



Novamont & BioBag

Disclosure Report

Date Submitted: February 21st, 2024



Disclosure Materials

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- 1) Be transparent about details of the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue
- 3) Demonstrate that management practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company



Disclosure Questionnaire

Industries and Products

	Yes	No
Please indicate if the company is involved in production or trade in any of the following. Select Yes for all options that apply.		
Animal Products or Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Biodiversity Impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Chemicals	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Alcohol	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Firearms Weapons	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Mining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Pornography	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Tobacco	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Energy and Emissions Intensive Industries	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fossil fuels Gambling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Genetically Modified Organisms	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Illegal Products or Subject to Phase Out	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industries at Risk of Human Rights Violations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monoculture Agriculture	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nuclear Power or Hazardous Materials	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payday, Short Term, or High Interest Lending	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Water Intensive Industries	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Advisory Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Outcomes & Penalties

	Yes	No
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Breaches of Confidential Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bribery, Fraud, or Corruption	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company has filed for bankruptcy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consumer Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial Reporting, Taxes, Investments, or Loans	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Large Scale Land Conversion, Acquisition, or Relocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Litigation or Arbitration	<input type="checkbox"/>	<input checked="" type="checkbox"/>
On-Site Fatality	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Penalties Assessed For Environmental Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Political Contributions or International Affairs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recalls	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Significant Layoffs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Violation of Indigenous Peoples Rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Practices

	Yes	No
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company prohibits freedom of association/collective bargaining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company workers are prisoners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conduct Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Confirmation of Right to Work	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does not transparently report corporate financials to government	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Employs Individuals on Zero-Hour Contracts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Facilities located in sensitive ecosystems	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ID Cards Withheld or Penalties for Resignation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No formal Registration Under Domestic Regulations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No signed employment contracts for all workers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Overtime For Hourly Workers Is Compulsory	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payslips not provided to show wage calculation and deductions	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
Sale of Data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Reduction Through Corporate Shells	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers cannot leave site during non-working hours	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers not Provided Clean Drinking Water or Toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers paid below minimum wage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers Under Bond	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Supply Chain Disclosures

	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Child or Forced Labor	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Environmental Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Social Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries

Topic	Energy and Emissions Intensive Industries
Summary of Issue	The majority of energy consumed by Novamont in its direct processes/operations (e.g. production of biobased and compostable bioplastics, biobased intermediates) comes from power plants fed with natural gas whose GHG emissions represent more than 95% of the Scope 1 GHG emissions of the Group.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	90% of the company's revenue comes from manufacturing bioplastics.
Impact on Stakeholders	Energy-intensive manufacturing activities pose an environmental risk due to the emissions produced by such energy use. The extent of environmental impact is dependent on the energy sources utilised and management practices in place to manage energy use.
Management Practices	<p>The company uses a high-efficiency cogeneration plant (Mater-Biotech plant), with a primary energy saving of > 20%, a combustor to recover energy from production waste (Novamont plant of Terni), and a biomethane production plant in Mater-Biotech plant.</p> <p>In 2022, the company built a new trigeneration plant in Patrica that, in six months of operation, has already reduced primary energy consumption by 12%. These plants, assuming full utilisation of the Novamont Group's current production capacity, would reduce energy intensity (GRI 302-3) by 34% compared to 2017 figures.</p> <p>The management of greenhouse gas emissions, whose end goal is achieving the complete decarbonisation of the business, is applied to all three categories of emissions from industrial activities: Scope 1, Scope 2 and Scope 3.</p> <p>The main sources of Scope 1 greenhouse gas emissions (or direct emissions) are those associated with the production of electricity and heat in the plants owned by the Group. Monitoring and reducing those emissions is a key objective. Novamont's target for the future is for its direct emissions from energy production to be as close to zero as possible. The company plans to achieve this goal by modernising and replacing plants with new high-efficiency plants that consume less energy and run on biofuel and offset the residual emission by purchasing high-quality certified carbon credits. Scope 2 emissions include emissions from the use of the electricity, heating and steam purchased.</p> <p>Since 2010, Novamont has purchased and used electricity from renewable sources, prioritising wind and solar power whose origin is traced and certified through Guarantees of Origin (GOs). The supply is formalised in the purchase agreement with the supplier of the energy utilities and covers all the Group's offices in Italy. The Dagöplast production site and other BioBag Group sites also run on renewable electricity.</p> <p>In 2021, Novamont carried out a carbon footprint analysis of the entire Group</p>

	(per ISO 14064-1). It followed this with a feasibility analysis of the possible decarbonisation scenarios that will feature in the company's strategic plan, in a way that is compatible with its economic sustainability. In 2022 the analysis was updated and fine-tuned in its estimate of Scope 3 emissions, and the calculations were carried out in compliance with the GHG protocol guidelines. To make operative the decarbonization plan ad hoc working group has been defined and led by their COO and the supervision of the CEO.

