



AQUAFIL AND SUSTAINABILITY

2018

We have a story to tell

A story that started more than fifty years ago in Arco di Trento, on the lake Garda banks.

This is the story of a small company that through an ambitious vision in harmony with its territory, quickly became a leading player in the production of Polyamide 6.


Many things have changed during this time: people, markets, activities. But what moves us, the will to make the difference, has remained intact.

Our ambition to create products with respect to the environment is what has driven us since the very beginning of our sustainability journey, an ambition that has been clearly expressed in our sustainability report in the last 12 years. This report is an overview of everything we have achieved so far and the future challenges that lie ahead. We see this report as a precious means for dialogue with our stakeholders.

From this year on, the sustainability report forms an integral part of the non-financial disclosure included in the annual consolidated financial statements as established by the Italian Legislative Decree n. 254/2016, and summarises all the commitments Aquafil has made to support and safeguard its employees, local communities, the environment in which it operates and the planet as a whole. The aim of this document is to provide a clear and concise summary of what is more extensively covered in the non-financial statement.

"Aquafil and Sustainability" is the story of what we do every day to contribute to sustainable development. We have chosen to report here only the most relevant information: the pillars on which we base our sustainability path, which we called ECO PLEDGE®, and some of the main results achieved in 2018. At the end of each paragraph you will find the link to the more detailed information in the non-financial disclosure.

Giulio Bonazzi





2018

An overview

For more than 50 years Aquafil has been a global leader in the production of synthetic fiber, particularly for Polyamide 6 applications. Through our never-ending search for excellence and innovation, together with our commitment to sustainability, we aim to make our company a benchmark for the entire sector.

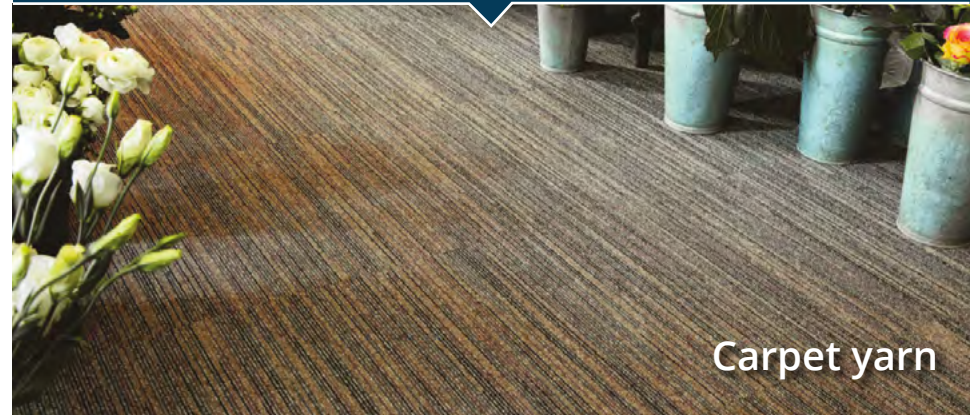
2 Plants certified
ISO 50001 (Energy)

4 Plants certified
OHSAS 18001 (Safety)

5 Plants certified
ISO 14001 (Environment)

8 Plants certified
ISO 9001 (Quality)

3 Product areas





16 Plants
8 Countries
3 Continents



+5%
Revenue
growth
compared
to 2017



-30%
Absolute GHG emissions
compared to 2016



€ 555
Million of
economic value
created in 2018



2,773
Employees
worldwide
44,743
training hours
in 2018

The sustainability path

For more than 30 years Aquafil has placed the circular economy as a core value of the company's business strategy.

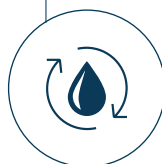
To save resources, give new life to otherwise lost materials, increase efficiency along the value chain. Through our ambitious goals, step by step we are positioning the Group as a leader, both nationally and internationally.

While a lot has been achieved, there is more that can be done.

1990

1990

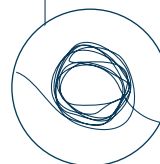
Recycling of the lactam waters resulting from the polymerization process



