>Total intermediate energy (indirect)</b>	<b>3,198,812</b>	<b>3,582,988</b>	<b>3,137,047</b>
<b>GJ</b>	<b>Subtotal electricity consumption</b>	<b>1,441,580</b>	<b>1,770,346</b>	<b>1,569,984</b>
<b>GJ</b>	<i>electricity consumption from renewable sources</i>	712,498	915,146	926,559
	<i>of which self-produced by hydropower and photovoltaics*</i>	(57,647)	(60,768)	(26,075)
<b>%</b>	Electricity consumption from renewable sources to total electricity	49.4%	51.7%	59.0%
<b>GJ</b>	<b>Electricity consumption from non-renewable sources</b>	<b>729,082</b>	<b>855,200</b>	<b>643,426</b>
<b>GJ</b>	<i>from natural gas - non-renewable</i>	485,050	564,795	415,957
<b>GJ</b>	<i>from coal - non-renewable</i>	133,661	163,614	141,312
<b>GJ</b>	<i>from fuel oil - non-renewable</i>	7,300	7,246	3,671
<b>GJ</b>	<i>from nuclear power</i>	74,448	95,429	69,265
<b>GJ</b>	<i>from other fossil fuels - non-renewable</i>	24,623	24,116	13,221
<b>GJ</b>	<b>Subtotal steam consumption</b>	<b>1,757,232</b>	<b>1,812,642</b>	<b>1,567,062</b>
<b>GJ</b>	<i>from non-renewable sources</i>	1,757,232	1,812,642	1,567,062
<b>GJ/t</b>	Ratio – intermediate energy consumption per unit processed (refers to electricity)	<b>1.63</b>	<b>1.71</b>	1.80
<b>GJ/t</b>	Ratio – total intermediate energy per unit processed	3.61	3.45	3.60

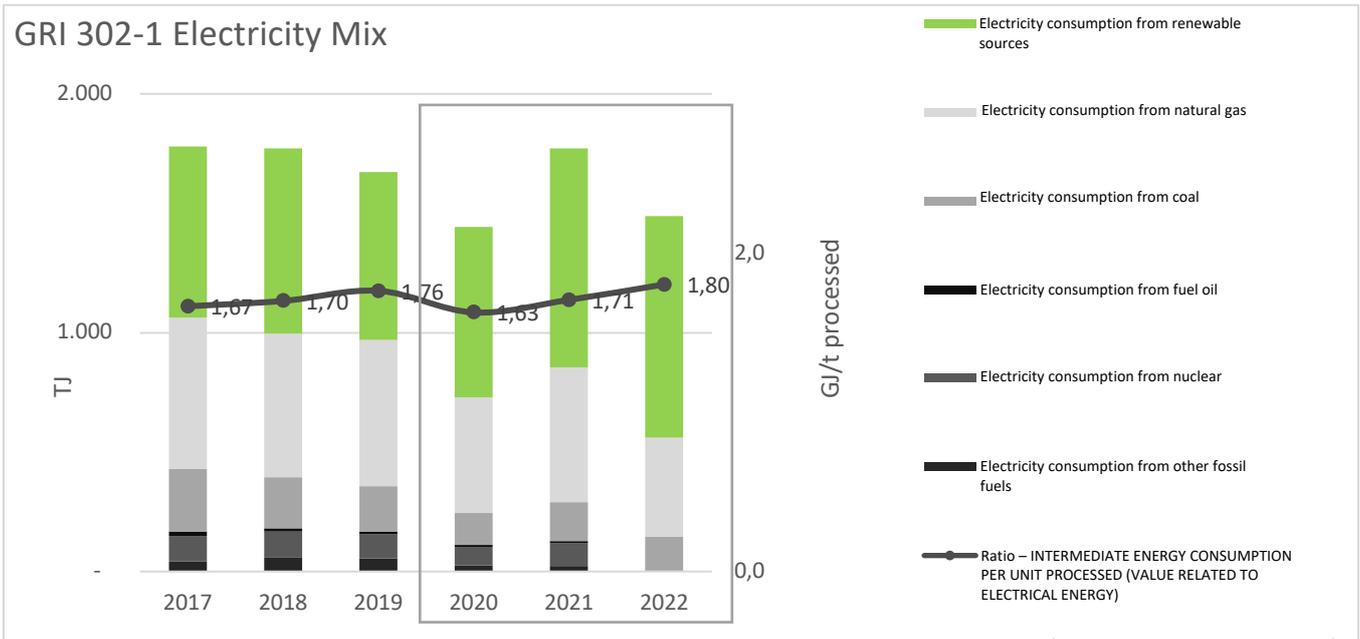
\*Energy from renewable sources is self-produced by two RadiciGroup sites

Table 10 | **Companies and sites using renewable energy 2022**

100% renewable energy	>90% renewable energy
Noyfil - Andalo Valtellino - Italy	FibreXNylon - Romania
Noyfil - Chignolo d'Isola - Italy	
RadiciFil - Casnigo - Italy	
Radici EcoMaterials - Buronzo - Italy	<b>&gt;80% renewable energy</b>
Radici Novacips - Villa d'Ogna - Italy	Radici Fibras Ltda - Brazil
Radici Novacips - Chignolo d'Isola - Italy	
Radici Partecipazioni - Gandino - Italy	
Radici Plastics GmbH - Germany	
Radici Yarn - Ardesio - Italy	
Radici Yarn - Polymerization - Villa d'Ogna - Italy*	
Tessiture Pietro Radici - Gandino - Italy	

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

### GRI 302-1 Electricity Mix



### GRI 302-1 Electricity Mix 2022

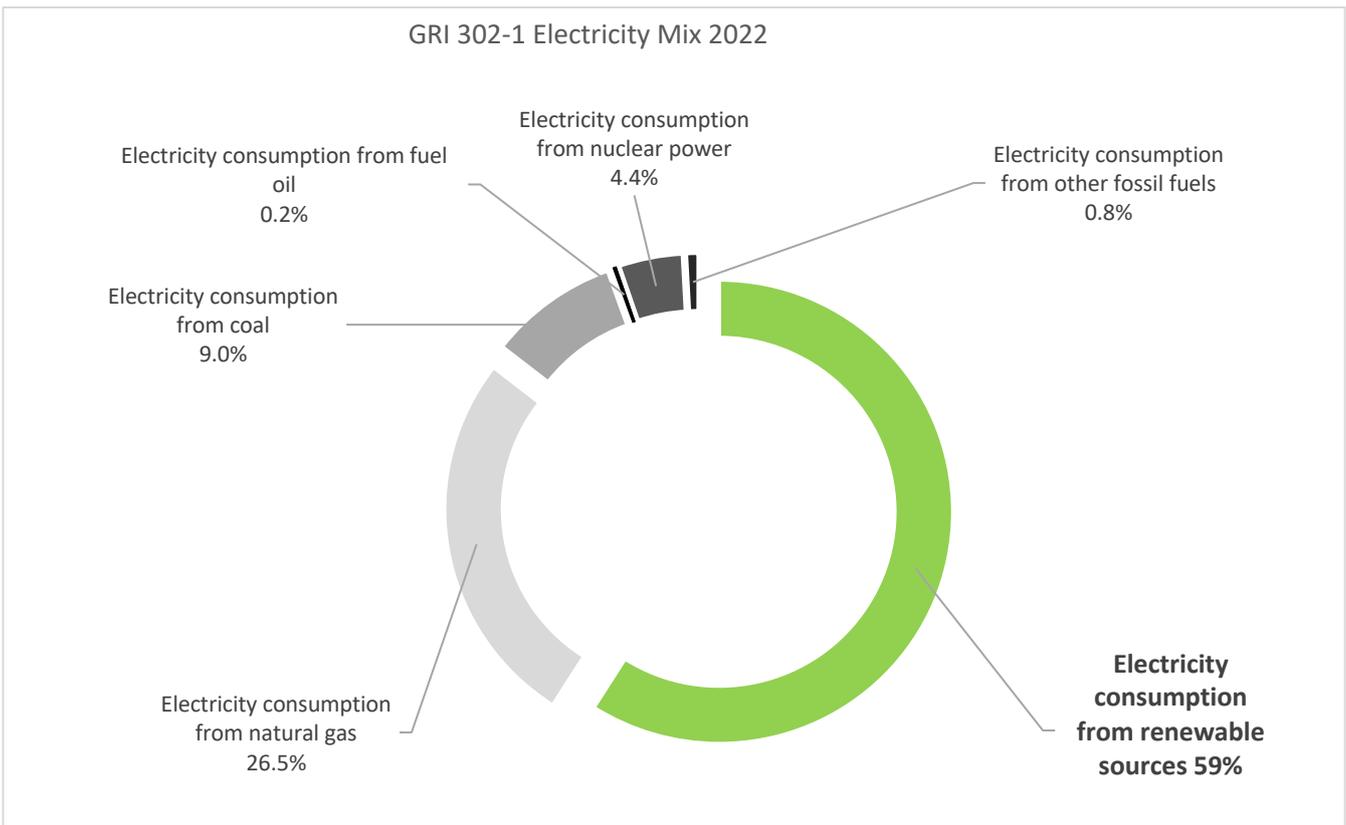


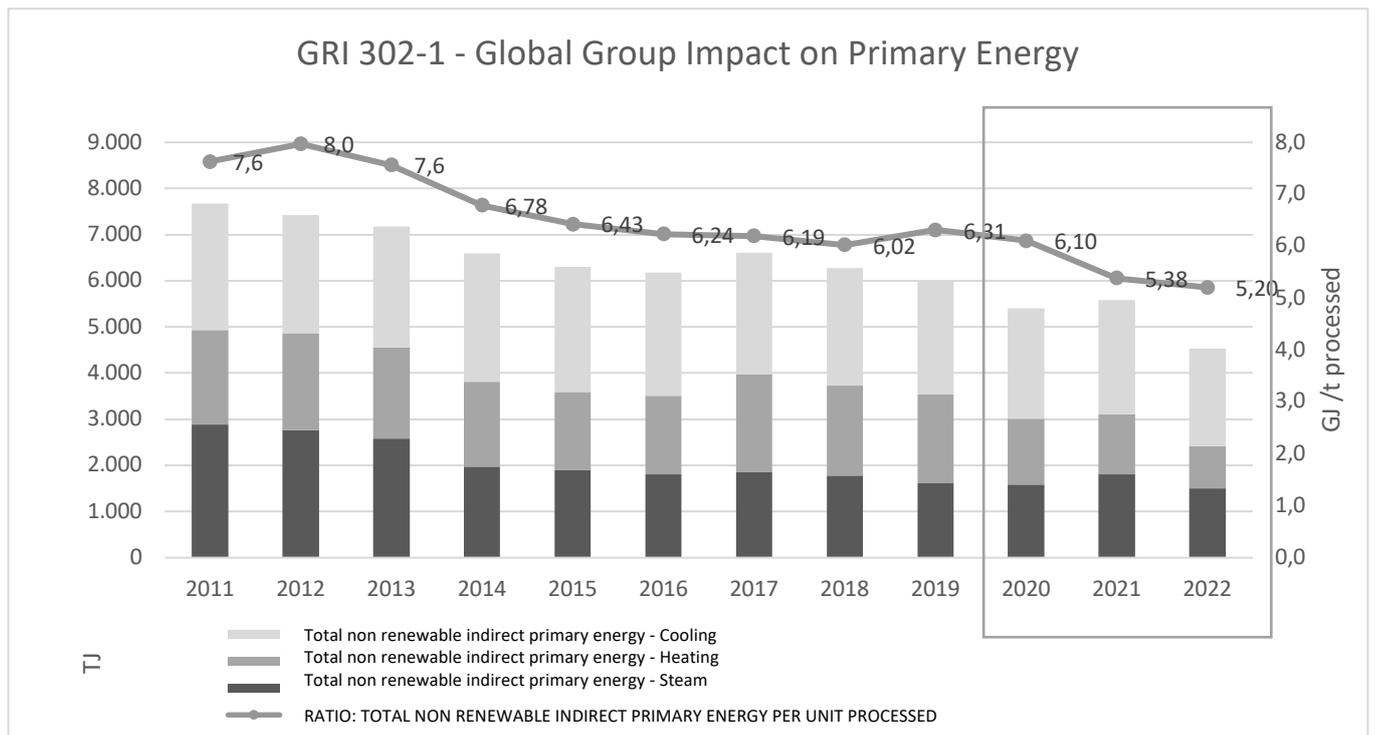
Table 11 | **Primary non-renewable energy consumption (direct + indirect)**

		2020	2021	2022
<b>GJ</b>	<b>Total primary energy from fossil sources</b>	<b>5,408,531</b>	<b>5,586,749</b>	<b>4,531,932</b>
<b>GJ</b>	<b>Subtotal indirect primary energy consumption from fossil sources</b>	<b>3,828,108</b>	<b>3,779,034</b>	<b>3,037,216</b>
<b>GJ</b>	<i>Total non renewable indirect primary energy - electricity</i>	<i>1,431,053</i>	<i>1,305,329</i>	<i>913,222</i>
<b>GJ</b>	<i>Total non renewable indirect primary energy - steam</i>	<i>2,397,055</i>	<i>2,473,705</i>	<i>2,123,994</i>
<b>GJ</b>	<b>Sub total consumption of fossil fuels [Table 07]</b>	<b>1,580,423</b>	<b>1,807,715</b>	<b>1,494,716</b>

Disclosure 302-1

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

		2020	2021	2022
<b>GJ/t</b>	<b>Total primary energy from fossil sources</b>	<b>6.10</b>	<b>5.38</b>	<b>5.20</b>
<b>GJ/t</b>	<b>Indirect primary energy from non-renewable fossil sources</b>	<b>4.32</b>	<b>3.64</b>	<b>3.49</b>
<b>GJ/t</b>	<i>Non-renewable indirect primary energy - electricity</i>	<i>1.62</i>	<i>1.26</i>	<i>1.05</i>
<b>GJ/t</b>	<i>Non-renewable indirect primary energy - steam</i>	<i>2.71</i>	<i>2.38</i>	<i>2.44</i>
<b>GJ/t</b>	<b>Direct primary energy (fuels) from fossil sources [Table 08]</b>	<b>1.78</b>	<b>1.74</b>	<b>1.72</b>



### Less energy... more awareness: a manifesto to raise awareness on energy saving

*Less energy... more awareness: is the name of the energy-saving awareness campaign that RadiciGroup has launched with its partner Geogreen, a provider of sustainable energy. Disseminated through a manifesto sent to all Italian Group companies, it proposes some simple rules to help us all contribute to reducing consumption, starting from 2022, a year in which the problem of energy costs had a profound impact on the industrial sector and did not spare RadiciGroup. Saving energy means first of all reducing energy requirements and, consequently, consumption. This can be achieved through conscious behaviour by limiting waste not only in production areas, but also in meeting rooms and offices. Adjusting the room temperature, making better use of lifts, using natural light and switching off computers and electronic equipment after use were a few simple suggestions that were widely disseminated within the company.*

## Emissions

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

### Set concrete sustainability goals by reducing direct and indirect greenhouse gas emissions, leveraging investments and cutting-edge technologies: this is the approach that has always guided RadiciGroup's activities.

Again in 2022, the ratio relating to the Group's total emissions to the units processed showed a decreasing trend from 0.402 tCO<sub>2</sub> eq to 0.395 tCO<sub>2</sub> eq. This figure indirectly confirms that the reduction in total emissions in absolute terms (about -17.5% compared to 2021) is not only due to the shutdown of plants, but also and above all to the climate change policies in which RadiciGroup has been investing for years, especially in the chemicals sector. Focusing on the chemicals sector and Radici Chimica Spa in particular, the decrease in direct emissions per unit processed in the three-year period 2020-2022 was -54.5% (-21.4% compared to 2021). By 2023, on the other hand, a further significant reduction in emissions is expected at the German site of Radici Chimica Deutschland thanks to a brand new plant that went into operation in January.

The strategy of environmental responsibility that led to the investments, combined with the aforementioned policy of purchasing green electricity, meant that by 2022 the emissions "avoided" by the chosen energy mix would be 43.7%. If the Group had simply used the standard national energy mixes of the countries in which it operates, it would have had an impact of 56,307 tCO<sub>2</sub> eq more.

Table 13 | **Total direct and indirect greenhouse gas emissions\***

		2020	2021	2022
tCO <sub>2</sub> eq	<b>Total emissions (direct + indirect)</b>	<b>441,059</b>	<b>416,701</b>	<b>343,690</b>
tCO <sub>2</sub> eq	<b>Direct emissions (GRI 305-1)*</b>	<b>214,867</b>	<b>182,616</b>	<b>137,929</b>
tCO <sub>2</sub> eq	<b>Indirect emissions (GRI 305-2)</b>	<b>226,193</b>	<b>234,085</b>	205,760
tCO <sub>2</sub> eq	<i>Indirect emissions – electric energy</i>	92,629	96,250	72,589
tCO <sub>2</sub> eq	<i>Indirect emissions – steam</i>	133,564	137,835	133,172

\* The values shown include CO<sub>2</sub> from combustion and N<sub>2</sub>O from the production of adipic acid and nitric acid. In the 2022 Sustainability Report, for the sake of completeness, figures related to direct emissions also include the leaks of F-Gases, the fluorinated greenhouse gases RadiciGroup uses for plant cooling purposes.

Disclosure 305-4

Table 14 | **Direct and indirect greenhouse gas emissions in relation to quantity processed**

	2020	2021	2022
<b>tCO<sub>2</sub>eq</b>	0.498	0.402	<b>0.395</b>

Table 15 | **Benchmark indirect electricity emissions national standard mix and RadiciGroup mix comparison**

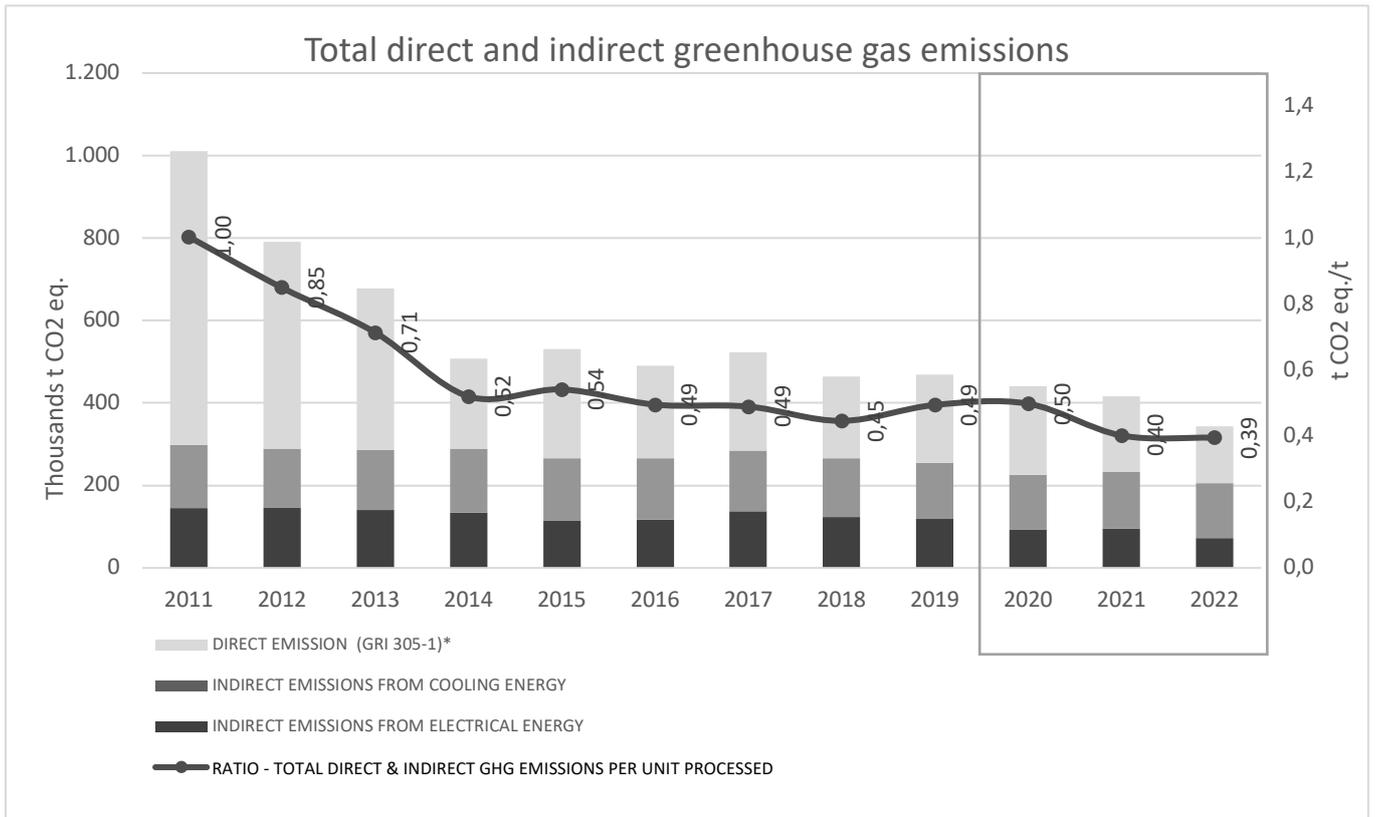
		2020	2021	2022
<b>tCO<sub>2</sub>eq</b>	Indirect emissions from standard national electricity mix* (local based)	135,734	167,700	<b>128,896</b>
<b>tCO<sub>2</sub>eq</b>	Indirect emissions from RadiciGroup electricity mix [previous table] (market based)	92,629	96,250	72,589
<b>tCO<sub>2</sub>eq</b>	difference	43,105	71,450	<b>56,307</b>
<b>%</b>	Percentage difference	31.8%	42.6%	<b>43.7%</b>

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

Disclosure 305-7

Table 16 | **Emission Quality**

		2020	2021	2022
<b>t</b>	<b>Total</b>	<b>128</b>	<b>148</b>	<b>134</b>
<b>t</b>	NOx	81	108	<b>93</b>
<b>t</b>	SOx	0	0	0
<b>t</b>	VOC	20	10	17
<b>t</b>	HAP	0.10	0.00	0.10
<b>t</b>	Stack and Fugitive	0	4	<b>0</b>
<b>t</b>	PM	8	8	<b>10</b>
<b>t</b>	Other emissions	19	18	14



\* Direct emissions: The reported values include CO<sub>2</sub> from combustion and N<sub>2</sub>O from the production of adipic and nitric acid. In the 2022 Report, for the sake of completeness, the direct emissions quantity also includes the leakage of F-Gases, the fluorinated greenhouse gases used in the Group for plant cooling.

