

analysis

of materiality and methodology

102

**The references,
processes and method
that we chose for
producing our 2015
Sustainability Report.**

The Sustainability Report is the document with which a company describes, in detail, its environmental, social and economic policies and reports the results achieved in a specific year. Our Report for 2015 is no exception but it was also devised to go one step further: to speak about the values we believe in, the actual efforts made every day and to provide a portrait of a company made up of people before it is made up of objectives, and of experiences, before it is made up of performance. Indeed, it is important to us that our interlocutors really know us; we know which aspects we give priority to, what type of projects we involve our resources in every day.

So, when producing this document, we followed the guidelines of the Global Reporting Initiative, Version G4, which provide an objective and transparent approach. However, we decided to divide the document into two volumes: the first contains all of the information that is indispensable to learn about our world and the philosophy that underlies it; the second contains more in-depth analyses and more specific data than the GRI-G4 reporting guidelines require. In this way, we can provide those who read it with an open and in-depth view of how we interpret sustainability.

Reporting principles

The Sustainability Report is produced in conformity with the “Core” option of the Guidelines of the **Global Reporting Initiative**, and adopts these principles:

PRINCIPLES FOR DEFINING THE CONTENTS OF THE REPORT

Inclusivity
Sustainability context
Materiality
Completeness

PRINCIPLES FOR DEFINING THE INFORMATION QUALITY OF THE REPORT

Equilibrium
Comparability
Accuracy
Timeliness
Clarity
Reliability

When

The Sustainability Report is produced annually and covers the period January – December 2015. This report only considers the activities of Novamont S.p.A. and not the activities entrusted to external companies for the production of raw

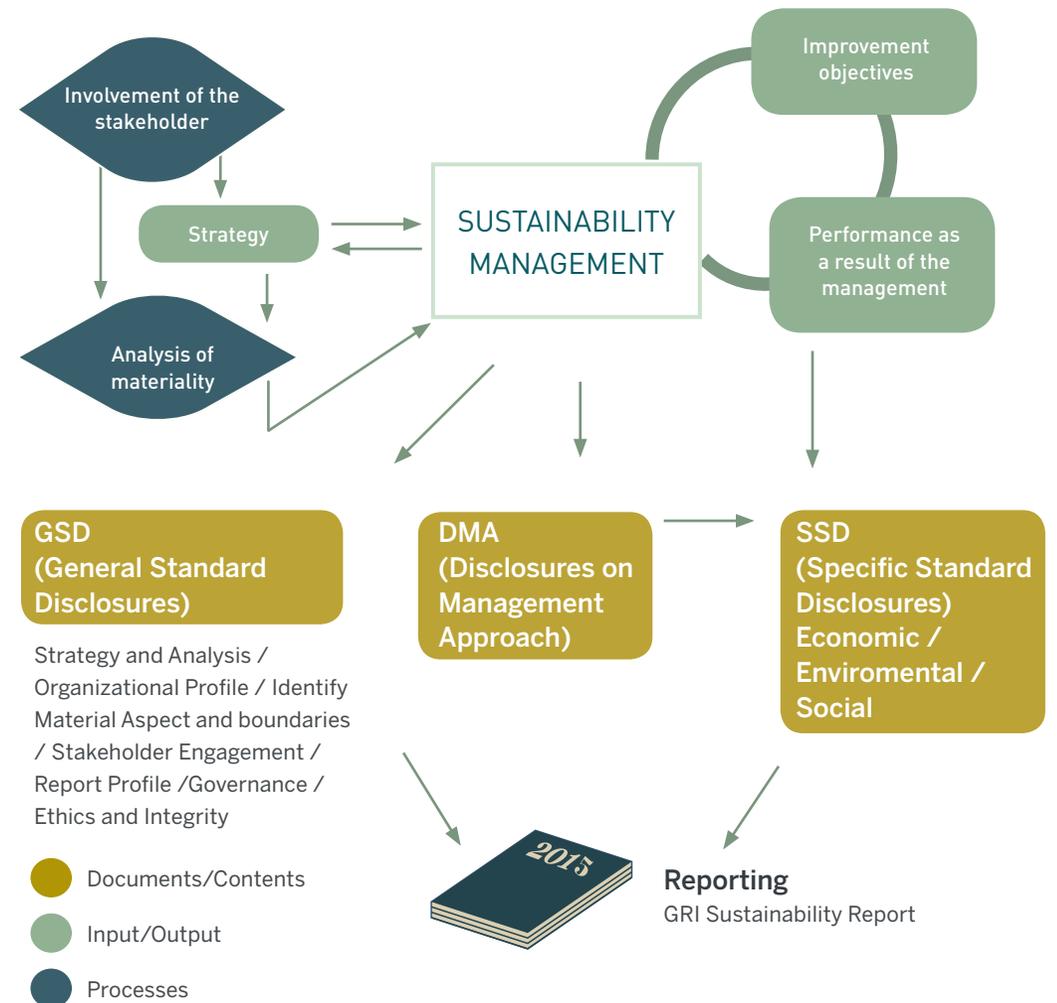
materials and finished products. The corrections with respect to the previous report can be found in the “Corrections” section of Volume II.