2000

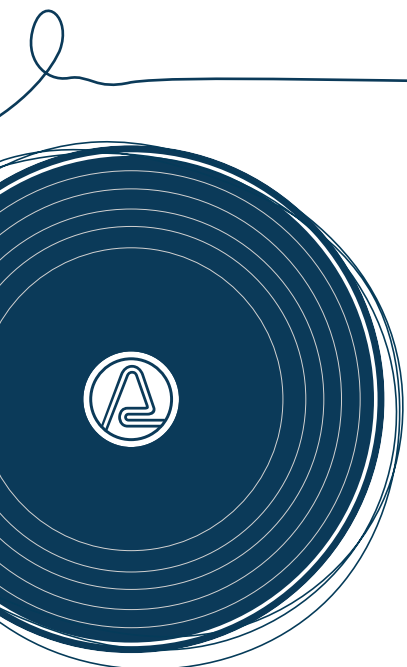
1998

Waste recycling to produce technopolymers



2008

Creation of the **"Energy&Recycling"** operating unit, which develops and promotes projects, technologies and skills to improve environmental performances of products and processes



2010

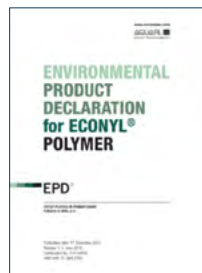
2011

Creation of the **ECONYL® Regeneration System**, a production model which allows to obtain regenerated raw materials from recycling nylon waste

ECONYL®

2013

Launch of **"Healthy Seas – A Journey from Waste to Wear"** an initiative aimed at raising awareness on marine pollution and recovering abandoned fishnets



First EPD published for the ECONYL® polymer

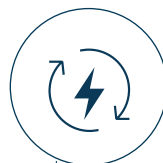
2015

Start of the **ECONYL® Qualified** initiative, aimed at developing the Group's first suppliers' environmental qualification protocol. The Group works together with its suppliers to make the ECONYL® supply chain ever more sustainable



2015

Industrial symbiosis: AquafilSLO gives the excess thermal energy produced to the Atlantis water park in Ljubljana, reducing the impact and wasted energy of the two activities



2018

Start of the European project **EFFECTIVE**, aimed at the development of nylon and other textile fiber from biomaterials



2017

Aquafil **enters in the stock market** with the aim to increase its circular business

Launch of the **"Io Penso Circolare"** contest, to reward innovative ideas in the circular economy field



Opening of the US **Aquafil Carpet Recycling** plant (ACR#1), aimed at the recycling of old carpets. The recovered materials find different uses: the nylon fraction is regenerated in the ECONYL® process, while the others are used in other industrial sectors



THE SUSTAINABILITY
PILLARS:

THE ECO PLEDGE®

Support communities

To grow in harmony with local communities, supporting their thriving development with attention to the environment

Rethink products

Re-design products with circularity principles, giving new life to waste materials through an infinite cycle

Environmental protection

To produce in a conscious and responsible way, pursuing continuous improvement and striving for excellence at every level

Virtuous supply chain

To work together with suppliers and clients to bring change and drive environmental sustainability in the entire sector

Care for people

To support the growth of Aquafil's employees who, through commitment and passion, constitute the basis of the company's Group



AQUAFIL AND THE SUSTAINABLE DEVELOPMENT GOALS

We endorse the UN Sustainable Development Goals (SDGs) and use them as a guide to determine our sustainability goals and objectives.

This provides us with a framework to measure and track our progress, and globally communicate about a model for sustainable development.

In 2018, Aquafil contributed to the achievement of **8 SDGs** through its sustainability improvements.



OUR COMMITMENT

Rethink products

A circular economy encompasses more than recycling. It concerns the entire life cycle of a product; from design and production, to end of use. It requires new thinking to move away from the take-make-dispose model to an innovative one driven by resource saving and impacts reduction.

Aquafil has based its enterprise model on this idea, making itself a spokesperson for a challenge in the modern chemistry field: to create high quality products from recycled resources, giving new life to materials having still an infinite number of lives to live.



ECONYL® the infinite yarn

Thanks to the ECONYL® Regeneration System it is possible to obtain new nylon yarn from discarded resources such as end of life fishnets and other waste materials that would otherwise go to landfill. Our system also allows us to reduce GHG emissions from the caprolactam, the raw material used to produce nylon yarn.