### Roadmap to climate action: RadiciGroup's commitment to reduce emissions by 80% by 2030

An important meeting with the generalist and trade press took place in June 2022 at Radici Chimica Novara, in the heart of the Specialty Chemicals Business Area. During the event, the roadmap to a significant reduction of emissions in the Group was retraced. A multi-year investment plan of more than EUR 10 million involved three major projects at the Novara site: the commissioning in 2004 of a reactor, designed and patented by the company, which uses a catalyst arranged in 3 beds to decompose nitrous oxide into its two constituent elements (nitrogen and oxygen), rendering it harmless to the atmosphere; the installation in 2013 of an EnviNOx plant to abate nitrous oxide associated with nitric acid production and, in 2021, a further improvement of the abatement system for emissions associated with adipic acid production. All these measures have meant that Radici Chimica Novara can now boast nitrous oxide emissions of less than 10 ppm (parts per million), a value that is close to zero.

The event was also an opportunity to launch a new and ambitious goal for the Group. After direct emission reductions of 70% between 2011 and 2020, the next target is to reduce emissions by a further 10% by 2030, mainly through Best Available Techniques in the chemical sector with further investments. These include the commissioning, also in Germany, of an EnviNOx plant in January 2023, also intended to drastically reduce nitrous oxide emissions from nitric acid production.

## Water

Disclosure 303-1

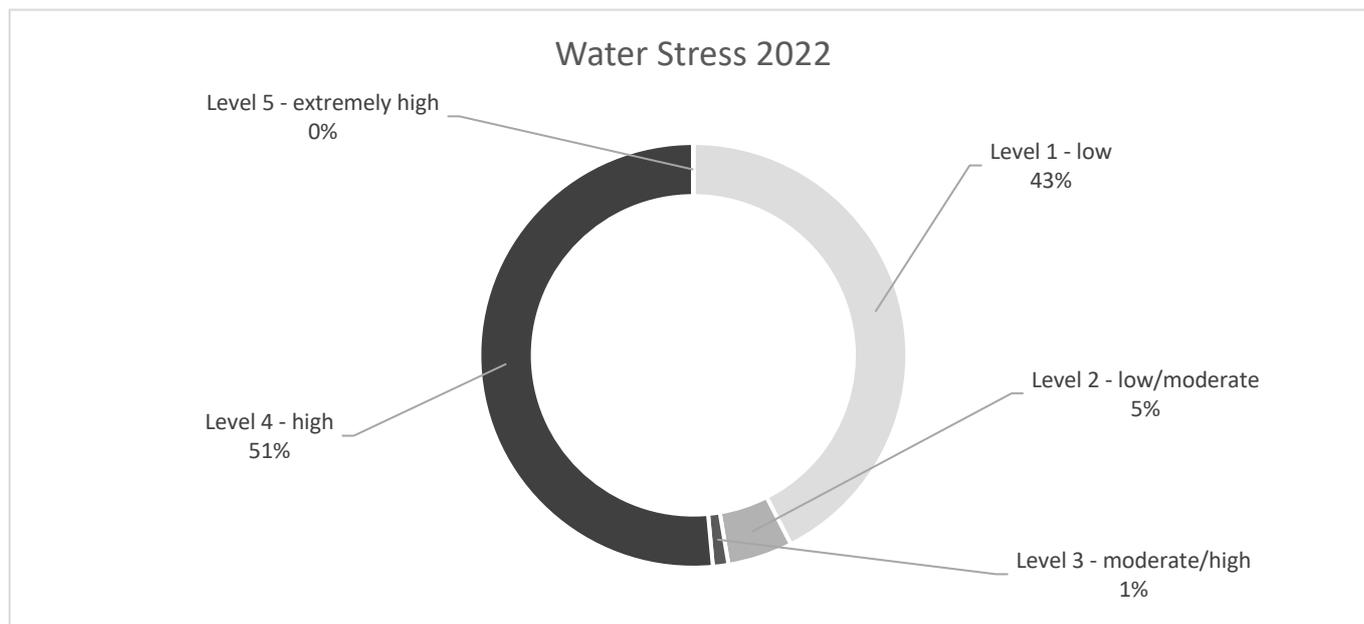
**In the UN 2030 Agenda for Sustainable Development, water is by definition a right and a determining factor for economic, social and environmental development. The United Nations 2030 Agenda includes a specific sustainable development goal, SDG 6 (Clean Water and Sanitation), to ensure the availability and sustainable management of water.**

2022 was a complex year from a water perspective. The European Commission estimates that drought has caused several billion euros of damage to all industries. The Group has also been affected by water scarcity, particularly in relation to the reduced availability of hydroelectricity supplied directly by Geogreen, but this has been offset by a policy of careful market research into green energy.

This fact confirmed to the Group the need to protect water more and more, also as a consequence of climate change phenomena that sees alternating periods of drought with periods of extreme rainfall.

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

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



Considering the water stress situation (level 1 low stress, level 5 extreme stress) relative to the countries in which the reported sites operate, 43% of the water used by the Group comes from low stress (level 1) areas. On the other hand, the "virtual" 51% of the water used comes from areas of high water stress (level 4). Of the latter, almost the entire quantity (90.4%) relates to water supplied by Industrie Park Zeitz to Radici Chimica Deutschland via a loop channel, water that is reused up to 60.5 times before being discharged. This solution significantly reduces impacts also in view of the water-stressed condition of the area.

Formally, the recycling activity takes place outside the company gates, so the contribution of Radici Chimica Deutschland GmbH to the savings ratio indicator is zero. Excluding the German company from the scope, the percentage of water saved in 2022 rises to 146% [Table 19] while including it takes it to 71%.

The water utilisation ratio in relation to the quantity processed drops from 0.080 ML/tonne (2021) to 0.084 ML/tonne (2022) due to the reduction in production.

Approximately 37% of the water used as thermal fluid in the Group is derived from surface water, particularly from rivers and canals, 11% from underground and 52% supplied by third parties. Water from aqueducts, withdrawn for human consumption, is only 0.18% of the quantity used.

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

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

Disclosure 303-3

Table 17 | **Water withdrawal by source\***

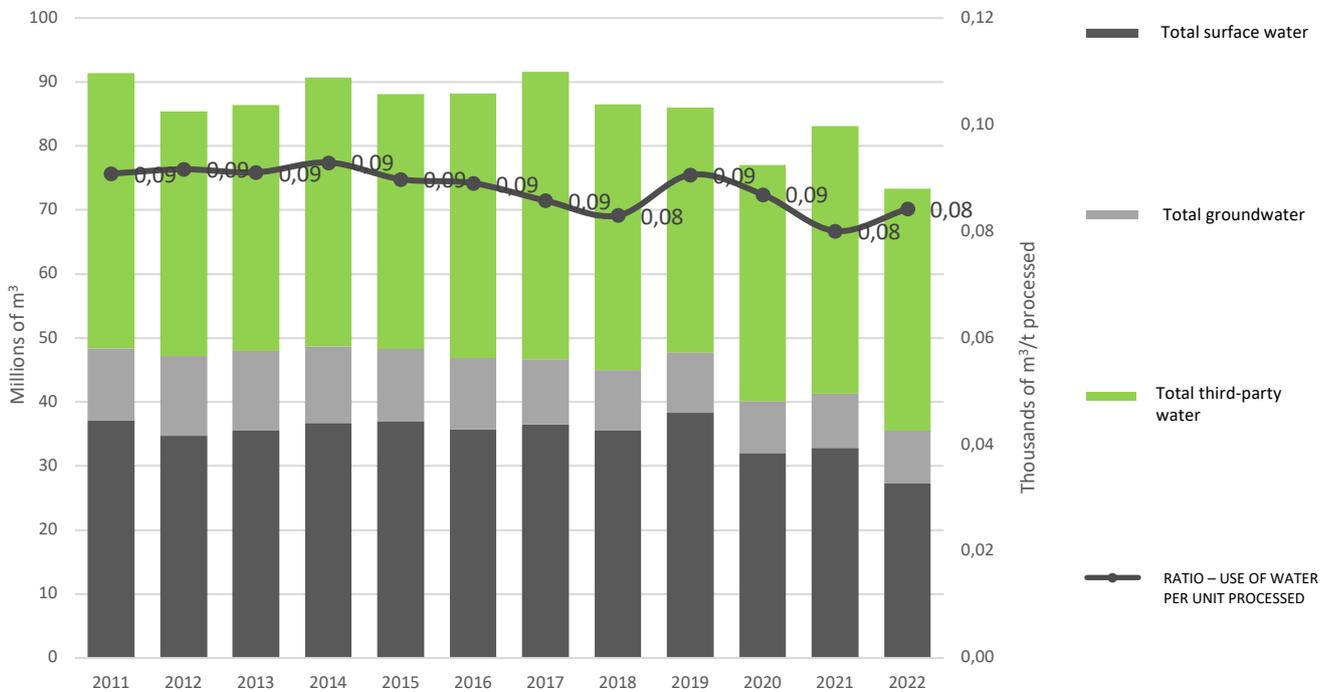
		2020	2021	2022
Thousands of m <sup>3</sup>	<b>Total</b>	<b>77,010</b>	<b>83,100</b>	<b>73,335</b>
Thousands of m <sup>3</sup>	<b>Total surface water</b>	<b>32,056</b>	<b>32,811</b>	<b>27,389</b>
Thousands of m <sup>3</sup>	<i>from rivers/canals</i>	31,452.1	32,230.1	26,916.5
Thousands of m <sup>3</sup>	<i>from springs</i>	603.6	581.3	472.5
Thousands of m <sup>3</sup>	<b>Total groundwater</b>	<b>8,085</b>	<b>8,542</b>	<b>8,132</b>
Thousands of m <sup>3</sup>	<i>from wells</i>	8,084.7	8,542.5	8,132.3
Thousands of m <sup>3</sup>	<b>Total third-party water</b>	<b>36,870</b>	<b>41,746</b>	<b>37,814</b>
Thousands of m <sup>3</sup>	<i>from aqueducts</i>	126.9	141.1	134.6
Thousands of m <sup>3</sup>	<i>from private utilities</i>	36,743.1	41,605.3	37,679.4

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

Table 18 | **Ratio – Use of water resources per unit processed**

	2020	2021	2022
Thousands of m <sup>3</sup> /t	0.087	0.080	<b>0.084</b>

### GRI 303-1 – WATER WITHDRAWAL BY SOURCE



### GRI 303-1 WATER WITHDRAWAL BY SOURCE - 2022



Table 19 | **Water saved and reused**

		2020	2021	2022
<b>Water saving</b>				
Thousands of m <sup>3</sup>	Water withdrawn	77,010	83,100	<b>73,335</b>
Thousands of m <sup>3</sup>	Water recycled	54,006	58,753	51,889
%	<b>Water saved</b>	<b>70%</b>	<b>71%</b>	<b>71%</b>
n	Saving ratio	1.70	1.71	1.71
<b>Water saving not including Radici Chimica Deutschland</b>				
Thousands of m <sup>3</sup>	Water withdrawn	40,263	41,491	<b>35,653</b>
Thousands of m <sup>3</sup>	Water recycled	54,006	58,753	51,889
%	<b>Water saved</b>	<b>134%</b>	<b>142%</b>	<b>146%</b>
n	Saving ratio	2.34	2.42	2.46

Disclosure 303-4

Table 20 | **Water discharge by destination\***

		2020	2021	2022
Thousands of m <sup>3</sup>	<b>Total</b>	<b>76,647</b>	<b>82,726</b>	<b>72,976</b>
Thousands of m <sup>3</sup>	<b>Into surface water</b>	<b>39,882</b>	<b>41,028</b>	<b>35,248</b>
Thousands of m <sup>3</sup>	<b>Private utilities</b>	<b>36,765</b>	<b>41,698</b>	<b>37,728</b>
Thousands of m <sup>3</sup>	<i>into sewer systems</i>	256	352	290
Thousands of m <sup>3</sup>	<i>into industrial canals for reuse</i>	36,509	41,346	37,438

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

Table 21 | **Water discharge by type**

		2020	2021	2022
Thousands of m <sup>3</sup>	<b>Total</b>	<b>76,647</b>	<b>82,726</b>	<b>72,976</b>
Thousands of m <sup>3</sup>	Water returned to third parties in industrial canals for reuse	36,509	41,346	37,438
Thousands of m <sup>3</sup>	<b>Sub total water discharges</b>	<b>40,138</b>	<b>41,380</b>	<b>35,538</b>
Thousands of m <sup>3</sup>	<i>of which water discharged directly</i>	38,884	40,120	34,366
Thousands of m <sup>3</sup>	<i>of which water after treatment</i>	1,254	1,260	1,173

Table 22 | **Ratio - Water discharge per unit processed**

		2020	2021	2022
Thousands of m <sup>3</sup> /t		0.045	0.040	<b>0.041</b>

Disclosure 303-5

Table 23 | **Water consumed (delta between water in - water out)**

Since the Group's water use is almost entirely for plant cooling through controlled systems, withdrawals are not significantly different from discharges and dispersions are essentially identified with evaporation.

		2020	2021	2022
Thousands of m <sup>3</sup>	Water consumption	<b>363</b>	<b>374</b>	<b>359</b>
%	Percentage	<b>0.47%</b>	<b>0.45%</b>	<b>0.49%</b>

Table 24 | **Quality of discharged water**

		2020	2021	2022
kg	COD	1,811,725	1,769,482	<b>1,977,671</b>
kg	Total nitrogen	999,951	1,138,022	<b>945,450</b>
kg	Suspended solids	15,515	21,722	<b>15,418</b>
kg	Metals*	8,976	8,101	<b>9,389</b>

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

# S for Social



## MATERIAL TOPICS

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

## The S in Social

For RadiciGroup, the S in Social means, first and foremost, People.

**RadiciGroup recognises the centrality of People, whom it considers its main asset and in whom it invests.** The number of Workers is growing year on year (+ 23 compared to 2021, + 224 compared to 2020), an increase that reflects the good overall performance of the Group. Focusing on Employees alone, this amounted to 3,122 in 2022. This number is also growing slowly and steadily (+57 compared to 2021), especially in Asia (+46 units) and the Americas (+26), and follows at the same pace the internationalisation process of the Group, which, also in the reporting year, acquired a new plant in India [Tables 25 - 28].

### Disclosure 401-1

As far as Italy is concerned, the Group employed 101 people in the reporting year, of whom 80 were men and 21 women, broken down by age group as follows: 35 men and 9 women up to the age of 30, 44 men and 9 women between the ages of 30 and 50, 1 man and 3 women over the age of 50, with a rate of 7%.

Also in the reporting year, 203 Employees left the Group, of whom 164 were men and 39 women, broken down by age group: 24 men and 7 women up to the age of 30, 44 men and 14 women between the ages of 30 and 50, 96 men and 18 women over the age of 50, with a rate of 13%, calculated on the ratio of the number of employees in Italy.

In general terms, the number of employees in 2022 gives a picture of a Group with a fairly even balance between the Italian component (1,537 employees) and the rest of the world (1,585 employees), a factor that makes it increasingly important to value the cultural diversity brought by the various countries in which the Group operates, which is also recognised in the corporate values as an asset.

From the point of view of the predominant age groups, the situation is similar to that described in previous Sustainability Reports, with the over-50s accounting for around 40% of the workforce, although the younger under-30s are slowly gaining ground, particularly in Italy, where the company population is also the oldest, and in the Americas. Employee "loyalty" is certainly a characteristic and relevant factor, and the Group sees it as a commitment to increase the value of mature Workers, a source of consolidated know-how that is often difficult to find. However, the continuous technological evolution presents the risk of skills obsolescence and poses a challenge for RadiciGroup. In recent years, process automation, continuous training and increasingly structured coaching and knowledge transfer systems have allowed a proactive management of the relationship between young and mature workforce with a view to continuity and effective management of the entire professional life cycle of people in all Group companies [Tables 29 - 30].

Disclosure 102-8

Disclosure 2-7, 2-8

Table 25 | RadiciGroup Workers\*

		Men			Women			Total		
		2020	2021	2022	2020	2021	2023	2020	2021	2022
n	Total Workers*	2,416	2,559	2,561	811	869	890	3,227	3,428	3,451
n	Self-employed	168	175	164	9	12	19	177	187	183
n	Employees and temporary Workers	2,248	2,384	2,397	802	857	871	3,050	3,241	3,268
n	Temporary Workers	93	151	114	15	25	32	108	176	146
n	Employees	2,155	2,233	2,283	787	832	839	2,942	3,065	3,122

\* At 31/12/2022, Workers included contract Workers, temporary Workers (who work continuously for RadiciGroup), and Employees. As far as the completion of the gender options is concerned, the Group will be able to include further options from the next Report.

Table 26 | Employees and temporary Workers by region and gender\*

		Men			Women			Total		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
n	Italy	1,302	1,354	1,287	326	346	352	1,628	1,700	1,639
n	Rest of Europe	557	602	626	369	398	400	926	1,000	1,026
n	Asia	76	95	135	29	31	34	105	126	169
n	North and South America	313	333	349	78	82	85	391	415	434

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

Table 27 | Employees by region and gender

		Men			Women			Total		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
n	Italy	1,249	1,249	1,212	313	329	325	1,562	1,578	1,537
n	Rest of Europe	556	587	612	369	397	398	925	984	1,010
n	Asia	71	88	131	29	31	34	100	119	165
n	North and South America	279	309	328	76	75	82	355	384	410

Table 28 | **Percentage of female workers by region\***

		Women		
		2020	2021	2022
%	Europe + Italy	27.2%	27.6%	28.2%
%	Italy	20.0%	20.4%	21.5%
%	Europe	39.8%	39.8%	39.0%
%	Asia	27.6%	24.6%	20.1%
%	North and South America	19.9%	19.8%	19.6%

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

Table 29 | **Employees by age group and gender**

		Men			Women			Total		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
n	Employees <30 years	233	241	256	95	91	94	328	332	350
n	Employees 30-50 years	1,033	1,049	1,070	439	477	463	1,472	1,526	1,533
n	Employees >50 years	889	944	957	253	263	282	1,142	1,207	1,239

Table 30 | **Employees by gender, age group and region**

			Men			Women			Total		
			2020	2021	2022	2020	2021	2022	2020	2021	2022
n	Italy	Employees <30 years	108	110	113	25	29	29	133	139	142
n		Employees 30-50 years	528	507	481	174	192	184	702	699	665
n		Employees >50 years	613	632	618	114	108	112	727	740	730
n	Rest of Europe	Employees <30 years	50	52	50	37	37	38	87	89	88
n		Employees 30-50 years	292	288	300	209	223	208	501	511	508
n		Employees >50 years	214	248	262	123	136	152	337	384	414
n	Asia	Employees <30 years	14	8	15	10	7	6	24	15	21
n		Employees 30-50 years	56	78	108	18	22	26	74	100	134

n		Employees >50 years	1	2	8	1	2	2	2	4	10
n	North and South America	Employees <30 years	61	71	78	23	18	21	84	89	99
n		Employees 30-50 years	157	176	181	38	40	45	195	216	226
n		Employees >50 years	61	62	69	15	17	16	76	79	85

From the point of view of the type of contracts in place in the Group, the share of permanent Employees of the total is 94% in 2022, with a slight tendency to decrease over time, while an inverse trend was recorded for full-time employment, which gradually increased to 95.3% in 2022. These are not major variations, mainly attributable to the Group's need to identify, in consultation with Employees and their representatives, forms of work compatible with constantly evolving production and organisational requirements [Tables 31 - 33].