| REPORTING YEAR | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------------|---------|------|------|---------|------|------|--------|------|------|
| APPLICATION LEVEL | C | C | B+ | A+ | A+ | A+ | CORE | CORE | |
| GUIDELINES | GRI 3.0 | | | GRI 3.1 | | | GRI-G4 | | |

* See more at page 39, Volume II

Our approach to sustainability

We consider the Sustainability Report to be a system of management and involve all of the company functions in the process.



In accordance with the GRI-G4 guidelines the processes necessary to produce the Sustainability Report, must be set up on the basis of the principle of materiality. By materiality, we mean the point at which aspects become sufficiently important that they must be reported. To define materiality correctly, we decided to involve the stakeholders actively, collecting their views by a process of stakeholder engagement.

The processes – Stakeholder engagement

The process of involving the stakeholders is divided into three points:

01

Identifying the categories of stakeholder

The procedure was developed in 2014, using internal processes, involving the various company functions with questionnaires and focus groups. In 2015, the process was updated and a new class of stakeholder was identified: the Commercial and Marketing function.

02

Defining the methods of involvement

For every category of stakeholder identified different methods were chosen to take account of individual characteristics and to facilitate the expression of each position.

| Category of stakeholder identified | 2015 method of involvement |
|---|--|
| Governments | Monitoring of the legislative panorama |
| Suppliers | SR presented at a large, public event |
| Direct customers | Telephone interviews |
| Indirect customers | SR presented at a large, public event |
| Employees | Questionnaire |
| Commercial and marketing function | Focus Groups |
| Communities/Companies | Brochures |
| Media and press | Monitoring of press reviews |
| Associations and Non-Governmental Organizations | Focus Groups |
| Research and innovation | SR presented at a large, public event |
| Local communities | Monitoring in the media |
| Waste management chain | SR presented at a large, public event |
| The agricultural world | SR presented at a large, public event |
| National and international organizations | SR presented at a large, public event |
| Future generations | |

03

Achieving engagement

Every year, an involvement plan is prepared and updated, and its effectiveness is monitored.

The processes – analysis of materiality

01

Parallel identification of priority aspects for stakeholders and for the company

The identification procedure began in 2014, and is updated when new aspects that are priorities for the stakeholders and/or for the company emerge.

The association between the aspects identified in the procedure carried out by Novamont and those proposed by the GRI-G4 guidelines is always kept clear and is reported in the GRI Content Index.

02

Assigning priorities

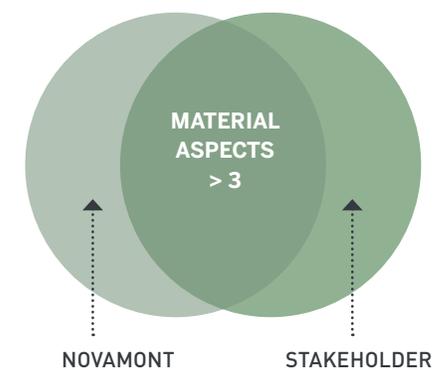
Every priority aspect identified was given a score, from 1 to 5, by Novamont and by the various stakeholder groups involved, using the following criteria:

- Reciprocal positive or negative influence on Novamont and the stakeholders
- The extent of the dependency relationships
- The extent of the impact and number of subjects involved

03

Validation of the aspects identified and identification of materiality

The materiality threshold was set at 3.