70,000
Oil barrels

EVERY 10 THOUSAND OF
ECONYL® RAW MATERIAL
ARE SAVED



57,100
Tons of CO₂

Research never stops

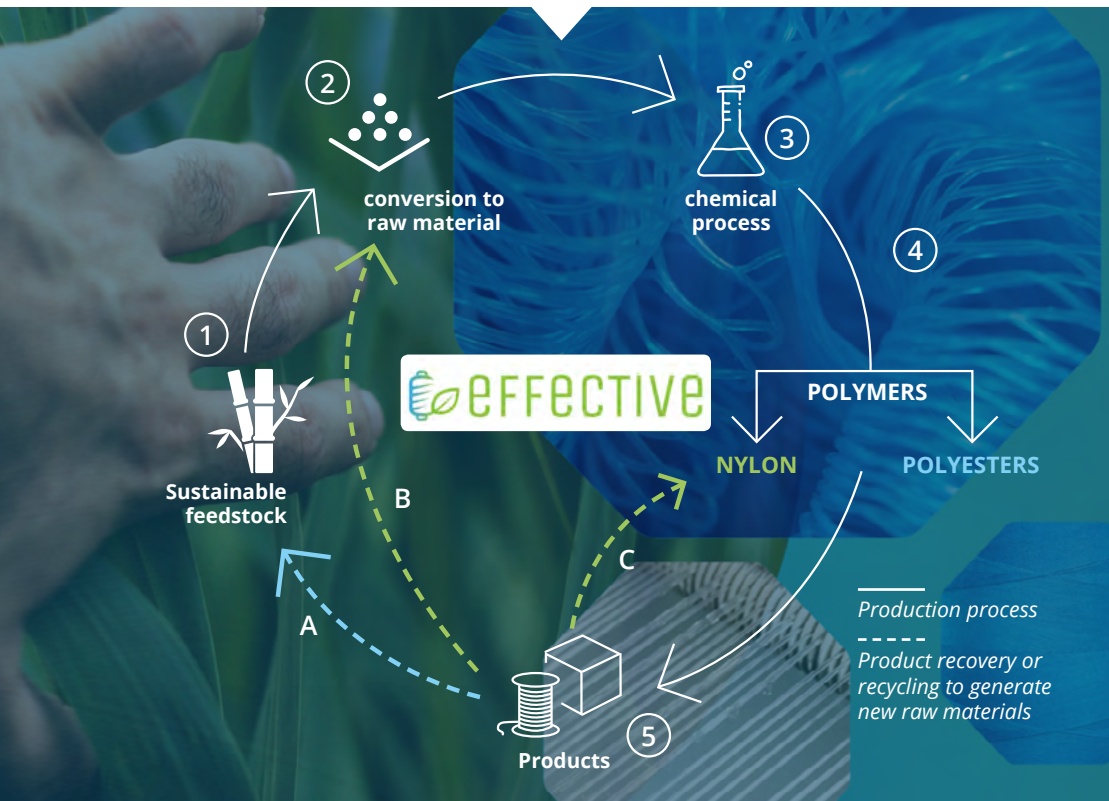
Aquafil's research aims to improve sustainability performances in every aspect of the supply chain. A key example of this is the ECONYL® process, which is able to recycle materials at their end of life.

The cooperation between Aquafil and Genomatica, which began in 2017, aims to make supply chains which use virgin materials more sustainable.

Aquafil takes part in the EFFECTIVE project, one of the main industrial initiatives to introduce circular economy in the textile and packaging sectors. The project is part of the European Union H2020 program.

Its objective is to develop innovative materials (such as a bio-nylon) from renewable raw material quickly launched into the market, in order to reduce the dependence from fossil raw materials.

www.effective-project.eu



The recycling of carpets

In 2018 Aquafil opened the new Aquafil Carpet Recycling (ACR#1) plant in the United States, for the purpose of recovering carpets at the end of their useful life.

Here carpets can be entirely recycled thanks to cutting edge technologies, with which more than 16,000 tons of carpets will be processed each year. The different materials that are processed will be used by disparate industries. Nylon will be regenerated in ECONYL® yarn, polypropylene will be sold to the moulding industry, while calcium carbonate will be used in road constructions or by cement plants.



OUR COMMITMENT

Protect the environment

Aquafil is committed to protecting the environment throughout the entire supply chain.

We have specific initiatives in place designed to reduce the environmental impacts of our processes, through energy recovery.

For example, AquafilSLO transfers our excess thermal energy to Atlantis water park, where it is used to heat their water, thus minimising energy wastage for both companies.

Reducing the impact of our processes



-30%

TOTAL GHG
EMISSIONS WITH
RESPECT TO 2016



100%

ELECTRICITY
FROM RENEWABLE
SOURCES

For more information, please refer to the Financial Report 2018, paragraph 2.2.3.