#### Disclosure 2-30

The percentage of Employees covered by collective bargaining (at company or national level) is also important, reaching 95.2% in 2022, a figure that illustrates how the most protective forms of collective bargaining for Workers are well established throughout the Group [Table 34].

Table 31 | **Radicigroup Employees by gender, employment contract and employment type\***

		Men			Women			Total		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
n	<b>Total Employees</b>	2,155	2,233	2,283	787	832	839	2,942	3,065	3,122
<i>of which</i>										
n	<b>Permanent Employees</b>	2,062	2,135	2,145	732	774	790	2,794	2,909	2,935
n	<b>Temporary Employees</b>	93	98	138	55	58	49	148	156	187
%	<b>Permanent of total Employees</b>	95.7%	95.6%	94.0%	93.0%	93.0%	94.3%	95.0%	94.9%	94.0%
n	<b>Full-Time</b> (permanent + temporary)	2,132	2,209	2,262	657	698	712	2,789	2,907	2,974
n	<b>Part-Time</b> (permanent + temporary)	23	24	21	130	134	127	153	158	148
%	<b>Full-time of total Employees</b>	98.9%	98.9%	99.1%	83.5%	83.9%	84.9%	94.8%	94.8%	95.3%

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

Table 32 | **Permanent and temporary Employees by region - 2022**

		Employees	Permanent	Temporary	% Permanent
n	Total	3,122	2,935	187	94.0%
n	Italy	1,537	1,528	9	99.4%
n	Rest of Europe	1,010	962	48	95.2%
n	Asia	165	37	128	22.4%
n	North and South America	410	408	2	99.5%

Table 33 | **Employees by employment type and region - 2022**

		Employees	Part-time	Full-time	% Part-time
n	Total	3,122	148	2,974	4.7%
n	Italy	1,537	119	1,418	7.7%
n	Rest of Europe	1,010	29	981	2.9%
n	Asia	165	0	165	0.0%
n	North and South America	410	0	410	0.0%

Disclosure 2-30

Table 34 | **Employees by bargaining agreement type – Percentage of employees covered by bargaining agreements**

		2020	2021	2022
n	Collective bargaining*	2,692	2,791	2,973
n	Individual employment agreement	250	274	149
n	Total Employees	2,942	3,065	3,122
%	Individual employment agreement percentage	8.5%	8.9%	4.8%
%	Collective bargaining agreement	91.5%	91.1%	95.2%

\* Collective bargaining includes national bargaining and company bargaining.

## Human and Workers' rights

Disclosure 2-24

RadiciGroup ensures that the human rights of Employees are respected in all its companies:

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

Disclosure 406-1

Thanks to the careful monitoring that company managers exercise over their companies, no incidents of discrimination were reported in the Group in 2022, either through company channels or through the whistleblowing system extended to all companies in 2022.

However, in order to further integrate respect for Human Rights into its business and act proactively on the risk of violations, RadiciGroup has launched a two-year due diligence project from 2023.

Three basic steps: the first involves analysing the scenario by means of a questionnaire sent to human resources managers and Employees at all sites worldwide, with the aim of identifying potential situations for further investigation. This will be followed by an analysis of the results of the assessment, with the identification of improvement plans where actual or potential critical situations have been identified. Finally, an official Group policy on Human Rights will be defined and brought to the attention of all Employees as part of an ad hoc training activity.

## Attraction and Valuing of Staff

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

- **Remuneration policies** that **reward Employee performance, merit** and initiative.
- **Development and training** paths aimed at strengthening People's technical, managerial and organisational skills.
- Ad hoc paths for the **training and onboarding of new talent** into the RadiciGroup world.
- Strengthening **the concrete commitment to the environment and people** also as an **factor to attract young people**.
- **Welfare initiatives** aimed at ensuring a working environment that is not only productive, but also positive and collaborative.
- Solutions to promote an **optimal work-life balance** in the belief that positive "cross-pollination" can occur between the two spheres.

## Remuneration policies

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

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

### Disclosure 2-21

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

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

### Disclosure 401-2

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

## Training

### Disclosure 404-1, 2

### Disclosure 403-5

For some time now, RadiciGroup has been implementing important training programmes with the primary objective of developing the skills of its Workers by stimulating their professional and personal growth. Training also provides staff with useful tools to successfully face the daily challenges brought by the numerous technological and organisational changes the Group has faced in recent years. In 2022, training hours per capita for Employees amounted to 15.2, a slightly higher number than in the previous year. As far as Asia is concerned, the new production unit as part of the High Performance

Polymers Business Area, acquired in September 2022, will enter the Group's training plan in 2023, leading to an increase in hours in the region.

A significant percentage of the hours, 58%, was allocated to health and safety training, an increase compared to 2021 (+3%). This percentage includes compulsory and voluntary training amounting to approximately 2,800 hours, corresponding to 5.9% of total training and 10% of specific health and safety training [Table 35].

Disclosure 404-1

Table 35 | **Employee Training**

		2020	2021	2022
hours	Total hours of training	35,911	45,477	47,492
hours	Total hours of training for health and safety	19,136	24,989	27,562
%	Percentage hours of training for Health and Safety to total hours of training	37%	55%	58%
<b>Training per capita by gender</b>				
n	Total Employees*	2,942	3,065	3,122
hours/n	Hours of training per capita	12.2	14.8	15.2
hours	Total hours of training – men	28,533	36,859	38,313
n	Total Employees – men	2,155	2,233	2,283
hours/n	Total hours of training – men	13.2	16.5	16.8
hours	Total hours of training – women	7,377	8,618	9,179
n	Total Employees – women	787	832	839
hours/n	Total hours of training – women	9.4	10.4	10.9
<b>Training per capita by region</b>				
hours/n	Italy	6.4	9.9	11.1
hours/n	Rest of Europe	13.8	10.1	10.5
hours/n	Asia	37.1	33.9	21.7
hours/n	North and South America	26.9	41.5	39.6

As at 31/12/2022.

In terms of employee categories, in the reporting year, 41.6% of training for Italian companies was provided to blue-collar workers and 58.4% to the remaining part of the workforce (white-collar workers, middle management and executives).

The Group's training plan, developed in all BAs, followed some key common guidelines:

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

#### Disclosure 404-2

The **2022 macro-training courses** saw Group Employees acquire or consolidate, for example, skills in **health and safety, sustainable development, leadership** qualities and **effective process management**. **Newly hired Workers**, as part of the onboarding process in companies, were trained not only on **safety** issues, but also on the **basic principles of sustainability** and how to behave in order to consolidate a **cyber security** culture at all levels. This specific commitment to cybersecurity sees Group personnel involved as early as 2020, with the aim of providing adequate tools and skills to all holders of a named RadiciGroup mailbox. **The overall level of satisfaction** with the 2022 training courses, ascertained through a final questionnaire, scored very well with an average level of **5.18 out of 6 points**.

In **2023**, some further innovative training courses are planned, in particular a plan that will see top management involved in the creation of a **new leadership style** based on sharing objectives with the team and developing trust in relationships with employees.

The first **large-scale course** in the Group is also planned, involving about 200 people, to provide the basics and **essentials of the concepts of sustainability and circularity**, applied to the RadiciGroup organisation and its application sectors. The course will be enhanced with a workshop on ideas applied to sustainability/circularity through practical exercises.

Finally, a **pilot team of around 100 people** will try their hand at skills development training via the **LinkedIn Learning Hub** platform, choosing in-depth e-learning on the topics of greatest interest from the approximately 16,000 courses on offer.

#### **RadiciGroup experiments with outdoor training for health and safety**

*Legislative Decree 81/08 defines training as "an educational process aimed at providing Workers and other parties involved in the company's prevention and protection system with knowledge and procedures useful for acquiring skills for the safe performance of their respective tasks in the company and for the identification, reduction and management of risks". Consistent with this principle and its values, RadiciGroup invests in training as an active tool to make Workers aware of their key role in safety in the company. For this reason, it implemented a training plan called "Lavorare Bene e Sicuri" (Working Well and Safely) in 2022 to update all the people involved in various capacities, from Safety Managers to Supervisors to Workers, for a total of about 420 people.*

*Three paths were envisaged, depending on the risk profile and the role of the Employees involved. Mainly classroom lessons were organised, for an in-depth look at health and safety regulations, but also with forays into the topics of work-related stress, time management and organisation of activities including smart working.*

*The Safety Managers and Office Managers group then experimented with special outdoor training in nature, using the innovative Outdoor Training method. The added value of outdoor training is in building and consolidating teamwork. It is experiential training that accelerates the learning process by bringing the cognitive component of participants into play along with the emotional and physical ones. With this method, the participants did exercises to become more flexible, to increase their self-confidence and that of their colleagues, and to train their focus and reactivity on the tasks they carry out on a daily basis.*

*The outcome of the outdoor training was particularly positive and the intention of the Group's Health and Safety and Human Resources managers is to repeat the experience in future courses.*

### **Welfare initiatives and work-life balance**

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

In 2022, RadiciGroup continued its choice to be an active participant in welfare solutions, such as pension funds, health funds and, for some companies, the supplementary welfare system. In addition, in view of rising energy costs in Europe, in the reporting year a voluntary one-off payment was made to the Workers of some companies to help them cope with increased expenses and in recognition of their work in recent years.

In addition, as far as Italy is concerned, individual agreements were signed in 2022 to use agile working for two days a week. After the "forced" but positive experimentation during the Covid period, the Group decided to keep this option, which is important from the point of view of flexibility and balance and therefore appreciated by the staff. In addition, as of 2023, pilot rules for experimental hour flexibility have been introduced in some Italian companies to improve balance and coordinate with the agile model introduced with smart-working.

#### *Disclosure 403-6*

The Group also continuously promotes initiatives aimed at increasing the physical and mental well-being of Employees. Since 2015, the project formerly known as WHP (Workplace Health Promotion) has been running and has been gradually rolled out to the various Italian and foreign companies under the name of "StoBene" (I'm well), to encourage Workers to adopt healthy lifestyles and positive mental attitudes. Additional initiatives linked to specific socio-cultural contexts are also active in some locations.

For example, green mobility is encouraged by providing company bicycles or organising sports competitions for employees. In other cases, sites open their doors to Employees' families, allowing them to be guests on company premises, in the belief that it is important to foster a virtuous circle between family and work.

***A cultural competition for Children's Month, Radici Plastics Ltda rewards its young artists***

*Radici Plastics Ltda, a production company of the RadiciGroup's HPP division, dedicates each month of the year to a specific theme in order to maintain and improve the relationship between Employees and the Company. The aim is to overcome the conflict between private life and work, with a view to improving people's overall quality of life through more balanced management of interpersonal relationships and physical and mental health. This also has many positive effects on the company, with an improved internal climate and a greater sense of belonging and involvement for all Employees.*

*October is dedicated to Workers children. In October 2022, the first corporate culture competition was launched for young children aged 11 and over, who were asked to illustrate, through a drawing, poem or musical composition, how they imagined their parents' workplace and daily routines. Fourteen works of art were submitted with an overall positive response to the initiative.*

*The entire staff at Radici Plastics Ltda judged the entries and rewarded the winners, Catarina and Eduardo, with games and a visit to the Company to see for themselves the offices and departments where their parents work.*

## Worker Health and Safety

The RadiciGroup Code of Ethics makes **occupational health and safety one of its core values**. In fact, the Group considers these factors to be of paramount importance, starting with compliance with all regulations in force throughout the world. And it goes further. RadiciGroup:

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

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

### *Disclosure 403-1, 403-2*

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

### *Disclosure 403-8*

In all Group companies, a health and safety management system is in place for all Employees and Workers. For the Italian sites, the main normative reference for occupational health and safety is Legislative Decree [D.Lgs.] 81/2008, which offers incentives for the implementation of an organization and management model. Many of the plants also have a management system based on the voluntary ISO 45001 occupational health and safety standard. The ISO 45001 standard has a business-oriented approach; it not only assesses risks but also considers management opportunities, includes both external and internal Stakeholders, and promotes their engagement. A key role is assigned to the individuals responsible for the management system, mainly Employees of the various sites. For Italian sites, other key figures are the person in charge of the prevention and protection service (RSPP), and the employer, in compliance with Italian Legislative Decree 81/2008, who have the specific task of organising and managing the system of risk prevention and protection. The duties of these professional figures, who also have the responsibility to keep their skills up to date, include the identification and assessment of risk factors, the development of preventive and protective measures, and Worker training and information. In performing their tasks, the RSPPs may be assisted by the managers of the Occupational Health & Safety (SSL) Management Systems and by the employer itself. At other Group company sites, management responsibility is given to people in different internal positions, depending on the applicable legislation. Often nominated to the position are employees from Human Resources, who may be assisted, at times, by external consultants. In most cases, health and safety management is based upon 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.

#### *Disclosure 403-4*

All Workers are called upon to develop and improve management systems. The Group sites have mechanisms in place to engage Workers on this topic, on top of the legislative requirements. As already indicated, training is considered vital: about 58% of the total hours of employee training were dedicated to health and safety topics. In addition to training courses, operational instructions, communications and teaching materials are among the most common means of involvement. Some sites (e.g., Radici Plastics Brazil, Radici Plastics Mexico, Radici Fibras Brazil) organise practical initiatives, lasting one or more days, specifically aimed at spreading a culture of safety in the Company through the direct involvement of people. A Worker Safety Representative (RLS) is elected or appointed at all RadiciGroup companies or production units in Italy. The specific task of this role is to report Workers' requests, with the aim of building a spirit of active participation in the practice of health and safety principles in the workplace. The role of the Worker Safety Representative is to get Workers engaged in the decision-making process in the development phase of protective and preventive measures by having them express their ideas, opinions and worries. Similar figures, although with different titles and slightly different roles, exist at all Group plants.

At all RadiciGroup sites, in a more or less 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 81/2008, a meeting is held at least once a year, with the participation of the employer, the heads of the prevention and protection services (RSPPs), the Worker safety representatives and the appointed medical doctor. A Safety Committee is established at the Radici Chimica - Novara site, a plant subject to the Seveso Directive (Legislative Decree 105/15). It is a collegial body made up of the Manager, RSPP, RSGI (Integrated Management Systems Manager), RSGS (Safety Management System Manager), function managers and RLSSA (Workers' Health, Safety and Environment Representatives) whose tasks are to support the Manager in deciding on the strategies to be implemented in the field of prevention and protection from major accidents and in implementing and maintaining an adequate Safety Management System.

Finally, at some sites, real internal inspections are conducted at set intervals to bring out and correct potential risk situations. The results of these inspections and the measures put in place are part of the input for review by Group Management. All Workers at every Group Company can report a risk situation at any time through a variety of tools, from specific reports to communication with their supervisor or the Worker Safety Representative.

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

The situation regarding the health and safety indicators of the Group's Workers for the reporting year is presented below. In 2022, 79 injuries were reported, of which 70 were non-high-consequence, an increase of 10 compared to 2021. On the other hand, there was a significant drop in the number of high-consequence injuries, which almost halved from 16 to 9. The performance indicators describing the accident situation thus show contrasting trends with a positive trend for high-consequence and a negative trend for non-high-consequence injuries [Tables 36 - 43].

Given the extensive safety measures in place at all production sites and despite continuous health and safety training, the majority of reported injuries are slips, falls and mishandling of materials and tools. The physiological decline in the level of attention in Workers who frequently repeat the same tasks is a problem that the Group has been addressing for some time, mainly through a steadily increasing training activity to try to raise awareness of the individual's contribution to safety. The analysis of the possible causes of the non-high-consequence injuries led to the hypothesis that the lockdown period may have generated a widespread decline in attention and an increased level of stress in staff, factors that contributed to an increase in injuries. This is confirmed by other studies related to the Group's target sectors (e.g. studies carried out in the framework of the Responsible Care® programme). A training plan is being studied for 2023 to tackle the issue in a decisive way from the perspective of Worker empowerment.

Disclosure 403-9

Table 36 | **General injury overview**

		2020	2021	2022
n	Total Workers*	3,227	3,428	3,451
hours	Total hours worked	4,880,086	5,552,211	5,480,135
n	Number of fatal injuries	0	0	0
n	Total number of injuries	47	69	79
n/200,000h	Injury rate	1.93	2.49	2.88
days	Injury lost days (days away from work)	1,891	2,113	2,193
d/200,000 h	Non-high-consequence injury days	77.49	76.11	80.03

\* At 31/12/2022, Workers included contract Workers, temporary Workers (who work continuously for RadiciGroup), and Employees.

Table 37 | **Detailed injury situation – total workers**

		Men			Women			Total		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
n	Total Workers*	2,416	2,559	2,561	811	869	890	3,227	3,428	3,451
hours	Total hours worked	3,731,119	4,230,331	4,132,779	1,148,967	1,321,880	1,347,356	4,880,086	5,552,211	5,480,135
n	Number of fatal injuries	0	0	0	0	0	0	0	0	0
n	Number of high-consequence injuries	12	15	7	0	1	2	12	16	9
n/200,000h	High-consequence injury rate	0.64	0.71	0.34	0	0.15	0.30	0.49	0.58	0.33
days	Total injury lost days (days away from work)	1,380	1,356	757	0	67	435	1,380	1,423	1,192
d/200,000 h	High-consequence injury days lost rate	74.0	64.1	36.6	0	10.1	64.6	56.6	51.3	43.5
n	Number of non-high-consequence injuries	31	47	60	4	6	10	35	53	70
n/200,000h	Injury rate	1.66	2.22	2.90	0.70	0.91	1.48	1.43	1.91	2.55
days	Injury lost days (days away from work)	449	599	875	62	91	126	511	690	1,001
d/200,000 h	Non-high-consequence injury days	24.1	28.3	42.3	10.8	13.8	18.7	20.9	24.9	36.5

\* At 31/12/2022, Workers included contract Workers, temporary Workers (who work continuously for RadiciGroup), and Employees.

**NOTE**

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

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

With regard to high-consequence injuries, the parameter adopted by RadiciGroup provides for a particularly severe classification and considers high-consequence incidents to be those exceeding 40 days of prognosis or permanent damage. By contrast, the criterion adopted by GRI 403 classifies an injury exceeding six months as high-consequence. Using the latter as a benchmark, three high-consequence injuries were recorded for 2022 as shown in the table below. The following table also shows injuries by type, according to the hazards that underlie the risk situations and to which the Group pays particular attention.