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Facilities located in sensitive ecosystems

Topic	Company has industrial facilities located within the Po Regional Park, part of the Natura 2000 network.
Summary of Issue	Novamont's Bottrighe site has an industrial area located within the Po Regional Park, which is included in the Nature Network 2000, recognised as a UNESCO MaB in 2015 as an ecosystem in which the enhancement of biodiversity is combined with sustainable development strategies.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	19.4% of the company's production, in terms of volume, is based in a sensitive ecosystem.
Impact on Stakeholders	As they are a bioplastics manufacturer located on the Po River, which flows into the delta, water pollution would be a potential risk.
Management Practices	<p>The 1,4 bio-BDO manufacturing site is located close to the Po River, which flows into the delta, therefore the monitoring and management of air and water emissions represent a key aspect to reduce the potential risk of pollution. In this regard, a rigid environmental management system has been implemented. The Bottrighe plant is ISO 14001 certified and is subject to the AIA (Integrated Environmental Authorisation) where the water resource is a subject of assessment and monitoring. AIA implies the mandatory adoption of Best Available Technologies (BAT) where applicable. Furthermore, in 2019 Novamont carried out an integrated risk assessment for biodiversity using the Biodiversity Impact Risk (BIR) methodology. By assessing the biodiversity status, the potential impacts generated by the company's activity and the degree of awareness of the value of biodiversity, this methodology has made it possible to identify areas for improvement for the most sensitive components directly controlled by the company (e.g. emissions to air and water, internal sensitivity to the issue, etc.). To conclude for all sites precautions are taken following local, national and international legislation (including voluntary assessment) to avoid or to reduce any impact on local biodiversity.</p> <p>The water is taken both from the aquifer and the Po River: in the latter case, the water is withdrawn and reintroduced into the same body of water, effectively generating no impact in terms of scarcity of the water resource. All the water discharged is freshwater as the content of suspended materials is less than 1,000 mg/l. The company does regular chemical analysis performed by an external laboratory on the water withdrawal from the Po River (input) and water discharged (output) to the Po River. The company is ISO 14001 certified.</p> <p>Novamont's Bottrighe site was created by converting a disused and pre-existed industrial site so no virgin land has been consumed (i.e. brownfield). Furthermore, a series of remediations were implemented making the site safe and operational.</p>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Operations in high risk contexts

Topic	Application of moratorium on companies operating in Russia and Belarus
Summary of Issue	Novamont has a distribution agreement with a company in Belarus.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>In 2022, Novamont's partnership with their Belarus distributor corresponded to 0.3% of the company's annual revenue.</p> <p>At the beginning of 2022, the distributor employed around 115 people and had partnerships with more than 100 clients over the last 20 years.</p>
Impact on Stakeholders	<p>High-risk contexts are characterized by institutional weakness, political instability, insecurity, armed conflict, widespread violence, or other risks of harm to people. Business can cause, contribute to, or be directly linked to a myriad of human rights abuses and environmental harms. Because respect for human rights is the internationally recognized minimum or "floor" for responsible business conduct, a business cannot be a force for good if it causes, contributes or is directly linked to human rights violations.</p> <p>In response to B Lab's moratorium on companies operating in Russia and Belarus, B Lab is in the process of developing standards for companies operating in high-risk contexts. The moratorium states, "Companies are required to suspend their operations while also avoiding the negative potential impacts of their decision by maintaining their support for their key, non-complicit stakeholders in Russia or Belarus (at the expense of the company), by for example continuing to financially support their employees and not terminating their contracts." After B Lab's standards are published, all applicable companies, including certified B Corps, will be expected to meet the new standards (certified B Corps have a grace period of one recertification cycle).</p>
Management Practices	<p>Before agreeing with the distributor, Novamont conducted a reputational analysis of the company and its shareholders. All distribution contracts have a specific clause requiring them to comply with Novamont's Code of Ethics. In all countries at risk of conflict and human rights Novamont conducts periodic checks on the conduct of its partners also based on the destination markets of the products.</p> <p>The company already was a Certified B Corp at the time the Russia Moratorium was published. B Lab is currently developing new standards for companies operating in high-risk contexts. Novamont will be assessed against these new standards in future recertifications (respecting the grace period for recertifying companies).</p>