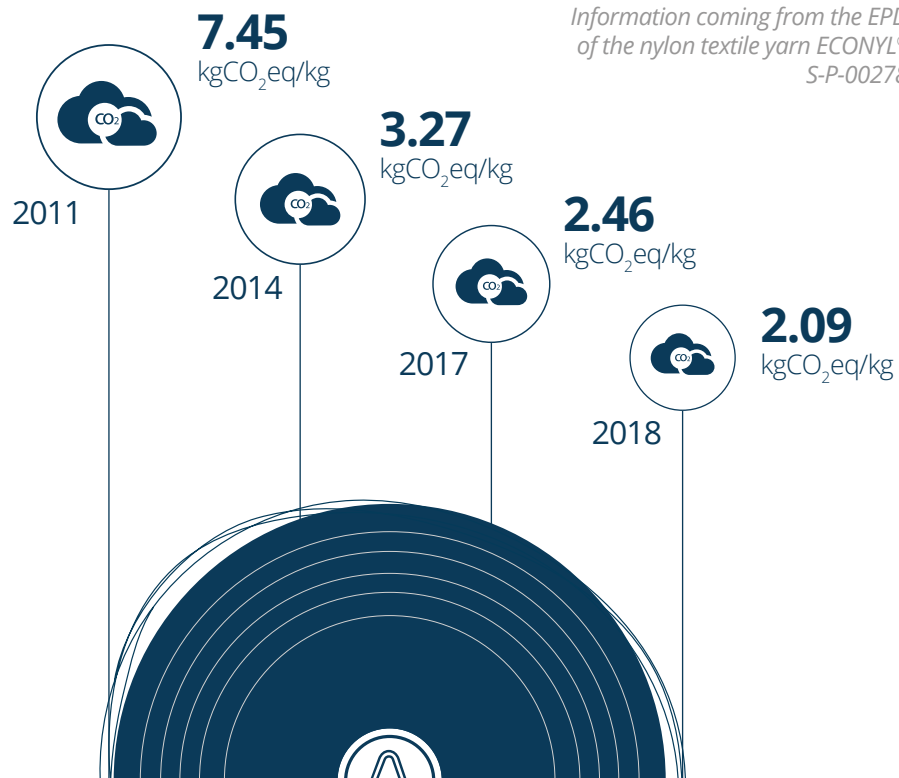
Cutting-edge products

Aquafil is committed to continually improving product performance and quality, in line with reducing the environmental impact of its production processes.

We carry out LCA analysis to measure and monitor the environmental impacts of our products and processes throughout their entire life cycles, in order to identify areas and opportunities for improvement.

Results are positive, and you can see it.