Table 38

2022 Injuries	RG parameter > 40 days of prognosis (number)	GRI parameter > 180 days of prognosis (number)
Contusion, abrasion	1	0
Distortion, displacement or sprain	2	1
Wound and cut	1	0
Fracture	3	1
Amputation	2	1
Burns, chemical or physical	0	0
Intoxication	0	0
Anoxia / asphyxiation (drowning, strangulation)	0	0
Electrocutation	0	0
<b>Total</b>	<b>9</b>	<b>3</b>

Table 39

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

Table 40 | Detailed injury situation – Employees

		Men			Women			Total		
		2020	2021	2022	2020	2021	2023	2020	2021	2022
n	Total Employees	2,155	2,233	2,283	787	832	839	2,942	3,065	3,122
hours	Total hours worked	3,367,513	3,726,901	3,677,124	1,113,349	1,274,275	1,281,291	4,480,862	5,001,176	4,958,415
n	Number of fatal injuries	0	0	0	0	0	0	0	0	0
n	Number of high-consequence injuries	12	11	6	0	1	2	12	12	8
n/200,000h	High-consequence injury rate	0.71	0.59	0.33	0	0.16	0.31	0.54	0.48	0.32
days	Total injury lost days (days away from work)	1,380	902	716	0	67	435	1,380	969	1,151
d/200,000 h	High-consequence injury days lost rate	82.0	48.4	38.9	0	10.5	67.9	61.6	38.8	46.4
n	Number of non-high-consequence injuries	26	44	57	4	6	8	30	50	65
n/200,000h	Injury rate	1.54	2.36	3.10	0.72	0.94	1.25	1.34	2.00	2.62
days	Injury lost days (days away from work)	431	547	859	62	91	104	493	638	963
d/200,000 h	Non-high-consequence injury days	25.6	29.4	46.7	11.1	14.3	16.2	22.0	25.5	38.8

Table 41 | Detailed injury situation – external (temporary and contract) Workers

		Men			Women			Total		
		2020	2021	2022	2020	2021	2023	2020	2021	2022
n	Total external Workers	261	326	278	24	37	51	285	363	329
hours	Total hours worked	363,606	503,430	455,655	35,619	47,606	66,065	399,224	551,036	521,720
n	Number of fatal injuries	0	0	0	0	0	0	0	0	0
n	Number of high-consequence injuries	0	4	1	0	0	0	0	4	1
n/200,000h	High-consequence injury rate	0	1.59	0.44	0	0	0	0	1.45	0.38
days	Total injury lost days (days away from work)	0	454	41	0	0	0	0	454	41
d/200,000 h	High-consequence injury days lost rate	0	180.4	18.0	0	0	0	0	164.8	15.7
n	Number of injuries	5	3	3	0	0	2	5	3	5
n/200,000h	Injury rate	2.75	1.19	1.32	0	0	6.05	2.5	1.09	1.92
days	Injury lost days (days away from work)	18	52	16	0	0	22	18	52	38
d/200,000 h	Non-high-consequence injury days	9.9	20.7	7.0	0	0	66.6	9.0	18.9	14.6

Disclosure 403-10

Table 42 | Cases of recordable work-related ill health among Employees

		Men			Women			Total		
		2020	2021	2022	2020	2021	2023	2020	2021	2022
n	Total Employees	2,155	2,233	2283	787	832	839	2,942	3,065	3,122
hours	Total hours worked	3,367,513	3,726,901	3,677,124	1,113,349	1,274,275	1,281,291	4,480,862	5,001,176	4,958,415
n	Number of deaths due to work-related ill health	0	0	0	0	0	0	0	0	0

n	Number of cases of work-related ill health	0	3	2	0	1	3	0	4	5
d/200,000 h	Work-related ill health rate	0	0.16	0.11	0	0.16	0.47	0	0.16	0.20

Table 43 | **Cases of recordable work-related ill health among external Workers (self-employed and temporary)**

		Men			Women			Total		
		2020	2021	2022	2020	2021	2023	2020	2021	2022
n	Total self-employed Workers	261	326	278	24	37	51	285	363	329
hours	Total hours worked	363,606	503,430	455,655	35,619	47,606	66,065	399,224	551,036	521,720
n	Number of deaths due to work-related ill health	0	0	0	0	0	0	0	0	0
n	Number of cases of work-related ill health	0	0	1	0	0	0	0	0	1
d/200,000 h	Work-related ill health rate	0	0	0.88	0	0	0	0	0	0.38

**Knowledge, awareness, consequences: the three safety pillars for Radici Plastics Mexico**

With these concepts in mind, the 2022 project was launched, involving all Radici Plastics Mexico Employees, with the aim of improving the Company's safety culture at all levels. An internal communication campaign with posters, banners and videos introduced the slogan "If it isn't safe, I'll make it safe" to emphasise the importance of Workers' involvement in the active management of the issue.

Subsequently, the Company organised both a theoretical and practical course that enabled the participants to acquire all the tools they needed to recognise a risk situation and act accordingly. The first theoretical phase, consisting of a workshop entitled Knowledge, Awareness and Consequences, introduced the basics and analysed the different scenarios in the company, identifying the risks to which Workers are exposed and the different types of safety that need to be implemented. A doctor and an occupational safety specialist carried out the training for the staff, assessing their initial and final level of knowledge. Human anatomy was also covered to enable the first aid team to intervene in an informed and targeted way. The second practical phase was an exercise called "Colleagues look after Colleagues". In the first simulation, colleagues deal with a person falling from a mezzanine and suffering a fractured skull; in the second, a person suffering a sulphuric acid burn inside a laboratory. In both cases, the members of the first aid team took action to assist their colleagues, putting into practice what they had learnt during the course. Participants were thus able to gain practical experience and much food for thought. The initiative was well received and will be repeated in 2023.

## Occupational health services

Disclosure 403-3

In the area of health, all companies have implemented, at different levels, occupational health services in accordance with current regulations, delegating responsibility for the service to the roles with responsibility for safety.

Occupational health services are always carried out by qualified personnel, possessing nationally recognised qualifications. In Italy, this role is carried out by the appointed medical doctor and in other countries by those holding similar roles and responsibilities. The main duties of the doctor in Italy are: inspecting the workplace, establishing a plan for medical supervision, carrying out regular check-ups, compiling assessments of the suitability of the Workers and sharing the results of their activities with the company.

Disclosure 403-6

Several Group companies offer supplementary health insurance or services related to the promotion of Worker health on selected topics in response to specific Employee needs. There are free flu vaccination services, meetings held by companies to promote healthy eating, and prevention awareness. Sometimes these services are freely available to Workers' families with a view to maximum engagement.

Disclosure 403-10

No fatal accidents were recorded in the reporting year, while six cases of work-related ill health were recorded for Employees and external Workers, mainly affecting the hearing and musculoskeletal system.

### **Employee health and well-being: a priority for Radici Plastics Ltda**

Disclosure 403-6

*"Pink October" is a worldwide initiative to raise awareness among women about the prevention and early detection of breast cancer, which remains the most frequently diagnosed cancer in women. In 2022 Radici Plastics Ltda joined the initiative by organising an internal information and training campaign on the subject. An oncologist was brought in to talk to female workers about prevention, which is particularly important as the disease is often asymptomatic.*

*Similarly, in November, a meeting was organised for male staff on prostate cancer prevention. A medical specialist addressed the issue with the aim of raising awareness of this and other key men's health issues.*

*Both initiatives were well received and will be repeated and expanded in the coming years to improve the quality of personal and working life, in line with the Group's initiatives to improve the mental and physical well-being of its Workers.*

*Finally, also in 2022, the Employees of Radici Plastics Ltda were able to enjoy physical activity courses for the various company teams. The Company organised special outdoor group sessions where the exercise not only helped to improve the fitness of those taking part, but also built motivation and cohesion amongst the participants.*

## Territories and Local Communities

Disclosure 413-1

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

Since the days of its founder, Gianni Radici, RadiciGroup has cultivated and nurtured the identity bond between its Employees, the Territory and the Company, in the conviction that the growth of the Group entails an ethical commitment to the growth of its closest Stakeholders, the Employees and the Local Communities. This is why RadiciGroup:

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

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

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

The social role that RadiciGroup plays in the region was also realised in the reporting year through schools. The Education project, which the Group has been running for some time, aims at an ever closer collaboration between industry and the world of education. This is an active cooperation that takes the form of projects aimed at establishing and strengthening fruitful relations with educational institutions at various levels, from primary schools to universities. The main activities of Education include classroom and on-site lessons, company visits, internships and career guidance meetings to provide students with information and tools to make informed choices on the course of study best suited to their interests and needs. Particularly important in 2022 were the 10 curricular and extra-curricular internships that saw the students try their hand at, for example, human resources management, communication and sustainability.

From an educational point of view, the Education project complements the special attention that RadiciGroup pays to the young people in the area, who represent the future of the Group itself, and which is also expressed through its support for sport. Sport is indeed an important tool for growth. Sport and work are based on the same values: sacrifice, hard work and the will to always improve. Because of this, the Group supports numerous associations: local associations, mostly for youths, which have the goal of teaching and training in a specific sport and, most importantly, pursue the objective of helping young people grow up.

## Disclosure 415-1

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

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

### Concrete support

Virtually all of the Group's production companies support local communities in different ways, depending on the different needs they highlight.

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

#### “On-site” training

Radici Chemiefaser GmbH (Germany)

Opens its doors to students from the local textile university for the preparation of their theses and the development of practical knowledge.

#### Youth competitive sport

Radici Partecipazioni Spa (Italy)

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

#### Quality public green spaces

Cordonsed Argentina SA (Argentina)

Works with the municipality for street furniture and supplies materials to municipal gardeners for the maintenance of flowerbeds and public gardens.

#### Health of Employees and their families

Yarnea SRL (Romania)

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

#### Sport as a vehicle for growth

RadiciFil S.p.A. (Italia)

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

#### Scientific and cultural popularisation

RADICI PARTECIPAZIONI S.p.A. (Italy)

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

### **Open doors for local schools**

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

Opens its doors to high school and university students to promote the link between the world of work and the world of education.

### **Strengthening tourism resources**

Logit Sro (Czech Republic)

Works with the municipality to restore signage and create parking spaces for responsible tourism.

### **Discovering green energy**

RadiciGroup and Geogreen (Italy)

The two Radici Family companies, open the doors of the Campignano hydroelectric power plant in Valle Seriana to host schools and local residents.

### **Cultural integration and social cohesion**

Radici Chimica S.p.A. (Italy)

Through the Cassiopea association, supports integration school initiatives in the multi-ethnic district of S. Agabio in Novara, where the company is based.

### **Fighting cancer**

RADICI PARTECIPAZIONI S.p.A. (Italy)

Supports the Oncological Association of Bergamo (A.O.B.), which works to facilitate the treatment and quality of life of cancer patients and their families.

#### **Logit and the territory: a winning combination**

*There are numerous initiatives that Logit, a Company of RadiciGroup's Advanced Textile Solutions division, organises each year in cooperation with its community and the city of Podbořany in the Czech Republic.*

*Special attention is given to the world of education, in line with RadiciGroup policy. In 2022, for example, Logit granted a local agricultural school the use of a piece of land belonging to the company. The students were able to learn how to use agricultural machines for ploughing, sowing and harvesting, literally in the field. This initiative is part of a broader agreement signed by Logit in 2006 with secondary schools in the area, to enable young people to gain practical experience in the world of work.*

*The development of the territory is another priority for Logit. In 2022, the Company granted permission for a municipal cycle track to run on its land, linking Podbořany with Buškovice, the nearest village. The aim is to promote green and slow mobility, to travel without producing emissions and with respect for the landscape and nature.*

*In addition, the Company has been actively involved in the development of the Podbořany micro-region for a number of years together with the "Ustecka Komunitni Nadace" foundation, one of the most important institutions in the Czech Republic. As part of this partnership, it financially supported six sports, cultural and enhancement projects, including the installation of a covered lay-by and signage to boost tourism in the area around Podbořany. The aim is to strengthen the sense of belonging and the relationship with the places of daily life through active participation and rediscovering the local cultural heritage.*

## Sustainable Research and Innovation

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

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

### Radici InNova

Radici InNova operates on the basis of a multi-Stakeholder collaboration logic, involving the companies of RadiciGroup, research institutes, clusters and qualified partners able to provide infrastructure resources and technical and scientific support for the implementation of projects.

Every year, the consortium carries out numerous projects. In 2022, the main action lines were:

- **The Circular Economy**, with studies and experiments on different forms of nylon recycling, in particular on identifying the best solutions for processing post-consumer mixed thermoplastics.
- **Eco-design**, with experiments in collaboration with Customers and Suppliers to support a successful, yet sustainable economic model such as the circular model right from product conception.
- **Nylon-based biopolymers**, with special work on the characterisation of biopolymers already in the Group's portfolio for the fibre (clothing) and engineering polymers (automotive) sectors, and research into new bio-based polymer matrices.
- **Filtration materials**, especially polypropylene nonwovens for the automotive sector for cabin air filtration and air conditioning systems.

Also strategic for Radici InNova in 2022 were a number of topics with a medium to long-term horizon, which are essential for the ecological transition. Firstly, the **mass balance approach**, to support the recovery of mixed fractions of plastics, particularly polyolefins, which are difficult to recycle today. Secondly, **chemical safety**, in the spirit of the European principle of "**safe and sustainable by design**", which sees RadiciGroup working to integrate safety, sustainability and functionality of products and processes throughout their life cycle as illustrated in the sections of this Report covering products, impact measurement, transparency and traceability.

Lastly, the Consortium monitored **funding opportunities** for all R&D activities of interest to the Group, directing the search for the most suitable funding instruments according to the innovation objectives deemed priorities for the Group, creating new synergies with partners of strategic interest and strengthening existing collaborations.

### **RadiciGroup brings excellence in textiles to the network to create a space suit designed for Mars**

*A team of companies from the Italian textile supply chain, led by RadiciGroup, has created the first spacesuit simulator, designed and developed entirely in Italy, for use in the Space Medicine Operations (SMOPS) mission, promoted and organised by Mars Planet, the Italian section of the Mars Society based in the province of Bergamo, under the patronage of the Italian Space Agency.*

*The SMOPS mission is focused on space medicine, monitoring the health of future astronauts and developing technologies to support the simulation of life in space and planetary environments. RadiciGroup, together with leading Italian textile groups such as Eurojersey, Vagotex and DEFRA, made the project a reality. It provided the materials for the clothing of the six analogue astronauts who will take part in the mission, and coordinated the technological development that led to the creation of technical clothing for use in extreme conditions. The garments were used in a series of experiments at the research station in the Utah desert to simulate living and working conditions on Mars.*

*The RadiciGroup-led team's contribution to the SMOPS mission was the production of three technical garments with high standards of well-being, comfort and performance that will allow analogue astronauts to move easily and safely outside the base station using advanced control, monitoring and communication systems.*

### **RadiciGroup supports the Politecnico di Milano team for new self-driving car**

*Radilon® Adline filaments have also been developed by RadiciGroup for 3D printing in the new single-seater racing car designed by the Dynamics PRC team at the Politecnico di Milano in 2022. Over 100 engineering and design students worked for over a year to develop a new electric car that is also ready for autonomous driving. Every year, the Politecnico di Milano's Dynamis PRC racing team designs a new prototype car for Formula SAE, which competes in an international university engineering design championship.*

*RadiciGroup decided to support the project, in line with its focus on the world of education, in a sector such as the automotive industry, where the Group has consolidated expertise in materials and applications. For the project, it was decided to use one of the products from the Radilon® Adline range, specifically designed for additive manufacturing technology. The filaments are based on special polyamide grades that have advanced technical characteristics such as mechanical, chemical and thermal resistance and are suitable not only for prototyping, but also for the production of functional and structural parts. The parts for the DP13 car needed to be developed with high-performance yet lightweight products. Adline CS CF10 HP BK is a polyamide-based, carbon-fibre-reinforced additive manufacturing product with a density that enables the development of lightweight yet high-performance components with excellent mechanical strength and stiffness.*

## The circular economy

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

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

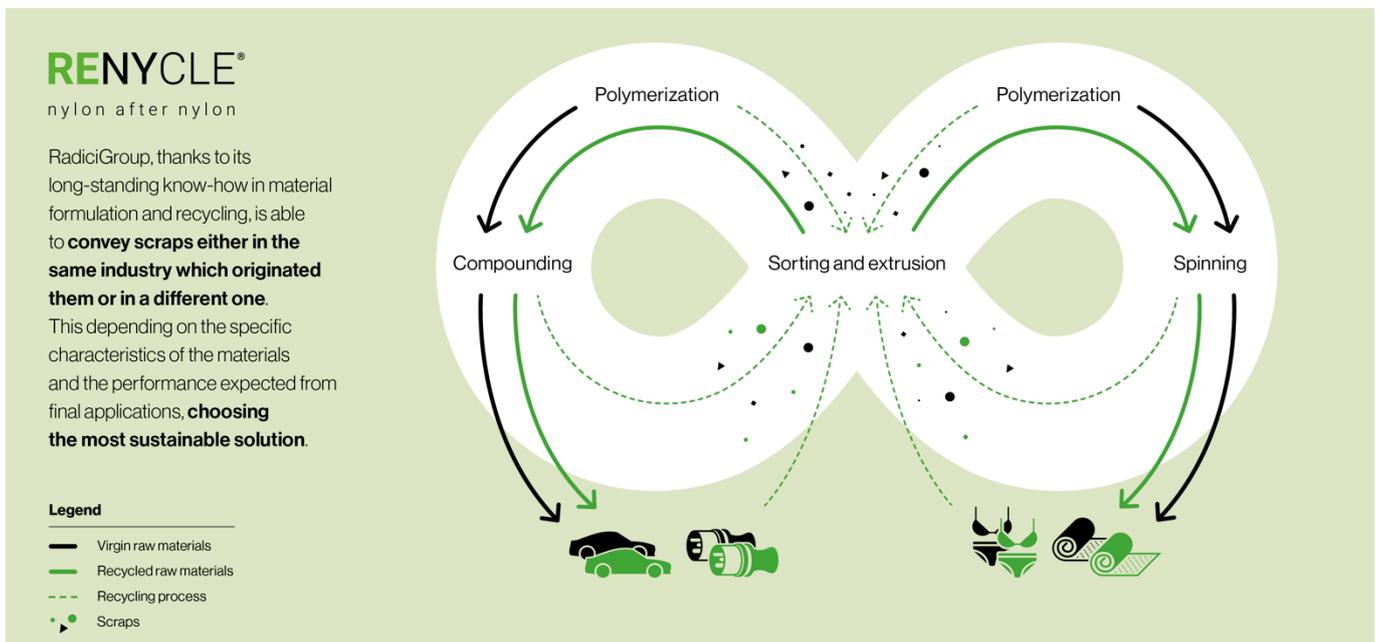
**Eco-design:** as noted, RadiciGroup collaborates in the value chain to design circular products. There is a particular focus on the concept of monomateriality. The concept is based on the creation of products using a single material, or a few different chemically related materials, that can meet all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

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

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

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

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



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

**Extended producer responsibility:** RadiciGroup adopts Extended Producer Responsibility (EPR) schemes and thus contributes to implementing structured, controlled and efficient circular economy models. The Group is also an active participant in initiatives aimed at driving EPR schemes where they are being set up, e.g. the Retex.Green project in the world of fashion.

**Renewable resources:** renewable energy resources are a key factor in RadiciGroup's sustainability policy. Thanks to its 20-year partnership with Geogreen, the Group has long had more than 40% clean energy in its mix, and in 2022 this figure was 59%.

### **Introducing Anima for sustainable fashion**

*In 2022, RadiciGroup, together with the brands Save The Duck and Vibram, presented "Anima", the backpack that stands out for its style, high performance and high degree of circularity.*

*The three players in the Italian textile/clothing and footwear supply chain, at the forefront of sustainability choices, have joined forces to create a new accessory made from recycled and end-of-life recyclable materials, in an eco-design pilot project created as part of SDA Bocconi's "Monitor for Circular Fashion" initiative.*

*Anima is bimaterial: it is made from Renycle® fabric, a yarn produced by RadiciGroup and 100% derived from the mechanical recycling of polyamide, GRS certified and compliant with the Oeko-Tex Standard 100 for responsible production. The rubber components, such as the base, are made from recycled industrial waste from the Vibram factory in Albizzate, which is certified to ISO standards for environmental, energy and safety management.*

*Thanks to teamwork between RadiciGroup, Save The Duck and Vibram, Anima is easily disassembled and significantly simplifies the recycling of the accessory at the end of its life: the fabric part can be transformed into new polymeric material that can be used in any industry involving high-performance polyamides; while the rubber part is easily converted into a new accessory: a pencil case.*

*Finally, the nylon composition, due to the nature of this material, gives Anima a significantly lighter weight and smaller footprint than traditional backpacks.*

## RadiciGroup low-environmental impact products

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

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

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

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

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

**Why choose RadiciGroup low environmental impact products?**

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

Because they can be:

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

Table 44

Product	Business Area	Energy from renewable sources	Bio-based	Solution-dyed	Recycled	Durable Recyclable	Biodegradable
Radipol®	Speciality Chemicals	●				●	
Radipol® 6.10	Speciality 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	●		●		●	
Radipeople®	Advanced Textile Solutions	●	●	●		●	
Renycle®	Cross-Business Area	●		●	●	●	
Repetable®	Cross-Business Area			●	●	●	
Responsible®	Cross-Business Area	●		●	●	●	
Biofeel®	Cross-Business Area	●	●	●		●	
Biofeel® PLA	Cross-Business Area		●	●		●	●

### **Bergamo and Brescia Capital of Culture also united in "Uni-forme", the school with business project**

Launched in 2022 and due to be completed in 2023, the "Uni-forme" project for the new Dalmine ETS Foundation staff uniforms was designed with sustainability, comfort and aesthetics in mind. The initiative was launched by the Dalmine ETS Foundation, an organisation that aims to promote industrial culture by highlighting the history of Dalmine, a company that has been rooted in the area for over a century and is now part of the Tenaris group. The main project partners were RadiciGroup and DKB, a Company specialising in the production of high-end technical sportswear. Sponsored by Confindustria Bergamo and Confindustria Brescia, "Uni-Forme" saw the participation of students from the textile department of the Paleocapa Institute in

Bergamo and those from the Technological Designer course at ITS Machina Lonati in Brescia. An important and tangible collaboration between schools, companies and the region, which strengthens the partnership between Bergamo and Brescia, the Capital of Culture 2023, from an educational point of view.