04

Reviewing and improvement

The material aspects identified are reported in the table below. For every material aspect, the perimeter within which the relative impacts fall was identified:

- Impact inside the company
- Impact outside the company
- Impact inside and outside the company

The processes – Management Approach

In the DMA (Disclosure on Management Approach), the instruments that we use to provide precise information on how we manage our economic, environmental and social impacts are established and described, defining:

- Policies: the policies used to guide the organization in the management of the material aspects
- Commitments: statements of intent in the management of the impacts for the material aspects
- Aims and objectives
- Responsibilities
- Financial, human and technological resources necessary for the management of the material aspects
- Specific actions related to the management of the material aspects.

Results

All of the material aspects identified were grouped into 6 relevance classes:

- Generation of value
- Management of the work
- Sustainability of the production chain
- Laws and regulations
- Transparency and communication
- Safeguarding and giving value to the territory.

This choice stemmed from the wish to make management of the material aspects and the instruments that come from them simpler and more effective.

THE STRUCTURE OF THIS SUSTAINABILITY REPORT REFLECTS OUR ANALYSIS OF MATERIALITY: EVERY CHAPTER DEALS WITH THE TOPICS THAT RELATE TO A CLASS OF RELEVANCE. THIS STRUCTURE MAKES IT EASIER TO NAVIGATE THE INFORMATION AND MIRRORS OUR APPROACH TO SUSTAINABILITY AND TO COMMUNICATING THIS VALUE.

MATERIAL ASPECTS | NOVAMONT AND STAKEHOLDERS

| Material aspects | Novamont | Employees | Commercial and marketing function | Customers | Associations and Non-Governmental Organizations | Government | Perimeter* |
|---|----------|-----------|-----------------------------------|-----------|---|------------|------------|
| Generation of value | | | | | | | |
| Economic value of the company | √ | √ | √ | | | | I+O |
| Indirect economic impacts | √ | | | | √ | | O |
| Innovation | √ | √ | √ | √ | | √ | I+O |
| Diversification of the market | | | √ | √ | | √ | I |
| Management of the work | | | | | | | |
| Safety of the processes | √ | √ | √ | | √ | | I |
| Attention to the workers | √ | √ | √ | | √ | | I |
| Organization of the work | | √ | | | | | I |
| Sustainability of the production chain | | | | | | | |
| Products | √ | √ | √ | √ | | √ | I+O |
| Materials | √ | | | | | √ | I+O |
| Energy | √ | | | | √ | √ | I+O |
| Biodiversity | √ | | | | √ | | O |
| Waste | | | | | √ | √ | O |
| Overall actions | √ | | | | | | I+O |
| Laws and regulations | | | | | | | |
| Product conformity | √ | | √ | √ | | | I+O |
| Regulatory context | √ | | √ | √ | √ | √ | I+O |
| Extended responsibility | √ | | | | | | O |
| Voluntary agreements | | | | √ | | | I+O |
| Transparency and communication | | | | | | | |
| Product communication | √ | | √ | √ | √ | | O |
| Intracompany communication | | √ | | | | | I |
| Local territory and community | | √ | | | √ | | O |
| Safeguarding and giving value to the territory | | | | | | | |
| Water | √ | | | | | | O |
| Soil use | √ | | | | √ | √ | O |
| Local communities | √ | | | | √ | | O |

* perimeter within which the impacts fall

I= Inside O= Outside I+E= Inside+outside

Requests for information and explanations on Novamont's Sustainability Report may be sent to:

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This Sustainability Report has been verified externally by SAI GLOBAL, an organization that is independent of Novamont, as reported in the assurance statement on page 90.

The data contained in this report will be kept for five years and archived:

- In the company offices of the functions that collaborated in producing the document
- In the office of the CSR function, who take care of its publication.