CARBON FOOTPRINT 2011-2018 TREND TO PRODUCE 1 KG OF ECONYL® YARN



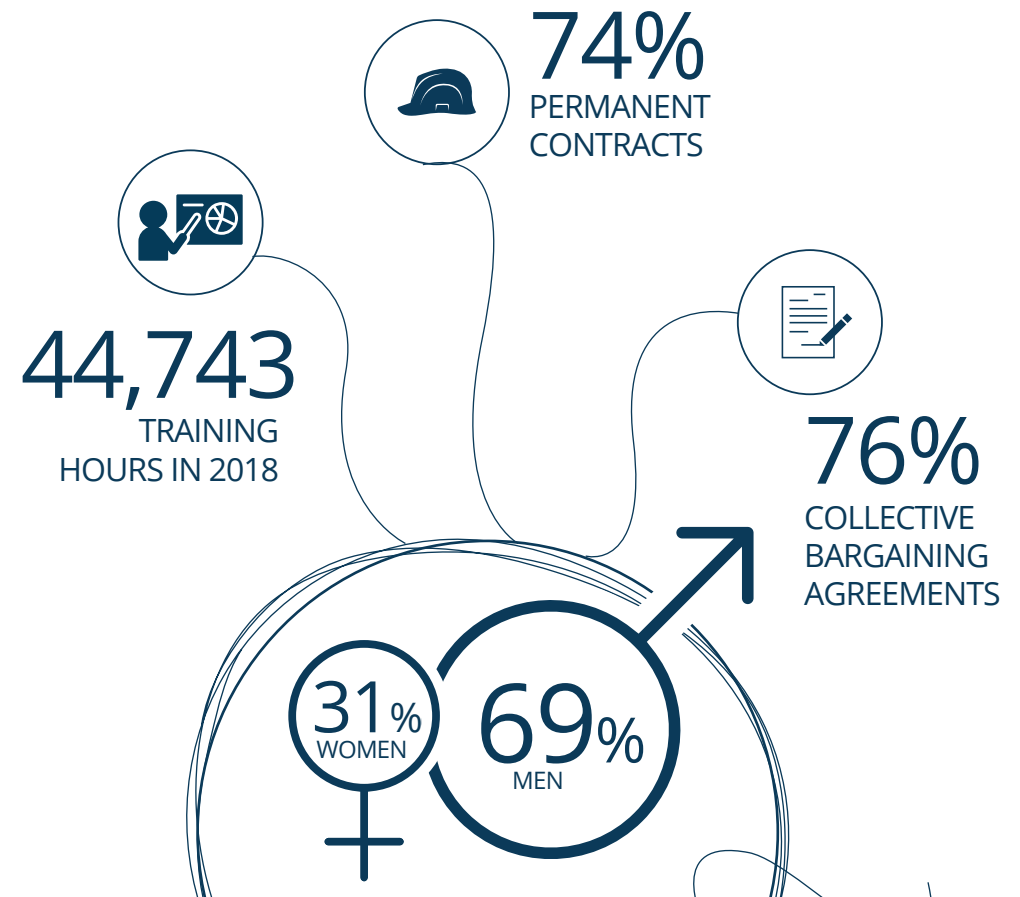


OUR COMMITMENT

Care for people

There are almost 2,800 people who, with their value and commitment, contribute to making Aquafil a reference point internationally.

Their commitment, experience and passion are integral to the continuing growth and success of the Aquafil Group.



INITIATIVES FOR EMPLOYEES



CANCER PREVENTION

Thanks to an agreement with local organisations, the Croatian and Chinese plants employees benefit from prevention and control medical examinations for the main forms of cancer.



CROATIAN DIVERSITY CHARTER

Signed by AquafilSLO, it is an international voluntary commitment to safeguard diversities and prevent discrimination in workplaces.

HEALTH WEEK

An initiative to encourage a healthy lifestyle and a proper diet.

In this occasion, held in the Slovenian, Chinese and Croatian plants, educational materials are displayed and for some weeks a year in the dining rooms and canteens fresh fruit is made freely available.



COMPANY WELFARE

Aquafil offers its employees services and benefits in order to balance work and family life. For example, favorable shiftwork are guaranteed to women employees with children to enhance their family-work balance.



OUR COMMITMENT

Virtuous supply chains

To realise our ambition for a circular business, continuous collaboration with stakeholders along our value chain is fundamental. Aquafil aims to build strong relationships with clients and suppliers based on a shared commitment to continually improving the way we work.

PARTNERSHIPS



ECONYL® RECLAIMING PROGRAM

An international network structured around recovering materials at end of use, based on partnerships with institutions, organisations, private and public associations and companies. This system allows Aquafil to collect large quantities of waste for regeneration into ECONYL® yarn.



TERNUA

TERNUA collaborated with Aquafil on the REDCYCLE, a project that recycles discarded fishing nets into ECONYL® yarn. The material created from the rescued nets is then used in the production of sportswear.



GUCCI

In 2018 Gucci launched its own recycling program to convert textile scraps into new ECONYL® yarn.



SPEEDO USA

Aquafil and Speedo USA launched the first take back program for swimsuits, where Speedo's production scraps are used to produce ECONYL® yarn.

THE PROJECT

ECONYL® QUALIFIED

At the end of 2015, Aquafil set-up a project aimed to drive excellence and continuous improvement in the ECONYL® supply chain. The key objective of this was to increase the recognition of the “ECONYL® Qualified” mark, which highlights suppliers that are involved in the ECONYL® supply chain.



For more information, please refer to the Financial Report 2018, paragraph 2.4.3.

OUR COMMITMENT

Supporting communities

Aquafil supports the local communities in which it operates through a number of initiatives and projects, with special attention being given to supporting youth education and sport activities.



Healthy Seas initiative

Aquafil supports the **“Healthy Seas, a journey from Waste to Wear”** initiative, which promotes marine protection and reduces ocean debris, such as fishnets, while procuring the materials needed to create ECONYL® regenerated nylon.

In order to increase awareness of marine pollution, Healthy Seas also run education activities in primary and secondary schools.

Youth education

To enrich education with experiences, Aquafil offers internship periods through the “Alternanza scuola-lavoro” program, but also educational moments on environmental sustainability, with particular focus on circularity, held both in classrooms and with plant visits. For example, high school students have the opportunity to spend a week in Slovenia to visit companies allowing Aquafil to create circular processes.

As evidence of Aquafil’s commitment, in 2018, the company was awarded the first place in the 10th edition of the “Tu Sei” project; a program which fosters mutual knowledge between schools and businesses, and gives the participating students an opportunity to gain practical experience to facilitate their entry into working life.



Donations and support to the local territory

Aquafil seeks to contribute towards the communities in which it operates, as well as society as a whole, through a number of charitable projects and further initiatives.

This includes support for Telethon and ABIO, as well as promotion of cancer research.



Editorial project management and coordination

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ECONYL®

www.econyl.com



HEALTHY SEAS

www.healthyseas.org



DRYARN

www.dryarn.com



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