In particular, the Paleocopa students focused on technical aspects such as the choice and analysis of materials to be used, respecting the criteria of circularity required by the project. The Lonati students, on the other hand, focused on style and design in order to create comfortable and aesthetically pleasing garments that respect the values and identity of the Dalmine Foundation.

The project's partner companies guided the students on an active training course, giving them the opportunity to visit the industrial sites involved, in particular the RadiciGroup plant, where the selected nylon yarns are produced, and the DKB plant, where the fabrics are used to make the uniform, consisting of a jacket, long-sleeved polo shirt, short-sleeved polo shirt and cargo trousers. The collection will be presented at the inauguration ceremony of the new Dalmine Foundation headquarters, with the official handover of the uniforms to the trainers, in autumn 2023.

### **Radipeople<sup>®</sup>, when safety meets sustainability**

Radipeople<sup>®</sup> is the RadiciGroup PPE line that is the result of a traceable supply chain and made in Italy. These garments are designed for body protection in many industrial sectors (construction, agriculture, oil & gas industry, chemical, pharmaceutical, food industry, etc.). Overalls and gowns with different levels of protection depending on the application, and accessories such as footwear, head protection and ear protection. All this is also sustainable: The Company adheres to the ISCC PLUS (International Sustainability and Carbon Certification) scheme, a traceability certification for circular materials, allocated through the mass balance approach. This means that for the same performance, a range of garments can be made from a minimum of 66% and a maximum of 100% circularly sourced fabric.

The products in the Radipeople<sup>®</sup> range are on average 25% lighter than what is currently available on the market, both to improve wearer comfort and to reduce waste. In addition, the nonwoven fabric that forms the basis of Radipeople<sup>®</sup> is produced in plants powered by 100% renewable sources, just as the vast majority of the products are entirely made in Italy, from the fabric to the finished garment.

Practical choices that RadiciGroup has taken to contribute to reducing the environmental impact of this sector. Indeed, PPE production is generally carried out in Far East Asian countries and the long supply chain contributes significantly to CO<sub>2</sub> emissions with its long-distance shipments. Radipeople<sup>®</sup> on the other hand is the result of a short, traceable and third-party certified supply chain that meets the safety needs of Workers without compromising on the quality and technical performance of the garments.

The focus on people's health and safety, which is one of the pillars of the Group's sustainability strategy, is therefore combined with a strong commitment to environmental protection.

## **Measuring Product Environmental Impacts (Life Cycle Assessment)**

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

Life Cycle Assessment (LCA) is an analytical and systematic methodology that assesses the environmental footprint of a product throughout its entire life cycle, from the extraction of raw materials, to production, distribution, use and final disposal or second life, giving the environmental impact values associated with each phase. This is the only way to objectively measure the environmental impact of the product/organisation and to implement truly valid and targeted reduction solutions to concretely improve the environmental footprint, also in line with Best Available Techniques (BAT).

**RadiciGroup also uses the LCA system in a predictive way to strategically assess potential impacts when designing** or redesigning a given product, often in collaboration with Customers. LCA has numerous advantages for RadiciGroup, not only from a production point of view, but also in terms of communication, since this methodology allows for certified environmental labels (e.g., Environmental Product Declarations) or recognised environmental footprint assessment protocols (e.g., Carbon Footprint), thus contributing to transparency to the benefit of the entire value chain.

Through LCA studies **RadiciGroup intends to make an active contribution to Goal 12 of the United Nations 2030 Agenda** for a sustainable and circular production system. **The Group is also aligned with the latest developments in European legislation regarding the Digital Product Passport that is on the horizon** and which adopts the product life cycle study system as a structural element. The LCA system offers a competitive advantage to the Group with regard to the topic of green claims, as it constitutes an important database, increasingly consisting of primary data, verified by a third party.

Below is an overview of the LCAs, or LCA-based environmental impact studies, carried out on strategic products for the Group up to 2022 and planned for 2023:

#### Radici Chimica SpA

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

#### Radici Chimica Deutschland GmbH

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

#### Radici Novacips Spa

EPD (Environmental Product Declaration) certificates for:

- Radilon® A and S 25%, 30% and 35% glass fibre compounds.
- The Polyamide Scrap Recovery Service.
- Renycle® S T203K 3030BK, Renycle® S GF3501 3030BK, Renycle® S N101 3030BK, Renycle® S GF3003 3033BK, Renycle® S GF3003K 3033BK and Renycle® S GF15001K 3030BK compounds.

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

#### Radici Yarn SpA

- Third-party verified LCA study for Radipol® - PA6 polymer, Radipol®-based POY masterbatch, Radipol®-based staple masterbatch, Radilon® - PA6 POY, Radilon® - PA6 SO, Radilon® - PA6 staple, Radilon® - PA6 SOIR, Renycle® - POY, Renycle® - staple, Renycle® - SO, Renycle® - SOIR, Radilon® - PA66 POY, Radilon® - PA66 SO, Radilon® - PA66 staple and Radilon® - PA66 SOIR.
- Comparative PEF study of garment-dyed PA6 socks compared with PA6 socks made from solution-dyed yarn.

### RadiciFil SpA

- EPD third-party certified for PA6 and PA66 BCF yarns.
- LCA for Renycle® BCF 50% and 75%.

For 2023, planned LCA update for Radifloor® BCF PA6 and PA66 products and Renycle® 50% and 75%.

### Noyfil SA and Noyfil Spa

LCA study for unbleached and coloured yarns in PET and r-PET Starlight®, Radyarn® and Repetable® is planned for 2023.

### Tessiture Pietro Radici SpA

Third-party certified comparative LCA study for Responsible® nonwoven fabric in comparison with Dylar® nonwoven fabric planned for the year 2023

## Transparency

Disclosure 417-1

The accessibility of **relevant information** concerning a **product** is crucial to:

- Ensure **greater user safety**.
- Enable them to **make informed choices**.
- Convey **information** about the **characteristics and performance** of the product itself.
- Contribute to the overall **transparency of the value chain** and nurture **fair competition**.

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

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

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

As far as **the Specialty Chemicals Area** is concerned, all substances produced at the Novara and Zeitz (Germany) plants comply with the registration requirements of the REACH regulation. This European Union regulation was adopted to improve the protection of human health and the environment against risks from chemicals; it is implemented by ECHA, the European Chemicals Agency. The product registration dossiers of the two plants are kept constantly updated in accordance with new regulatory requirements and guidance from ECHA. The safety data sheets that are provided to downstream users of products contain guidance on correct and safe use, consistent with the registration dossiers.

Radici Chimica Deutschland has also joined Eco Vadis, an international sustainability rating platform, thereby confirming itself to its Customers and the market as a company that is attentive to ethics, the environment, the supply chain and human rights.

As far as **the Advanced Textile Solutions area** is concerned, all production complies with REACH requirements. In addition, PA6/PA66 polymer matrix yarns for textile use are certified according to the Oekotex® 100 annex 6 class I standard, and PET and PLA polymer matrix fibres according to the international Oekotex® 100 annex 4 class I standard. Furthermore, in the two-year period 2018-2019, the yarns of the Renycle® (nylon) and 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.

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

RadiciGroup's Nonwovens area, having joined the **ISCC PLUS (International Sustainability and Carbon Certification)** scheme, offers spunbond and meltblown nonwovens made of bio, bio-circular or circular polypropylene, where the sustainable material is allocated by mass balance. This certification provides traceability along the supply chain, verifying that certified companies meet high environmental and social standards.

Medical devices manufactured by RadiciGroup are accompanied by declarations of conformity with Regulation (EU) 2016/425 on personal protective equipment.

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

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

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

*Disclosures 417-2, 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

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

With regard to the traceability of Group products:

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

Every step of the production chain at each production site is managed by process management software, which monitors and coordinates the various procurement chains, planning, production and logistics, as well as documentation and reporting for each process. Thus, for each lot of materials, it is always possible to find detailed information concerning the raw material, the production line and the various processes, together with data on packaging and shipping. Products that move among Group companies for processing purposes also have a sizeable traceability history, precisely because of the system used, which contributes to improving the efficiency and quality of production and processing.

*Disclosure 2-26*

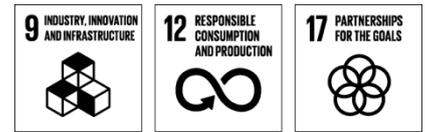
Also with a view to traceability, the **handling of complaints related to the Group's products or services follows a structured path**. Customers can report complaints through different channels, email, telephone, direct communication during meetings with RadiciGroup, depending on the relationship with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

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

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

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

# G for Governance



## MATERIAL TOPICS

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

## The G of Governance

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

RadiciGroup:

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

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

## Long-term value creation and business sustainability

*Disclosure 201-1*

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

By translating these principles into tangible actions, RadiciGroup:

- Pursues a logic of **prudent investment** with a **medium- to long-term return** without chasing immediate profit. This provides "breathing space" for the projects undertaken, and is a **guarantee of security and continuity for RadiciGroup employees as well as Suppliers and Customers**.

- **Promotes the training and upskilling of its staff** to increase its attractiveness and "retention" of top talent.
- Maintains a strong **presence in the "traditional" territories** where it was founded, has developed and is a strong point of reference, but also implements **internalisation logics** to increase the physical proximity to outlet markets.
- **Invests in BATs** (Best Available Techniques) and pursues the **technological and digital transformation** desired at European level to increase its competitiveness, always in accordance with the logic of sustainable development, as noted in the chapter on Radici InNova and in the section on sustainability and digitalisation.
- Aware that it operates in energy-intensive and carbon-intensive sectors, **has long worked on reducing emissions, containing consumption and using energy from renewable sources** in a business continuity logic that looks at the resources used today, but is concerned about the availability of these same resources for future generations.
- **Works on innovation** to explore and seize the opportunities offered by **the circular economy** mainly in terms of eco-design, recycling and biopolymers and to make its portfolio increasingly sustainable for the benefit of Customers and the value chain, as reported in the circularity section of this Report.

In 2022, the geopolitical and trade scenario was complex, as already mentioned, due to the cost of energy and raw materials and the conflict in Ukraine, which accelerated the already existing dynamics of instability.

Nevertheless, the Group's overall financial results remained positive and the environmental investment policy that has long characterised RadiciGroup's activities continued. This is driven by an ethical commitment to sustainability, the demands of strategic markets and increasingly pressing European legislation to transform the EU into a low-carbon, resource-efficient, green and competitive economy.

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

- **EUR 277 million**

Investments to support the competitiveness of the Group companies in the five-year period 2018-2022. Of this, EUR 86 million specifically invested in 2022 (also includes the environmental investments below of EUR 4.5 million in 2022).

- **EUR 4.5 million**

environmental investments made in 2022 for the introduction of best available techniques, increasing energy efficiency, emissions abatement, and research and development of limited impact processes and products.

- **EUR 7.3 million**

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

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

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

Disclosure 201-1

Table 45 | **Generation of value added\***

	Item	31/12/20	31/12/21	31/12/22
€	<b>A) PRODUCTION VALUE</b>	<b>992,986,379</b>	<b>1,542,447,792</b>	<b>1,598,575,559</b>
	Sales and service revenue	1,017,850,797	1,507,508,410	1,542,700,014
	Change in work progress, semi-finished goods and goods inventories	(25,189,105)	34,668,659	55,582,801
	Change in contract work in progress	-	-	-
	Increase in internally generated non-current assets	324,687	270,723	292,744
	Other revenue and income	-	-	-
€	<b>B) INTERMEDIATE PRODUCTION COSTS</b>	<b>709,553,569</b>	<b>1,145,107,360</b>	<b>1,346,838,660</b>
	Raw materials, supplies, consumables and goods for resale	489,678,028	880,164,220	1,039,396,583
	Services	204,011,759	302,281,015	329,543,044
	Lease and rentals	5,589,703	5,702,612	5,638,125
	Change in raw materials, supplies and goods for resale inventories	7,959,275	(46,864,856)	(31,630,511)
	Provision for liabilities and charges	215,640	503,550	704,714
	Other provisions	257,738	174,853	196,501
	Miscellaneous operating costs	1,841,425	3,145,967	2,990,203
€	<b>GROSS VALUE ADDED FROM OPERATIONS (A-B)</b>	<b>283,432,810</b>	<b>397,340,432</b>	<b>251,736,899</b>
	+/- Additional and extraordinary items	13,432,075	16,932,725	43,196,382
€	<b>GROSS TOTAL VALUE ADDED</b>	<b>296,864,886</b>	<b>414,273,156</b>	<b>294,933,281</b>
	- Depreciation and amortisation	43,726,957	57,470,025	60,356,496
€	<b>TOTAL NET VALUE ADDED</b>	<b>253,137,929</b>	<b>356,803,131</b>	<b>234,576,786</b>

Table 46 | **Generation of value added by region 2022\***

	Item	Italy	Rest of Europe	Asia	America	Tot. World
€	<b>A) PRODUCTION VALUE</b>	<b>937,875,747</b>	<b>541,133,694</b>	<b>119,029,555</b>	<b>257,092,126</b>	<b>1,598,575,559</b>
	Sales and service revenue	910,872,277	520,243,619	118,807,725	249,995,514	1,542,700,014
	Change in work progress, semi-finished goods and goods inventories	26,723,096	20,877,704	221,830	7,096,612	55,582,801
	Change in contract work in progress	-	-	-	-	-
	Increase in internally generated non-current assets	280,374	12,370	-	-	292,744
	Other revenue and income	-	-	-	-	-
€	<b>B) INTERMEDIATE PRODUCTION COSTS</b>	<b>826,467,397</b>	<b>474,192,300</b>	<b>94,612,792</b>	<b>210,768,815</b>	<b>1,346,838,660</b>
	Raw materials, supplies, consumables and goods for resale	589,524,278	418,326,006	87,779,633	189,699,081	1,039,396,583
	Services	245,314,499	62,447,147	7,060,794	27,327,274	329,543,044
	Lease and rentals	3,127,321	660,449	977,184	873,172	5,638,125
	Change in raw materials, supplies and goods for resale inventories	(14,332,744)	(8,083,126)	(1,250,974)	(7,321,007)	(31,630,511)
	Provision for liabilities and charges	699,996	4,718	-	-	704,714
	Other provisions	160,000	36,501	-	-	196,501
	Miscellaneous operating costs	1,974,048	800,605	46,154	190,295	2,990,203
€	<b>GROSS VALUE ADDED FROM OPERATIONS (A-B)</b>	<b>111,408,350</b>	<b>66,941,393</b>	<b>24,416,764</b>	<b>46,323,312</b>	<b>251,736,899</b>
	+/- Additional and extraordinary items	38,194,897	4,703,428	421,247	3,065,346	43,196,382
€	<b>GROSS TOTAL VALUE ADDED</b>	<b>149,603,247</b>	<b>71,644,821</b>	<b>24,838,010</b>	<b>49,388,657</b>	<b>294,933,281</b>
	- Depreciation and amortisation	37,934,510	15,490,748	2,007,278	4,604,091	60,356,496
€	<b>TOTAL NET VALUE ADDED</b>	<b>111,668,736</b>	<b>56,154,073</b>	<b>22,830,733</b>	<b>44,784,566</b>	<b>234,576,786</b>

Disclosure 201-1

Table 47 | **Distribution of value added\***

	Item	31/12/20	31/12/21	31/12/22
€	<b>A) PERSONNEL WAGES AND BENEFITS</b>	<b>132,331,564</b>	<b>149,042,091</b>	<b>153,848,590</b>
	Contract Workers	6,097,960	7,290,503	7,422,809
	Employees	126,233,604	141,751,588	146,425,782
	Direct compensation	101,210,043	114,086,091	117,002,249
	Indirect compensation	25,023,561	27,665,497	29,423,532
€	<b>B) PAYMENTS TO GOVERNMENT</b>	<b>30,774,032</b>	<b>52,856,534</b>	<b>(4,515,136)</b>
	<b>Current taxes</b>	<b>37,184,830</b>	<b>56,091,602</b>	<b>21,758,717</b>
	Direct taxes	34,314,961	52,754,312	17,971,746
	Indirect taxes	2,869,869	3,337,290	3,786,971
	<b>Deferred taxes</b>	<b>(3,381,104)</b>	<b>(1,621,685)</b>	<b>123,478</b>
	<b>Revenue grants</b>	<b>(3,029,694)</b>	<b>(1,613,383)</b>	<b>(26,397,331)</b>
€	<b>C) PAYMENTS TO LOAN PROVIDERS</b>	<b>2,302,863</b>	<b>2,296,089</b>	<b>4,100,952</b>
	Short-term loan interest	2,302,863	2,296,089	4,100,952
	Long-term loan interest	-	-	-
€	<b>D) PAYMENTS TO SHAREHOLDERS</b>	<b>15,000,000</b>	<b>40,200,000</b>	<b>49,980,000</b>
€	<b>E) RETAINED VALUE ADDED</b>	<b>72,181,028</b>	<b>111,798,810</b>	<b>30,581,430</b>
	+/- Changes in reserves	72,181,028	111,798,810	30,581,430
€	<b>F) CONTRIBUTIONS AND DONATIONS</b>	<b>548,442</b>	<b>609,608</b>	<b>580,949</b>
€	<b>TOTAL NET VALUE ADDED</b>	<b>253,137,929</b>	<b>356,803,131</b>	<b>234,576,786</b>

Disclosure 201-1

Table 48 | **Distribution of value added by region 2022\***

	Item	Italy	Rest of Europe	Asia	America	Tot. World
€	<b>A) PERSONNEL WAGES AND BENEFITS</b>	<b>93,256,002</b>	<b>39,563,797</b>	<b>5,523,841</b>	<b>16,623,501</b>	<b>153,848,590</b>
	Contract Workers	6,184,145	778,179	161,551	1,417,483	7,422,809
	Employees	87,071,857	38,785,618	5,362,290	15,206,017	146,425,782
	Direct compensation	67,698,785	32,766,148	3,738,398	12,798,918	117,002,249
	Indirect compensation	19,373,072	6,019,470	1,623,891	2,407,099	29,423,532
€	<b>B) PAYMENTS TO GOVERNMENT</b>	<b>(21,756,028)</b>	<b>4,593,264</b>	<b>4,448,297</b>	<b>7,924,025</b>	<b>(4,515,136)</b>
	<b>Current taxes</b>	<b>4,004,518</b>	<b>5,766,541</b>	<b>4,214,474</b>	<b>7,773,183</b>	<b>21,758,717</b>
	Direct taxes	2,142,420	5,368,081	3,867,479	6,593,766	17,971,746
	Indirect taxes	1,862,098	398,460	346,995	1,179,417	3,786,971
	<b>Deferred taxes</b>	<b>(236,378)</b>	<b>(300,115)</b>	<b>233,823</b>	<b>150,842</b>	<b>123,478</b>
	<b>Revenue grants</b>	<b>(25,524,168)</b>	<b>(873,163)</b>	-	-	<b>(26,397,331)</b>
€	<b>C) PAYMENTS TO LOAN PROVIDERS</b>	<b>1,554,456</b>	<b>151,075</b>	<b>967,454</b>	<b>2,453,572</b>	<b>4,100,952</b>
	Short-term loan interest	1,554,456	151,075	967,454	2,453,572	4,100,952
	Long-term loan interest	-	-	-	-	-
€	<b>D) PAYMENTS TO SHAREHOLDERS</b>	<b>49,980,000</b>	-	-	-	<b>49,980,000</b>
€	<b>E) RETAINED VALUE ADDED</b>	<b>(11,894,801)</b>	<b>11,794,098</b>	<b>11,891,140</b>	<b>17,783,469</b>	<b>30,581,430</b>
	+/- Changes in reserves	(11,894,801)	11,794,098	11,891,140	17,783,469	30,581,430
€	<b>F) CONTRIBUTIONS AND DONATIONS</b>	<b>529,109</b>	<b>51,840</b>	-	-	<b>580,949</b>
€	<b>TOTAL NET VALUE ADDED</b>	<b>111,668,736</b>	<b>56,154,073</b>	<b>22,830,733</b>	<b>44,784,567</b>	<b>234,576,786</b>

\* The above value-added schedules follow the method provided by GBS – Study Group for Social Reporting ([www.gruppobilanciosociale.org](http://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. The financial statements are voluntarily audited by Deloitte&Touche and include, in addition to the parent company, the Italian and foreign companies in which Radici Partecipazioni directly or indirectly owns the majority of the share capital and controls the management pursuant to Article 2359 of the Italian Civil Code.

Together with the Group's performance in terms of value added generation, which was positive overall despite the difficulties of 2022, it is important to emphasise, as in previous editions of the Report, **RadiciGroup's financial stability, which is also evidenced by the ratio of debt to equity shown below.**

Table 49 | **Breakdown of equity and debt - year 2022**

<b>Net financial debt*</b>	EUR/1000	10,623
<b>Net shareholders' equity</b>	EUR/1000	832,012
<b>Net invested capital</b>	EUR/1000	842,635

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

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

The latter shows the relationship between different environmental aspects and value added, with the aim of generating increasingly more value with ever fewer resources. The year 2022 shows slightly worse figures compared to the previous year, due to the lower level of efficiency in the Group as a result of the aforementioned difficulties related to high energy prices, the supply chain and the resulting production discontinuities.

Disclosure 302-3

Table 50 | **GRI 302-3 Ratio of total energy consumption to total net value added**

		2020	2021	2022
<b>GJ</b>	<b>Total energy consumption (GRI 302-1)</b>	5,408,531	5,586,749	4,531,932
<b>€</b>	<b>Total net value added</b>	253,092,544	356,803,131	234,576,786
<b>GJ/€</b>	<b>Total energy consumption (direct+indirect) in relation to total net value added</b>	<b>0.021</b>	<b>0.016</b>	<b>0.019</b>

Disclosure 305-4

Table 51 | **GRI 305-4 Ratio of GHG emissions to total net value added**

		2020	2021	2022
<b>tCO<sub>2</sub>eq</b>	<b>Total emissions to the atmosphere (GRI 305-1 and GRI 305-2)</b>	441,059	416,701	<b>343,690</b>
<b>€</b>	<b>Total net value added</b>	253,092,544	356,803,131	234,576,786
<b>kgCO<sub>2</sub>eq/€</b>	<b>Total emissions to the atmosphere (direct + indirect) to total net value added</b>	<b>1.81</b>	<b>1.17</b>	<b>1.47</b>

Table 52 | **Ratio of water resources to total net value added**

		2020	2021	2022
ML	Water resources (GRI 303-3)	77,010	83,100	73,335
€	Total net value added	253,092,544	356,803,131	234,576,786
ML/€	Water resources to total net value added	0.00030	0.00023	0.00031

Table 53 | **Ratio of waste subject to disposal without recovery in relation to total net value added**

		2020	2021	2022
t	Waste subject to disposal without recovery (GRI 306-2)	3,504	5,003	4,438
€	Total net value added	253,092,544	356,803,131	234,576,786
Kg/€	Waste subject to disposal without recovery to total net value added	0.014	0.014	0.019

## Tax Policy

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

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

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

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

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

### Responsibility in tax matters

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

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

### Strategy

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

Specifically, regarding its business operations, RadiciGroup:

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

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

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

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

In the table below are shown the data considered to be material by RadiciGroup. The data are for 2021 and were reported to the Inland Revenue in 2022.

Disclosure 207-4

Table 54 | **Country by country report extract**

Figures in euro referring to the year 2021 - extract from official declaration submitted to the Inland Revenue on 09/12/2022

Tax jurisdiction	Unrelated revenue share	Related revenue share	Total revenue	Income taxes paid (based on cash accounting)	Number of employees
Argentina	20,088,437	1,472	20,089,909	0	41
Brazil	66,224,008	1,479,515	67,703,523	2,740,161	222
Switzerland	14,298,888	10,566,386	24,865,275	57,550	91
China	99,371,163	3,093,696	102,464,859	2,890,155	106
Czech Republic	60,723	8,969,164	9,029,887	27,455	170
Germany	304,702,319	13,094,322	317,796,641	5,334,045	327
Spain	7,763,399	65,916	7,829,315	0	3
France	32,330,715	558,072	32,888,787	288,989	8
United Kingdom	6,142,503	81,063	6,223,566	104,539	3
Hungary	1,095,079	0	1,095,079	14,577	5
India	10,443,231	77,185	10,520,415	969,093	12
Italy	870,252,401	297,389,244	1,167,641,645	36,031,820	1,642
Mexico	17,351,744	2,055,026	19,406,770	868,940	39
Romania	5,531,938	40,526,316	46,058,254	519,834	360
USA	82,198,576	8,099,154	90,297,730	1,615,684	89

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

### Income taxes by country (in euros)

The Group is aware of the importance of the resources drawn from the various regions 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 shows how, in 2022, **the Group continued to be an active participant in the development dynamics of many regional contexts, with an economic contribution also made through tax payments.**

Table 55

Country	
Argentina	11,665
Brazil	2,609,745
China	3,867,479
France	4,719,824
Germany	-
India	73,649
United Kingdom	2,142,420
Italy	1,377,137
Mexico	237,620
Czech Republic	(186)
Romania	314,438
Spain	-
Switzerland	(840)
Hungary	23,576
USA	2,595,219
<b>Total</b>	<b>17,971,746</b>

\* year 2022 - Figures in thousands of euros.

Disclosure 207-3

### Relations with Government

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

*From the RadiciGroup Code of Ethics:*

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

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

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

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

## Compliance

*From the RadiciGroup Code of Ethics:*

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

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

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

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

**The RadiciGroup Code of Ethics, the 231 Model, the specific monitoring procedures and the Whistleblowing system, described at the beginning of this Report, constitute the main tools through which the RadiciGroup compliance function operates. All these tools are dynamic** and are kept up-to-date following the Group's cultural growth and regulatory developments.

*Disclosure 2-27*

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

## ESG Corporate Governance and Risk Management

### The Management Systems

RadiciGroup has been working for some time to formalise a medium- and long-term vision that integrates Stakeholder expectations and interests in the ESG area, ensuring transparency, tools to improve sustainability performance, and an active dialogue with its key Stakeholders.

The initial part of this Report illustrated the ESG Corporate Governance, from the Group's top management through the companies to the individuals who are called upon to make RadiciGroup's sustainable vision a reality.

This part of the Report will instead describe the **contribution of Management Systems to effective day-to-day governance**, at sites, of some of the main risks (and opportunities) related to key aspects such as environment, quality, energy use and health and safety.

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

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

- supporting the Group in maintaining **regulatory compliance**;
- through the "**RadiciGroup Policy for Quality, Environment, Energy, Health and Safety**" they are an important **formal and substantive guideline** for all Companies and Employees, who are called upon to self-identify with its principles;
- bringing to the organisation a **systemic and process-oriented approach** that **streamlines procedures** and **creates synergies between different companies** or Business Areas for shared management of objectives;
- embodying the **principle of continuous improvement** of the organisation's performance, which drives RadiciGroup to always be ambitious in setting sustainability targets;
- contributing **to activating and maintaining the involvement of internal (Workers) and external Stakeholders** in the Group's quality, health, safety and environmental policies.
- ensuring **internal and external customer satisfaction**.
- making it possible **to understand the context and to identify or take account of the expectations of Stakeholders**.
- by assessing process performance, they allow **the necessary management actions to be determined**.

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

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

Table 56 (updated 31/12/2022)

RadiciGroup Site	ISO Standard 9001:2015	IATF Standard 16949:2016	ISO Standard 14001:2015	ISO Standard 45001:2018	ISO Standard 50001:2018	VDE	ISO IEC standard 17025:2017
<b>Corporate</b>							
Radici Partecipazioni SpA	•						
<b>Business Area Speciality Chemicals</b>							
Radici Chimica Novara SpA	•		•	•	•		
Radici Chimica Deutschland GmbH	•		•	•	•		
<b>Business Area High Performance Polymers</b>							
Radici Novacips SpA (Villa d'Ogna)	•	•	•	•		•	
Radici Novacips SpA (Chignolo d'Isola)	•		•	•			
Radici Plastics GmbH (G)	•	•	•	•	•		
Radici Plastics Ltda (Brasil)	•	•	•	•			
Radici Plastics (Suzhou) Co. Ltd.	•	•	•	•			
Radici Plastics Usa, Inc.	•	•	•	•			•
Radici Plastics Mexico S. de R.L. de C.V.	•	•	•	•			
<b>Business Area Advanced Textiles Solutions</b>							
RadiciFil SpA	•		•	•	•		
Logit Sro	•		•	•	•		
Radici Yarn SpA (Villa d'Ogna)	•		•		•		
Radici Yarn SpA (Ardesio)	•		•		•		
Yarnea SRL	•		•	•			
Radici Chemiefaser GmbH	•				•		
RadiciFibras Ltda (Nylon - Brazil)	•						
Noyfil SpA (Andalo Valtellino)	•			•			
Noyfil SpA (Chignolo d'Isola)	•			•			
Noyfil SA (Stabio)	•		•				
Cordonsed SA							
Tessiture Pietro Radici SpA	•		•	•			

### **Management systems choose Enablon to digitise Group ESG data**

*RadiciGroup Management Systems support change and continuous improvement in companies. The effective management of this change is a key success factor that, increasingly, is achieved through the analysis, optimisation and digitisation of processes. A natural consequence of this scenario is the need for dynamic and reliable collection systems and databases to monitor processes and evaluate their performance. For this reason, starting from 2021, the Q&P - Quality & Processes function which coordinates RadiciGroup Management Systems, in collaboration with the ICT Area, has carried out a comprehensive selection of possible IT solutions, which has led to the choice of Enablon, one of the most recognised software packages in the world in terms of features and functionality. The implementation started with the adoption of modules for the management of audits and the reporting of events related to, for example, quality and health and safety, integrated with the modules for analysing the causes of non-compliance and improvement plans to achieve the set targets.*

*In 2022, the evaluation of the Enablon Performance Metrics application began, which enables the structured collection of data needed to calculate qualitative and quantitative indicators for the Sustainability Report, and to analyse performance over time in order to drive improvements. The system is also designed to become the Group's database for primary data for Life Cycle Assessment studies, which are also of strategic value in terms of product sustainability.*

## Sustainability and digitisation

An increasingly debated issue today, already mentioned in this Report and which will be explored in depth here, is that of the strategic synergy between Sustainability and Digitalisation, a pairing that can bring considerable benefits in terms of innovation and competitiveness. With this in mind, the idea of **"Digital Sustainability" as a strategic lever** for the definition and implementation of **digitalisation and sustainable development models** is spreading.

With this in mind, the Group:

- supports the **digitisation of processes**, with a **positive impact on business performance in terms of agile decision-making and execution processes**;
- **exploits the potential** offered by digitisation not only to **improve the performance of industrial processes**, but also to **improve their environmental and social sustainability**.
- has adopted and is progressively deploying **several data management application solutions**, operating across Business Areas;
- works towards **more efficient and effective data management** in terms of **accuracy, granularity and accessibility**.

In 2022, in particular, a number of important initiatives were launched, such as the **Enablon Metrics project**, already the subject of a case history, an additional module of the application solution supporting the QHSEE Management processes currently in use, which will facilitate data collection for the **elaboration of metrics** and performance parameters to support the **Sustainability Report and LCA studies**, as well as provide an important strategic database for Group decision-making.

A project is also being launched to adopt **Success Factor**, an application solution to **support HR Management processes** that will, among other things, facilitate the collection and aggregation of personnel data in one place.

Another project site working towards this is the one evaluating the **extension of the Tagetik application solution**, which currently supports Corporate Performance Management processes, **to include "ESG reporting"**. This application is, in fact, currently in use in the Group for managing budgeting, planning and budget consolidation processes, but has great potential to become a common digital space for financial and non-financial budget reporting.

A further example of digitisation in the Group with interesting sustainability implications is the **gradual introduction of the SAP ERP system**. SAP's scalability allows incremental developments that also include document digitisation, with recognised benefits in terms of reduced management costs. As is often observed, improved efficiency also leads to greater sustainability, both environmental and economic. For this reason too, the Group undertook in 2022 to adopt the SAP DDM module to speed up and simplify the processes of sharing, approving and archiving documents.

**Investments** related to the development of technologies and projects supporting **industrial automation and Industry 4.0** are also moving towards digitisation.

Technological innovation is therefore increasingly responding to the demands of economic and environmental sustainability, both from a technical point of view and from the point of view of individual practices.

The **spread of agile working**, for example, not only **reduces travel-related emissions**, but also **facilitates the spread of digital tools**, which help shape what is gradually becoming known as the "Digital Workplace". This is a concept that is also taking shape within the Group, which is committed to the adoption of working tools for an increasingly articulated and flexible digital ecosystem that also **offers advantages from the point of view of work-life balance**, as already indicated in this Report.

At the same time, the **training of Employees in digitalisation and cybersecurity** is essential to ensure that digital development and cybersecurity can coexist. With this objective in mind, the Group supports the dissemination of **cybersecurity practices by investing in training**, as illustrated in the section of the Report on this topic, **and in the most advanced technological solutions to prevent IT incidents**.

*Disclosure 418-1*

Despite its best efforts, RadiciGroup suffered a **cyber attack on its various sites** globally between Thursday 2 June and Friday 3 June 2022. On the morning of 3 June, a **series of actions were implemented to ensure the restoration of the security level** of the Group's infrastructure, systems and applications (Cybersecurity Roadmap).

In particular, the following were put in place:

- **The activation of the external Security Operations Centre (SOC)** to mitigate the impacts of the breach suffered and to remedy it.
- **The removal of "malware"**, the programme that hacked and damaged the Group's system.
- **The restoring of backups**, the "copies" of data created by computer systems, and **the management of the restart of services**.
- The launch of the **event analysis**.

In addition, all further security measures indicated by the Security Operation Centre, including continuous and proactive monitoring of RadiciGroup systems, were immediately activated. These timely and coordinated remediation activities allowed the progressive restoration of RG systems to begin as early as Sunday 5 June, limiting disruptions to Group companies to a minimum.

At the same time, the competent supervisory authority of each country was notified, in the prescribed manner and within the prescribed timeframe, of the data breach and the corrective action taken, and the RadiciGroup Stakeholders concerned (e.g., Employees, Customers, Suppliers) were informed of the event, in accordance with the provisions of the EU GDPR.

By virtue of its rapid reaction, the Group was able to respond positively to reports from some Customers and other Stakeholders concerned about privacy breaches, data loss or service continuity guarantees. To make interaction easier, a dedicated mailbox was set up as a point of immediate contact with the RadiciGroup team that dealt with the emergency. The attack was an important opportunity for a **further analysis of the risk related to IT security and data loss**. With the aim of mitigating these risks, the Group's Information and Communication Technology Area looked into the **integration of existing tools and further solutions to be implemented**. A number of key actions have been identified and will be reported on in the coming years in the Report.

# Building the Report

Disclosures 2-1, 2-2, 2-3, 2-4

This document is the Sustainability Report of Radici Partecipazioni S.p.A. and its associated companies, herein jointly referred to as “RadiciGroup” or “the Group”. It was prepared in accordance with GRI Standards for the period from 1 January 2022 to 31 December 2022.

The following companies are included in the reporting scope:

## PARENT COMPANY:

Radici Partecipazioni S.p.A. - Italy

## ASSOCIATE (productive):

### Production companies:

Radici Chimica S.p.A. - Italy - Specialty Chemicals Business Area

Radici Chimica Deutschland GmbH - Germany - Specialty Chemicals Business Area

Radici Novacips S.p.A. (2 locations) - Italy - High Performance Polymers Business Area

Radici Plastics GmbH - Germany - High Performance Polymers Business Area

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

Radici Plastics Ltda - Brazil - High Performance Polymers Business Area

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

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

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

Cordonsed Sa - Argentina - Advanced Textile Solutions Business Area

Logit Sro - Czech Republic - Advanced Textile Solutions Business Area

Noyfil S.p.A. (2 locations) - Italy - Advanced Textile Solutions Business Area

Noyfil Sa - Switzerland - Advanced Textile Solutions Business Area

Radici Chemiefaser GmbH - Germany - Advanced Textile Solutions Business Area

RadiciFibras Ltda - Brazil - Advanced Textile Solutions Business Area

Radici Yarn S.p.A. (2 locations) - Italy - Advanced Textile Solutions Business Area

RadiciFil S.p.A. - Italy - Advanced Textile Solutions Business Area

S.C. Yarnea Srl - Romania - Advanced Textile Solutions Business Area

Tessiture Pietro Radici S.p.A. - Italy - Advanced Textile Solutions Business Area

Radici EcoMaterials S.r.l. (formerly Zeta Polimeri S.r.l.) - Italy

### Commercial companies:

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

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

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

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

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

### Financial and service companies:

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

FibreXnylon Sa - Romania - Advanced Textile Solutions Business Area

Lurotex Textilipari Kft - Hungary - Advanced Textile Solutions Business Area

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

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

With regard to disclosures, the production companies and the parent company provided data for 2022 and the two previous years. The service and trading companies provided data for 2021 and 2022, having entered the reporting scope last year. Commercial companies, being small and without production activities, provided a reduced data set, consistent with the nature of their activities.

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.

## Reporting principles

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

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

### Accuracy, Balance and Clarity

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

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

### Comparability

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

As for the Andalo Valtellino site, after a gradual reduction in production due to persistent unfavourable market conditions, it permanently ceased operations on 31/12/2022. The site still provided all the data for the reporting year, although consumption of raw materials, energy, water and emissions were progressively reduced. This had an impact both on the Group's absolute numbers, especially in terms of the main environmental parameters (materials used, energy, emissions), lowering them, but increased, worsening the ratios that relate performance to hours or tonnes worked.

## Completeness and timeliness

*Disclosure 2-2, 2-3*

RadiciGroup prepares its Sustainability Report annually. The scope and reporting period of the Sustainability Report coincide with the Consolidated Financial Statements of Radici Partecipazioni. 100% of the Group's turnover and Employees are covered in the sustainability report.

All data and information presented refer to the reporting period. In case histories and explanatory texts, the period of the year in which the described events or results occurred is also often indicated. This report is being published in July 2023, approximately one year after the publication of the previous edition.

## Sustainability context

An in-depth materiality analysis was conducted in 2022, which is described in the section of the Report with the same name. As a guideline for the analysis, the topics set out in the United Nations 2030 Agenda were adopted as the starting point for both the analysis and the formulation of sustainability targets.

## Verifiability

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

## Materiality analysis

*Disclosure 3-1*

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

In 2022, RadiciGroup updated its materiality analysis, beginning the process of identifying the impacts of the business in accordance with the new GRI Standards 2021, using a dual materiality approach, to strengthen the Group's ESG disclosure, in line with current regulatory developments. The analysis conducted was not only a useful starting point to identify insights to consolidate the sustainability reporting system, but also a strategic tool to understand and monitor ESG risks and opportunities, as well as a vehicle to strengthen dialogue with Stakeholders.

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

### The main stages of materiality analysis

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

hand, a sustainability topic is material from the point of view of financial materiality when it reflects risks and opportunities from outside that can positively or negatively affect an organisation's development and performance in the short, medium and long term, creating or destroying value.

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

- **Understanding of sector and organisation context ESG** trends;
- **Identification of relevant topics and their current and potential**, negative and positive, generated and suffered impacts;
- **Evaluation of the relevance of the topics** through a vote by Top Management and later by Stakeholders;
- **Creation of the RadiciGroup Materiality Matrix 2022.**

### **Understanding of sector and organisation context ESG trends**

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

### **Identification of relevant topics and their current and potential impacts**

*Disclosure 3-2*

The results of the preliminary context analyses were submitted to and shared with the entire Working Group, which provided important feedback. This process led to the definition of 24 potentially material topics, which were then submitted for assessment, divided into categories: environment, social, governance. In line with the GRI Standards 2021 and the dual materiality approach promoted by the Corporate Sustainability Reporting Directive, the topics were further examined in terms of the impacts suffered by RadiciGroup and the impacts generated on the environment, people and the economy. The impact analysis work carried out in 2022 will be further strengthened and will lay the foundation for the subsequent materiality analysis.

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

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

*Disclosure 3-2*

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

Disclosure 2-29, 413-1

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

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

The engagement activities, which involved about 200 Stakeholders, registered a response rate of about 70% of the identified Stakeholders. In order to assess the materiality of ESG topics from a financial perspective, specific questions were submitted to the Steering Committee, the Working Group and the Stakeholder category of financial institutions.

In detail, they were asked to assess sustainability topics in light of risks and opportunities that may positively or negatively affect RadiciGroup's development and performance in the short, medium and long term. They were also asked which sustainability topics had the greatest impact on economic and financial performance.

### **Creation of RadiciGroup's Materiality Matrix 2022**

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

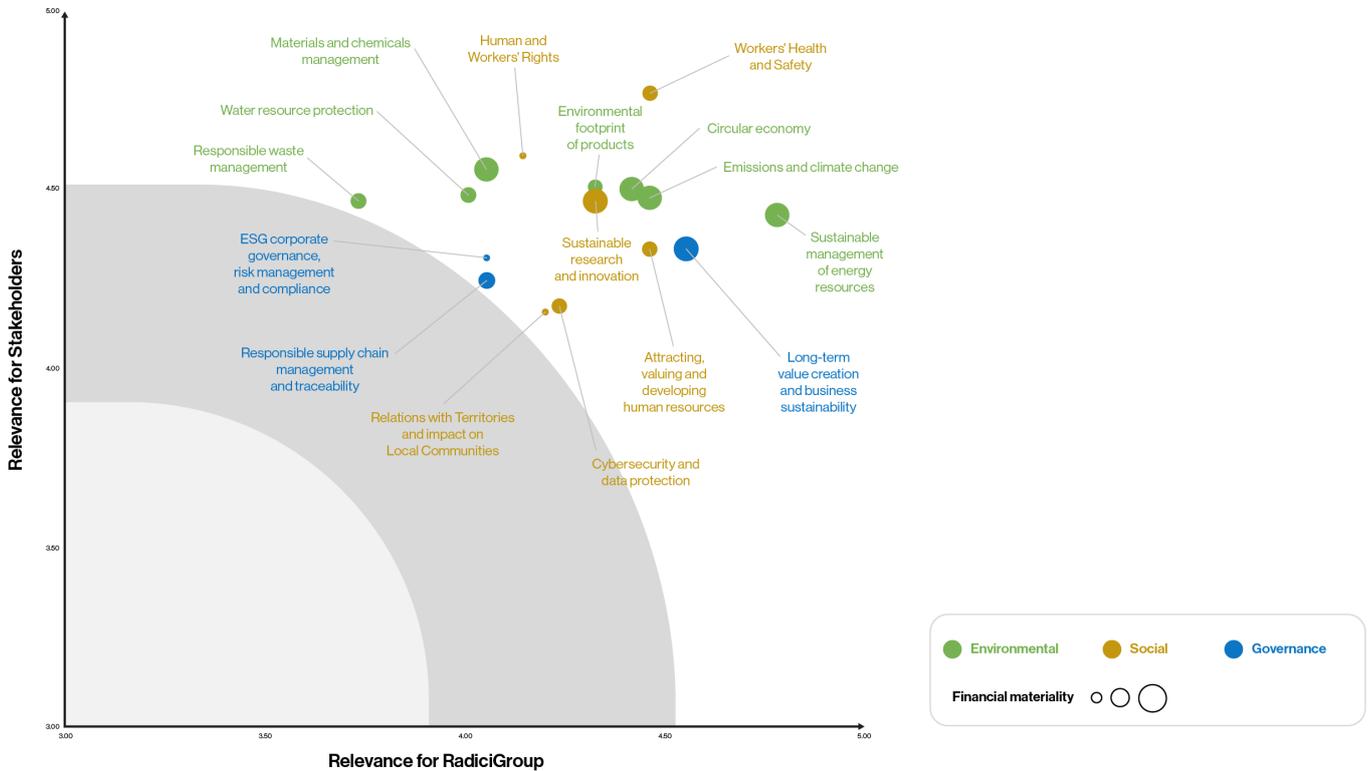
**The x-axis of the matrix, "Relevance for RadiciGroup", is representative of the relevance ratings that RadiciGroup Top Management and the RadiciGroup Working Group** have attributed to each topics.

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

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

The approval of the topics also formed the basis for the start of the definition of RadiciGroup's Agenda 2030 sustainability goals.

### RadiciGroup's Materiality Matrix 2022



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

#### Environmental

- **Sustainable management of energy resources**  
 Promote efficient energy management policies and activities, through actions, programmes and management systems. Encourage the use of energy from renewable sources, especially if certified.  
 Carry out training and awareness-raising projects for Stakeholders (e.g. Employees, Schools) on the topic.
- **Emissions and climate change** - Supporting the decarbonisation process and contributing to the fight against climate change by reducing greenhouse gases and the Group's overall environmental impact.  
 Implement strategies and actions to mitigate possible impacts generated and suffered in relation to climate change.  
 Carry out training and awareness-raising projects for Stakeholders (e.g. Employees, Schools, Customers) on the topic.
- **Circular economy** - Integrate elements that accompany decarbonisation processes into activities that support a low-carbon economy.  
 Implement responsible production from the beginning of the product life cycle to the end, promoting eco-design and recycling to contribute to the transition to a circular business model.  
 Invest in the implementation of innovative processes to support circularity.  
 Carry out training and awareness-raising projects for Stakeholders (e.g. Employees, Schools, Customers, Suppliers) on the topic.
- **Materials and chemicals management** - Responsible management of materials, including raw materials, process aids and packaging, with a special focus on the use of chemicals.  
 Favouring the optimisation of resources used while safeguarding product quality and performance, facilitating the identification and elimination of unsafe practices.

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

## Social

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

## Governance

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

- **ESG corporate governance, risk management and compliance** - Formalise a long-term vision that integrates ESG expectations and Stakeholder interests, ensuring transparency, control processes for ESG risk management, tools to improve sustainability performance and an active dialogue with Stakeholders.

Ensure compliance with mandatory or voluntary ESG standards through the implementation of appropriate organisational management structures and the empowerment of people.
- **Responsible supply chain management and traceability** - Implement ESG policies aimed at responsible supply chain management, through procedures for selecting Suppliers and business partners, integration of common sustainability criteria in the qualification phase of Suppliers and business partners, and specific preventive tools such as contractual clauses and possible audit programmes.

Promote purchasing processes that allow traceability of the main raw materials used by the Group, in order to ensure responsible resource management and business continuity, also in view of the impacts in the international social and economic context of supply chain management.
- **Cybersecurity and data protection** - Prevent and mitigating the possible effects of cyber attacks and ensure service continuity. Comply with data privacy laws and regulations and implement processes and safeguards to ensure the security and confidentiality of sensitive Stakeholder data.

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

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

## The management of material topics

*Disclosure 3-3*

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

# The GRI content index

Table 57

RadiciGroup has prepared this report in accordance with the GRI Universal Standards 2021 for the period from 1 January 2022 to 31 December 2022.

GRI standard	Disclosure	Page	Omissions
	<b>GRI 2 General Disclosures 2021</b>		
	2-1 Organizational Details	10 and following	
	2-2 Entities included in the organization's sustainability reporting	4	
	2-3 Reporting period, frequency and contact point	102	
	2-4 Restatements of Information	100	
	2-5 External assurance	115 - 116	
	2-6 Activities, value chain and other business relationships	10 and following	
	2-7 Employees	51 and following	
	2-8 Workers who are not Employees	51 and following	
	2-9 Governance structure and composition	21	
	2-10 Nomination and selection of the highest governance body	21	
	2-11 Chair of the highest governance body	21	
	2-12 Role of the highest governance body in overseeing the management of impacts	24	
	2-13 Delegation of responsibility for managing impacts	25 and following	
	2-14 Role of the highest governance body in sustainability reporting	24	
	2-15 Conflicts of interest	22 and following	
	2-16 Communication of critical concerns	22 and following	
	2-17 Collective knowledge of the highest governance body	25	
	2-18 Evaluation of the performance of the highest governance body	22	
	2-19 Remuneration policies	22	
	2-20 Process to determine remuneration	22	
	2-21 Annual total compensation ratio	56	

	2-22 Statement on sustainable development strategy	4	
	2-23 Policy commitments	5 and following - 13	
	2-24 Embedding policy commitments	9	
	2-25 Processes to remediate negative impacts	Annex 1 - Table "Material Topic Management"	
	2-26 Mechanisms for seeking advice and raising concerns	23 -82	
	2-27 Compliance with laws and regulations	94	
	2-28 Membership associations	16	
	2-29 Approach to Stakeholder engagement	Annex 1 - Table "Material Topic Management"	
	2-30 Collective bargaining agreements	53 and following	
<b>Material topics</b>	<b>GRI 3 Material topics version 2021</b>	Annex 1 - Table "Material Topic Management"	
	3-2 List of material topics	Annex 1 - Table "Material Topic Management"	
	3-3 Management of material topics	Annex 1 - Table "Material Topic Management"	
<b>Sustainable management of energy resources</b>	<b>GRI 302 Energy 2016 version</b>		
	302-1 Energy consumption within the organization	38 and following	
	302-2 Energy consumption outside of the organization		<p>Information not available / incomplete: Information not available due to the impossibility of obtaining homogeneous data for 2022 relating to regions: Italy, Rest of Europe, Americas and Asia (for the list of companies with region and Business Area reference, see the chapter "Building the Report").</p> <p>The following information is not reported:</p> <ol style="list-style-type: none"> <li>energy consumption outside the organization, in joules or multiples;</li> <li>standards, methodologies, assumptions and/or calculation tools used;</li> <li>source of the conversion factors used.</li> </ol> <p>The data model to be considered for the definition of the indicator and the reporting boundary will be defined, through the definition of an ad hoc working group. The disclosure will be included in the reporting for 2023.</p>
	302-3 Energy intensity	89	



<b>Emissions and climate change</b>	<b>GRI 305 Emissions 2016 version</b>		
	305-1 Direct (Scope 1) GHG emissions	42 and following	
	305-2 Energy indirect (Scope 2) GHG emissions	42 and following	
	305-3 Other indirect (Scope 3) GHG emissions		<p>Information not available / incomplete: inherent to 2022 for the Specialty Chemicals and Advanced Textile Solutions Business Areas (for the list of companies with region and Business Area reference, see the chapter "Building the Report").</p> <p>The following information is not reported:</p> <ul style="list-style-type: none"> <li>a. gross other indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent;</li> <li>b. If available, the gases included in the calculation: whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all;</li> <li>c. biogenic CO2 emissions in metric tons of CO2 equivalent;</li> <li>d. other indirect (Scope 3) GHG emissions categories and activities included in the calculation;</li> <li>e. base year for the calculation, if applicable;</li> <li>f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.;</li> <li>g. Standards, methodologies, assumptions, and/or calculation tools used.</li> </ul> <p>The pilot was carried out during 2023 in cooperation with an external consulting company; the results of this first phase will be available from September 2023. This method will be extended to all other areas of the Group.</p> <p>It is planned to include information on scope 3 emissions related to RadiciGroup's HPP area starting with the 2023 report, by the time of the 2025 reporting, the scope will be completed with the other RadiciGroup Business Areas.</p>
	305-4 GHG emissions intensity	42 and following	
305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	43		
<b>Circular Economy  Responsible waste management</b>	<b>GRI 306 Waste 2020 version</b>		
	306-1 Waste generation and significant waste-related impacts	33 and following	
	306-2 Management of significant waste-related impacts	33 and following	
	306-3 Waste generated	34	
	306-4 Waste diverted from disposal	34	
	306-5 Waste directed to disposal	34	

<b>Environmental footprint of products</b>	Additional disclosure - Description	79 and following	
<b>Materials and chemicals management</b>	<b>GRI 301 Materials 2016 version</b>		
	301-1 Materials used by weight or volume	32	
<b>Protection of water resources</b>	<b>GRI 303 Water and effluents 2018 version</b>		
	303-1 Interactions with water as a shared resource	45 and following	
	303-3 Water withdrawal	46	
	303-4 Water discharge	48 and following	
<b>Workers' Health and Safety</b>	<b>GRI 403 Occupational Health and Safety 2018 version</b>		
	403-1 Occupational health and safety management system	61	
	403-2 Hazard identification, risk assessment, and incident investigation	61 and following	
	403-3 Occupational health services	67	
	403-4 Worker participation, consultation, and communication on occupational health and safety	62	
	403-5 Worker training on occupational health and safety	56	
	403-6 Promotion of Worker health	59 - 68	
	403-8 Workers covered by an occupational health and safety management system	61 and following	
	403-9 Work-related injuries	62 and following	
	403-10 Work-related ill health	62 - 68	
<b>Sustainable Research and Innovation</b>	Additional disclosure - Description	72 and following	

<b>Attracting, valuing and developing human resources</b>	<b>GRI 401 Employment 2016 version</b>  401-1 New employee hires and employee turnover		Information not available / incomplete: partial disclosure, referring only to companies belonging to the Italy region (for the list of companies with region and Business Area reference, see the chapter "Building the Report") due to the impossibility of finding homogeneous data for 2022 relating to the remaining regions (rest of Europe, Americas, Asia).  The following information is not reported for non-Italian RadiciGroup companies: a. total number and rate of new employee hires during the reporting period, by age group, gender and region; b. total number and rate of employee turnover during the reporting period, by age group, gender and region.  Based on the analysis carried out for the Italian companies, the data of the other foreign companies of the Group will be consolidated. It is planned to complete this with information on all companies included in the reporting scope for the 2024 report.
	401-2 Benefits provided to full-time Employees that are not provided to temporary or part-time Employees	56	
	<b>GRI 404 Training and Education 2016 version</b>  404-1 Average hours of training per year per employee		Information not available / incomplete: partial disclosure, the breakdown of training hours by homogeneous groups of workers refers only to companies belonging to the Italy region (for the list of companies with region and Business Area reference, see the chapter "Building the Report") due to the impossibility of finding homogeneous data for 2022 relating to the remaining regions (rest of Europe, Americas, Asia).  The following information is missing for non-Italian RadiciGroup companies: a. average hours of training that the organization's employees have undertaken during the reporting period, by employee category. Based on the analysis carried out for the Italian companies, the data of the other foreign companies of the Group will be consolidated by establishing homogeneous and representative Worker categories at Group level. It is planned to complete this with information on all companies included in the reporting scope for the 2024 report.
	404-2 Programs for upgrading Employee skills and transition assistance programs	58 and following	
<b>Human and Workers' rights</b>	<b>GRI 406 Non-discrimination 2016 version</b>  406-1 Incidents of discrimination and corrective actions taken	55	

<b>Cybersecurity and data protection</b>	<b>GRI 418 Customer Privacy 2016 version</b>		
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	99	
<b>Relations with Territories and impact on Local Communities</b>	<b>GRI 413 Local Communities 2016 version</b>		
	413-1 Operations with local community engagement, impact assessments, and development programs	69 and following	
<b>Long-term value creation and business sustainability</b>	<b>GRI 201 Economic performance 2016 version</b>		
	201-1 Direct economic value generated and distributed	83 and following	
<b>ESG corporate governance, risk management and compliance</b>	<b>GRI 415 Public Policy 2016 version</b>		
	415-1 Political contributions	70	
	<b>GRI 417 Marketing and Labelling 2016 version</b>		
	417-1 Requirements for product and service information and labeling	80 and following	
	417-2 Incidents of non-compliance concerning product and service information and labeling	81	
	417-3 Incidents of non-compliance concerning marketing communications	81	
	<b>GRI 207 Tax 2019 version</b>		
	207-1 Approach to tax	91 and following	
	207-2 Tax governance, control, and risk management	91 and following	
207-3 Stakeholder engagement and management of concerns related to tax	94		
207-4 Country-by-country reporting	92		

<b>Responsible supply chain management and traceability</b>	<b>GRI 204 Procurement Practices 2016 version</b>  204-1 Proportion of spending on local suppliers		<p>Information not available / incomplete: Information not available due to the impossibility of obtaining homogeneous data for 2022 relating to regions: Italy, Rest of Europe, Americas and Asia.</p> <p>The following information is not reported:</p> <ul style="list-style-type: none"> <li>a. percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased</li> <li>b. locally);</li> <li>c. the organization's geographical definition of 'local';</li> <li>d. the definition used for 'significant locations of operation'.</li> </ul> <p>Given the complexity of RadiciGroup's supply chain, an initial analysis is underway to define 'local', with different meanings for the regions Italy/rest of Europe/the Americas/Asia. It is planned to include the disclosure in the reporting for 2023.</p>
<b>Additional information</b>	Table 08 Ratio - Direct primary energy consumption per unit processed	38	
	Table 12 Ratio - Total primary energy consumption from fossil sources per unit processed	41	
	Table 52 Ratio - Water resources (GRI 303-3) in relation to value added	90	
	Table 18 Ratio - Water use per unit processed	46	
	Table 53 Ratio - Waste subject to disposal without recovery (GRI 306-2) in relation to value added	90	
	Table 22 Ratio - Water discharge per unit processed	49	
	Table 06 Ratio - Total weight of waste per unit processed	34	
	Table 35 Ratio - Training hours by region	57	

# Letter of Assurance

Disclosure 2-5

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



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## SUSTAINABILITY REPORT AUDIT YEAR 2022 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 2022 (Italian version), in order to assess its consistency with guidelines of the GRI (Global Reporting Initiative) Standards version 2021, with reference to the “in compliance” level of application, which provides for the reporting of all the general disclosures required by GRI Standard 2-2021, the materiality analysis in accordance with GRI Standard 3-2021, and the quantification of all the relevant performance indicators for each aspect identified as relevant (or “material”). This letter describes the activities carried out, reports the findings of the limited assurance engagement, and makes recommendations for improvement.

The verification has been carried out with reference to the “GRI Standards” published in 2021 by the Global Reporting Initiative, and it has concerned in particular:

- the analysis of the reporting principles (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability);
- precise definition of the report’s scope;
- the compliance of the contents of the Report with the 2021 GRI Standards guidelines.

The certification has been carried out in compliance with procedures implemented by Certiquality for audits in complying with the UNI EN ISO 19011:2018 standard. The audit has been partially carried out on site, partially off-site and partially remotely, by interviewing relevant staff in videoconference and examining the shared documentation.

### Methods

The activity has been carried out as follows:

- analysis of the document “2022 Radici Group Sustainability Report” Italian version document, with particular reference to the principles and contents set out by the GRI Standards 2021 guidelines;
- interviews with the functions involved, directly or indirectly, involved in the drawing up of the document and in the processing of data and information management process (from collection to further processing);
- examination of documents and records in place at the operative site of Radici Partecipazioni S.p.A.’s operating headquarters in Gandino, and at a representative sample of production sites included in the report boundary: Radici Chimica Deutschland GmbH (from the headquarters Radici Partecipazioni Gandino); Noyfil S.p.A. in Chignolo d’Isola; Radicifil S.p.A. in Casnigo; Radici Plastics (Suzhou) Co. Ltd. (from Hotel San Marco - Bergamo); Radici Plastics GmbH (from Hotel San Marco - Bergamo); Radici Plastics USA (from Hotel San Marco - Bergamo);
- the analysis has concerned both the procedures implemented for the collection, filling and processing of data and the technical-normative aspects of the activities carried out.

Management of the data and information included in the Report was checked on a sample basis, ensuring adequate coverage of all topics discussed in the document.

With regard to certain indicators characterised by the absence of certain facts or events (e.g., absence of party funding, absence of sanctions of various kinds, absence of cases of discrimination), given the inherent difficulty of verifying facts that are not present, it was requested to produce declarations from the management of the companies or BAs subject to verification.

The economic and financial data are taken from the consolidated balance sheet of Radici Partecipazioni S.p.A., that already underwent a voluntarily auditing of accounts (as per letter by Deloitte & Touche letter of 30/05/2023), therefore they have not been further checked.



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Signatory of EA, IAF and IAC Mutual Recognition Agreements  
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PRD n. 008B - DAP n. 003H  
SSI n. 0076 - SGE n. 001M - ISP n. 006E - GHG n. 001D  
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**Results and recommendations**

The “2022 Radici Group Sustainability Report” (Italian version), extended to the entire scope of consolidation of the economic-financial report (with the sole exclusion, for commercial, financial and service companies, of environmental indicators, in view of the insignificance of these aspects), confirms Radici Group capacity to respond to the problems encountered at a global level, already highlighted in previous years. The document is clear and complete and provides an exhaustive overall of the relationship of the Group company with the context in which they operate.

Concerning the new requirements of the 2021 version of the Standards, numerous disclosures were integrated (e.g., data and information on governance, problem reporting mechanisms). The quantification of some numerical indicators that were not previously included (such as GHG Scope 3 emissions, energy consumed outside the organisation, incoming and outgoing worker flows, or training provided to workers by contractual level), as clearly indicated in the table of contents at the end of the document, is nearing completion. This situation is justified by the current lack of data, which will be completed in future editions, also thanks to the implementation of the new data management system.

In some cases (e.g., energy, water discharges), the indicators are reported with more information than the minimum requirement, referring to previous and more articulated versions of GRI standards or, as in the case of value generated and distributed, to other authoritative sources in the field of sustainability communication (Social Report Group) without, however, derogating from the completeness of the information required by reference standard.

The data collection and data processing system is sufficiently well-structured and documented at the central level and a new integrated data management system, which is currently being tested alongside the well established data management system of previous years, is to be introduced as of next year.

As in previous years, the sample checks carried out on the sites reveal a situation that is not entirely homogeneous, with a higher quality of data at Italian sites, while for some foreign sites there is significant room for improvement, relating, for example, to the homogeneity of data collection in different contexts in the face of very different regulations (e.g., classification and destination of waste, units of measurement of certain quantities) or to certain details on reporting methods (e.g., training for categories of employees). More generally, it is recommended to pursue further the constant improvement of the data management system, especially as regard the information transmitted to foreign sites regarding the criteria for data collection and the checks carried out on the collected data.

**Conclusions and asseveration**

The verification of the “Radici Group Sustainability Report” (Italian version) concerning the year 2022 has not given rise to any significant issues, neither as regards compliance with the principles of the GRI Standards 2021 guidelines, nor as regards its content in terms of reported information or performance indicators, while still leaving some room for improvement; in particular, some indicators related to aspects considered relevant will be completed in future editions, as clearly reported in the GRI content index. On the basis of the audits performed and the above, the “Radici Group Sustainability Report” for 2022 (Italian version) is declared to be asseverated to the “in accordance” level of application of the GRI Guidelines version 2021.

26 July 2023

**Certiquality S.r.l.**  
The President  
Cesare Puccioni



ORGANISMO  
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PRD n. 008B - DAP n. 003H  
SSI n. 0076 - SGE n. 001M - ISP n. 006E - GHG n. 001D  
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## Sustainability Report collaborators 2022

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# Sustainability Report 2022

Management of material topics  
Disclosure 3

Annex 1



CATEGORY	MATERIAL TOPIC	INDICATOR REFERENCE IN THE SUSTAINABILITY REPORT	POSITIVE IMPACTS	IDENTIFIED NEGATIVE IMPACTS	POTENTIAL NEGATIVE IMPACTS	DIRECT/INDIRECT INVOLVEMENT OF THE GROUP IN NEGATIVE IMPACTS	COMPANY POLICIES ON THE TOPIC	MONITORING/MITIGATION/MANAGEMENT OF NEGATIVE IMPACTS (Disclosure 2-26)	MEASUREMENT OF THE EFFECTIVENESS OF THESE ACTIONS (Disclosure 2-26)	ACTIONS TO MANAGE OR SUPPORT POSITIVE IMPACTS	MAIN STAKEHOLDERS INVOLVED (Disclosure 2-29)	MAIN METHODS OF INVOLVEMENT (Disclosure 2-29)
Environmental	Sustainable management of energy resources	Section "E for Environment" page 38 and 89 Disclosures GRI 302-1,3	Provision of renewable energy to support territories and Local Communities (through Geogreen). Rationalisation of energy consumption.	Consumption of non-renewable sources.	-	Direct + through their own activities that may contribute to resource depletion and emissions.	The RadiciGroup Quality, Environment, Energy, Health and Safety Policy, ISO 50001 site certification and related policies.	Partnership with Geogreen, growing percentage of energy from renewable sources. Decreased energy consumption per tonne processed. Diversification of green energy supply sources. Transparency and communication on the Group's ESG performance through the Sustainability Report.	GRI Disclosure. Business management KPIs. Monitoring actions of site Energy Managers.	Investments in BAT to reduce energy consumption. Awareness-raising of Workers and schools on the topic of renewable energy and energy saving.	Group Companies, Workers, Suppliers, Authorities, institutions and public administration, Territories.	Collaboration with Geogreen. Awareness-raising of Workers and schools on the topic of renewable energy and energy saving. Transparent communication of Group performance.
Environmental	Emissions and climate change	Section "E for Environment" page 42 Disclosures GRI 305-1,2,4,7	Product solutions with limited emissions compared to standard counterparts.	Emissions from business operations and energy purchases.	Environmental and health-related damage to Local Communities and surrounding Territories.	Direct scope 1 emissions + indirect scope 2 emissions.	The RadiciGroup Quality, Environment, Energy, Health and Safety Policy, ISO 14001 site certification and related policies.	Emission measurement systems at all production sites, abatement systems, investments in BAT, plant efficiency. Energy mix with relevant presence of renewable sources, use of processes with lower carbon footprint (e.g. mass dyeing and mechanical recycling). Transparency and communication on the Group's ESG performance through the Sustainability Report.	GRI Disclosure. Business management KPIs. ETS System (emissions trading). Monitoring actions of site environmental managers. Measurement of product carbon footprint through LCA methodology.	Design and development of products with a smaller carbon footprint than standard versions, but with comparable performance. Virtuous plant management that allows for carbon credits, emissions below the European emission trading benchmark for the chemical area.	Group Companies, Customers, Suppliers, Authorities, institutions and public administration, Territories.	Collaboration with Customers and Suppliers to create products with a limited carbon footprint. Transparent communication of Group performance.
Environmental	Circular Economy	Section "S for Social" page 33 and following GRI 306-1,2,3,4,5	Promotion along the value chain of partnership and research and development activities for the creation of circular and durable solutions.	Still partially linear system.	Loss of Customers and reduction of market share in the long run for not bringing sustainable and circular products to the market.	Direct + through their own activities.	The RadiciGroup Quality, Environment, Energy, Health and Safety Policy, ISO 14001 site certification and related policies.	Collaboration with the value chain for eco-design solutions. Exploration through InNova Roots, of all recycling options. Use of renewable energy sources and raw materials (fully or partly bio-based products) in the Group.	GRI Disclosure. Business management KPIs. LCA studies on products.	Proposal of recycled or bio-based products. Awareness-raising actions on circularity in the value chain (advocacy within trade associations). Active participation in the work of numerous industry associations promoting circularity, e.g. Ellen MacArthur Foundation. Awareness-raising actions on circularity for school children (e.g. Education Project).	The entire value chain, in particular Suppliers, Customers.	Collaboration with the value chain for eco-design solutions. Awareness-raising actions on circularity in the value chain (advocacy within trade associations). Active participation in the work of numerous industry associations promoting circularity, e.g. Ellen MacArthur Foundation. Awareness-raising actions on circularity for school children (e.g. Education Project).
Environmental	Environmental footprint of products	Section "S for Social" page 50	Through LCA studies greater knowledge of impacts and transparency available to the value chain.	Environmental impact generated by production activities and the product, at all stages of its life cycle. Consumption of raw materials.	-	Direct + through its own activities that may or may not contribute to placing products with a limited and measured footprint on the market.	The RadiciGroup Quality, Environment, Energy, Health and Safety Policy.	Measuring the environmental footprint of products through LCA methodology.	Presence and updating of LCA studies and certified environmental labels (EPDs) for RadiciGroup's main products.	Creation of a team of Group LCA experts to support LCA requests from sites and customers, improving the level of service and transparency in the value chain.	The entire value chain, in particular Suppliers, Customers.	Collaboration on primary data collection, sharing of Group data.
Environmental	Materials and chemicals management	Section "S for Social" page 32 Disclosure GRI 301-1	Creation of a virtuous circle of supply capable of lowering the use of new raw materials through recycling and material rationalisation.	Use of non-renewable materials. Use of hazardous chemicals.	Dispersion of chemical pollutants and polymers, both inside and outside the company.	Direct + Indirect, through products.	The RadiciGroup Quality, Environment, Energy, Health and Safety Policy, ISO 14001 site certification and related policies. The Operation Clean Sweep (OCS) programme shared by all RadiciGroup companies.	Substance handling and management procedures. Issuing safety data sheets even for non-hazardous products. Containment measures in plants to counteract material dispersion.	Accidents, near misses and non-conformities. For the chemical area, Responsible Care indicators.	OCS certification being progressively rolled out across the Group.	Group Companies, Workers and then Suppliers and Customers.	Worker training on the risks associated with the use of substances. Awareness-raising of Workers on the attention to be paid when handling pellets (OCS project). On the topic of recycling, initiatives to explore the different possibilities related to recycling.
Environmental	Protection of water resources	Section "E for Environment" page 48 Disclosures GRI 303-1,3,4	Through the partnership with Geogreen, a partner supplier of energy, monitoring and responsible management of the riverbed sections on which the power plants are located. Through the payment of water concession fees, it contributes to local community development as far as Italian companies are concerned.	Water resource utilisation, use of water from areas of high water stress that could contribute to desertification, droughts and water scarcity for Local Communities.	Chemical contamination of water and consequent health and safety impacts.	Direct and indirect through activities especially in areas of high water stress.	The RadiciGroup Quality, Environment, Energy, Health and Safety Policy, ISO 14001 site certification and related policies. The Operation Clean Sweep (OCS) programme shared by all RadiciGroup companies.	Water saving through recirculation of water in systems. Transparency and communication on the Group's ESG performance through the Sustainability Report.	GRI Disclosure. Business management KPIs. Monitoring actions of site environmental managers.	OCS certification being progressively rolled out across the Group.	Bodies, institutions and public administration, Territories, Suppliers.	Open Day activities for Geogreen's power plants, aimed at Workers and Local Communities. Awareness-raising of Workers on the attention to be paid when handling pellets (OCS project).
Environmental	Responsible waste management	Section "E for Environment" page 33 and following Disclosures GRI 306-1,2,3,4,4	Reuse of production waste for the production of secondary raw materials. Reuse of packaging where possible (e.g. pallets, reel dividers with return mechanisms).	Generation of waste destined for landfill (due to impossibility of sending it to other reuse/recycling/recovery chains). Generation of hazardous waste.	Non-compliance with regulations on the disposal of waste and other hazardous substances and/or environmental protection.	Direct.	The RadiciGroup Quality, Environment, Energy, Health and Safety Policy, ISO 14001 site certification and related policies. The Operation Clean Sweep (OCS) programme shared by all RadiciGroup companies.	Transparency and communication on the Group's ESG performance through the Sustainability Report.	Site KPIs. GRI Indicators. Monitoring actions of site environmental managers. Site loading and unloading registers.	Offering pre and post consumer recycled products to the market. Selections of disposal facilities with high recycling/recovery potential.	Bodies, institutions and public administration, Suppliers, Group companies, Workers.	Awareness-raising activities for Workers and Companies on internal waste management. Awareness-raising of Workers on the attention to be paid when handling pellets (OCS project). Transparent communication of Group performance.
Social	Workers' Health and Safety	Section "S for Social" page 61 and following Disclosures GRI 403-1, 2,3,4,5,6,8,9,10	Worker training beyond legislative obligations. Specific Worker awareness campaigns in many companies.	-	Loss of effectiveness of health and safety training.	Direct.	The RadiciGroup Code of Ethics. The RadiciGroup Quality, Environment, Energy, Health and Safety Policy, ISO 45001 site certification and related policies.	Health and safety management systems at all Group sites. Extensive training programmes in addition to regulatory compliance. Transparency and communication on the Group's ESG performance through the Sustainability Report.	All injury and health indicators (balance sheet information and company KPIs related to health and safety management systems).	Initiatives to raise Workers' awareness of their role in company safety (e.g. Company Safety Week). Voluntary initiatives for health protection in the company (vaccinations, examinations and non-compulsory medical services paid for by the company provided on a voluntary basis). Initiatives for the prevention of certain serious diseases organised by companies (e.g. Sto Bene RadiciGroup initiatives, cancer prevention initiatives).	Workers, Group Companies.	Initiatives to raise Workers' awareness of their role in company safety (e.g. Company Safety Week). Voluntary initiatives for health protection in the company (vaccinations, examinations and non-compulsory medical services paid for by the company provided on a voluntary basis). Initiatives for the prevention of certain serious diseases organised by companies (e.g. Sto Bene RadiciGroup initiatives, cancer prevention initiatives). Transparent communication of Group performance.
Social	Sustainable Research and Innovation	Section "S for Social" page 50	Promotion of sustainable product design and eco-efficiency principles through investment in research and development.	Limited technological renewal of products and assets, with direct impact on competitiveness, profitability and value creation.	Failure to comply with international regulations. Reputational risks. Loss of market share and economic-financial risks.	Direct + through own activities.	Radici InNova Articles of Association. The RadiciGroup Quality, Environment, Energy, Health and Safety Policy.	Innovation activities at each site, overseen by Radici InNova. Radici InNova's monitoring of the international legislative framework in terms of innovation. Monitoring of funding opportunities for innovation by Radici InNova.	Group's expanding portfolio of sustainable processes and products. Identification of funding for ad hoc projects.	Multi-stakeholder projects on strategic sectors (e.g. 3D Printing, Mobility, Space Economy) by the Group.	The entire value chain as well as Schools, universities and research and innovation centres.	Multi-stakeholder projects on strategic sectors (e.g. 3D Printing, Mobility, Space Economy) by the Group.
Social	Attracting, valuing and developing human resources	Section "S for Social" page 56 GRI 401-2, 404-1, 404-2	Job creation and distribution of value to the local community. Development and enhancement of Workers' skills through training, well-being initiatives, work-life balance, flexible working policies, smart working, protection, welfare platform.	Difficulties in being attractive to younger generations due to the type of work (labour-intensive, shift work, continuous cycle).	Increased turnover rate due to staff dissatisfaction. Loss of skills and know-how due to the absence on the labour market of resources with high digital skills, STEM figures or skilled workers.	Direct.	The RadiciGroup Code of Ethics. The RadiciGroup values.	Employer branding. RadiciGroup policies to train personnel and strengthen their professionalism (basic and soft skills training). RadiciGroup policies for work-life balance (e.g. smart working, part time). RadiciGroup welfare-related policies (welfare platform, health and prevention initiatives). Transparency and communication on the Group's ESG performance through the Sustainability Report.	Group turnover rate and new hires. Workers' degree of loyalty to the Group and seniority. Ability to find the people needed by Companies with the necessary degree of knowledge and experience.	Initiatives to increase participation and a sense of belonging, organisation of transversal and inter-company training courses to enable people to get to know each other. Education project to create a bridge between RadiciGroup and the school world.	RadiciGroup Workers.	Initiatives to increase participation and a sense of belonging, organisation of transversal and inter-company training courses to enable people to get to know each other.
Social	Human and Workers' rights	Section "S for Social" page 55 Disclosure GRI 406-1	Promotion of a culture of human rights awareness and respect by management and business partners.	-	Violation of human rights, both within the Group and along the value chain, with reputational, human dignity and community development repercussions.	Direct + through own activities, especially at supply chain level.	The RadiciGroup Code of Ethics. The RadiciGroup Values.	Due diligence, Group policy and human rights training planned.	Reports made through the whistleblowing system. Reports from Companies.	-	RadiciGroup Workers.	Worker Training on the Code of Ethics and Human Rights (2023-2024 project)
Social	Cybersecurity and data protection	Section "G for Governance" page 99 Disclosure GRI 418-1	Promotion of computer security of sensitive data and information through an extensive training programme.	Cyber attacks and breaches of customer security and privacy, resulting in penalties and loss of customer and/or other Stakeholder data.	Image damage as a result of exposure of the Group to cyber attacks, viruses, unauthorised access aimed at extracting or corrupting Group information.	Direct + through own activities.	ICT Area corporate policies and procedures.	Computer security risk analysis and data loss.	-	Actions to integrate existing tools and on further solutions to be implemented. Diffusion of a cybersecurity culture extended to all RadiciGroup Workers who have a named email account (cybersecurity course).	RadiciGroup Workers.	Courses and training related to cybersecurity.

CATEGORY	MATERIAL TOPIC	INDICATOR REFERENCE IN THE SUSTAINABILITY REPORT	POSITIVE IMPACTS	IDENTIFIED NEGATIVE IMPACTS	POTENTIAL NEGATIVE IMPACTS	DIRECT/INDIRECT INVOLVEMENT OF THE GROUP IN NEGATIVE IMPACTS	COMPANY POLICIES ON THE TOPIC	MONITORING/MITIGATION/MANAGEMENT OF NEGATIVE IMPACTS (Disclosure 2-26)	MEASUREMENT OF THE EFFECTIVENESS OF THESE ACTIONS (Disclosure 2-26)	ACTIONS TO MANAGE OR SUPPORT POSITIVE IMPACTS	MAIN STAKEHOLDERS INVOLVED (Disclosure 2-29)	MAIN METHODS OF INVOLVEMENT (Disclosure 2-29)
Social	Relations with Territories and impact on Local Communities	Section "S for Social" page 69 Disclosure GRI 413-1	Promotion of socio-economic development processes in the territories and contribution to the development of professional opportunities. Maintaining skills in the area with direct/indirect positive economic impacts on local families and communities.	Use of some land resources (soil, water).	Closure of companies with consequent loss of employment for the local workforce.	Direct + through own activities.	The RadiciGroup Code of Ethics.	Presence of RadiciGroup companies as a point of reference for the territory. Recruitment of local staff (within 20 km of the company headquarters) and use of local suppliers for some services (e.g. catering, cleaning, maintenance). Economic support for social, cultural and sporting activities of a local nature). Transparency and communication on the Group's ESG performance through the Sustainability Report.	RadiciGroup's reputation in the reference territories. Participation of local communities in RadiciGroup open door events. Open communication channels between the Group and the target territories.	Group open door initiatives, initiatives in favour of educational institutions (e.g. Education project). Initiatives for the enhancement of the local natural or cultural heritage.	Local authorities, institutions and public administration, Schools, universities and research and innovation centres, third sector.	Sharing added value with Workers through wages. Sharing the added value with the Territories through inducements and support for different activities. Listening to the needs of the Territories. Transparent communication of Group performance.
Governance	Long-term value creation and business continuity	Section "G for Governance" page 83 Disclosure GRI 201-1	Contributing to the growth of the national economy and job creation, including by complying with applicable tax legislation and integrating sustainability criteria into acquisition and investment decisions.	-	Erosion of shareholder dividends due to poor economic performance. Image damage due to the dissemination of misleading and deceptive information.	Direct + through its own activities that may or may not contribute to the creation of shared value with Stakeholders in the value chain and local communities.	The RadiciGroup Code of Ethics. The RadiciGroup Quality, Environment, Energy, Health and Safety Policy.	Careful monitoring of ratios relating to the Group's economic and financial performance and its capital strength. Transparency and communication on the Group's ESG performance through the Sustainability Report.	The results of RadiciGroup. Acquisitions and the increasing degree of internationalisation of the Group. BAT investments and environmental protection.	-	Group Companies, Financial Institutions, Workers, Local Communities and Territories, Bodies, institutions and public administration.	Sharing RadiciGroup's financial and non-financial results with financial, banking and insurance institutions. Sharing added value with Workers through wages. Sharing the added value with the Territories through inducements and support for different activities. Listening to the needs of the Territories. Transparent communication of Group performance.
Governance	ESG corporate governance, risk management and compliance	Section "The Group" page 10 Section "G for Governance" page 70, 80 and following - 91 and following Disclosures GRI 415-1, GRI 417-1, 2, 3 and GRI 207-1,3,4	Promoting a culture of risk management, ethics and anti-corruption among managers, Workers, business partners and other Stakeholders	-	Lack of coordinated strategic ESG decisions due to the absence of a steering committee. Limited awareness of business risks with consequent impacts on decision-making processes. Cases of non-compliance with laws and regulations that may lead to fines and penalties.	Direct + through own activities	The RadiciGroup Code of Ethics. All company certifications based on the principles of risk analysis.	Establishment of the Corporate Compliance and Internal Auditor function. Risk analyses conducted at the level of the different Business Areas with regard to Health, Safety, Environment, Energy aspects. Oversight of the Group's supply chain with corporate procurement and BA functions. Oversight of economic, financial and market risks with the Administration, Finance and Control of corporate function.	Audit results of the Corporate Compliance and Internal Auditor function and related improvement plans. GRI Disclosure. Business management KPIs. Monitoring actions of site/BA management system managers. Monitoring actions of corporate and BA procurement functions. Monitoring actions of the corporate Administration, Finance and Control function.	Improvement Plans	Group companies, Customers, Suppliers, Bodies, institutions and public administration.	Sharing the Code of Ethics and the principles behind the certifications with Stakeholders. Active involvement of Group companies in obtaining certifications.
Governance	Responsible supply chain management and traceability	Section "S for Social" page 114 Disclosure GRI 204-1	Optimisation of product traceability through process management software. Promotion and dissemination of good sustainability practices along the value chain (mutual dialogue with Suppliers, Customers, associations and scientific partners).	-	Failure to implement verification of economic, social and environmental requirements at Suppliers and in purchasing conditions.	Direct + through its own activities that may or may not contribute to the introduction and dissemination of good practices in the supply chain.	The RadiciGroup Code of Ethics. The Supplier Code of Conduct. The Customer Code of Conduct.	Oversight of the Group's supply chain with corporate procurement and BA functions. Selection of Suppliers who share RadiciGroup's principles. Selection of local Suppliers to support the economy of the territories where RadiciGroup has a presence.	Reports made through the whistleblowing system.	Active participation in the work of numerous industry associations promoting sustainability, circularity, traceability and transparency (e.g. SDA Bocconi's Monitor for Circular Fashion).	The entire value chain, in particular Suppliers, Trade Associations, Authorities, institutions and Public Administration.	Sharing Codes of Conduct, sharing the Group's ethical principles. Sharing the Group's traceability data with Suppliers and Customers.