

# AQUAFIL AND SUSTAINABILITY

---

2019





# **We have a story to tell**

---

*Twenty years ago the word sustainability was only used by dreamers and some environmentalists, its meaning almost unknown. Today, in a world that is challenged to grow with increasing constraints, sustainability is no longer an option, rather a fundamental mindset to be relevant in the marketplace and prosper.*

*But there is more.*

*Today's global challenges ask us to make a choice: side with those innovators who make a difference, or simply respond to market demands.*

*Aquafil decided what side to be on more than 10 years ago, choosing to become a leader, always at the forefront of its field, in the ranks of those who truly - with facts and results, every day - carry on a different business model.*

*An uphill journey, not easy, but immensely exciting and rewarding.*

*In 2007 we decided to narrate each stage of this process in the Group's Sustainability Report, which has now become part of the Non-Financial Declaration of the consolidated financial statements.*

*What is detailed in the following pages is not only a mere reporting tool, rather proof that it is possible to be sustainable, to do well and to set the pace. All the information, dates and figures represent achieved results and are parts of a story: ours, which started more than fifty years ago.*

**Giulio Bonazzi**







# 2019 An overview

For more than 50 years Aquafil has been a **key player in the production of synthetic fibers, in particular polyamide 6**. The continuous search for excellence and innovation, combined with the commitment to sustainability, make it a point of reference for the entire sector.



## 3 Product areas

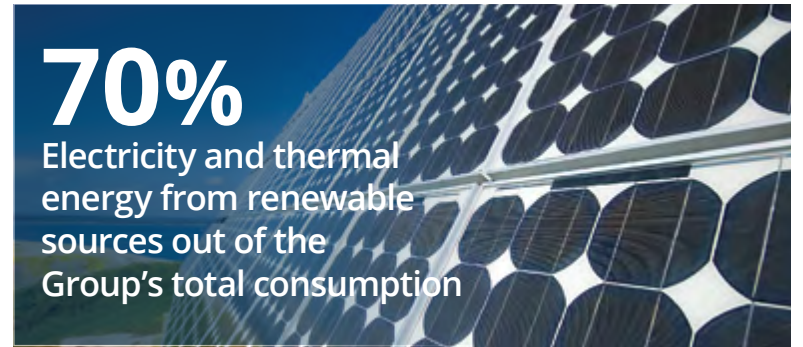




**17** Facilities  
**8** Countries  
**3** Continents



**70%**  
Electricity and thermal  
energy from renewable  
sources out of the  
Group's total consumption



**2,893**  
Employees  
worldwide

**37,932**  
Training hours  
in 2019



**549**  
€ Million  
consolidated turnover  
in 2019



**-58%**

Total greenhouse gas  
emissions compared to 2016

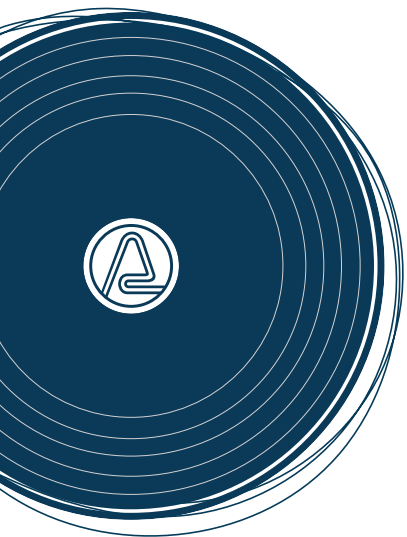


# The path of sustainability

For 30 years Aquafil has embarked on a path that places circular economy at the heart of its values and business strategy.

Saving resources, giving new life to materials otherwise unrecoverable, operating in the most efficient way to create value along the supply chain and the territory: these are the ambitious objectives that, step by step, have led the Group to become a point of reference for sustainability at an international level.

*Much has been done, much still needs to be done.*



1990

**1990**

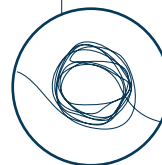
Recovery of the “lactamic waters” produced during the polymerization process



2000

**1998**

Recovery of waste to make technopolymers



**2008**

Birth of the “**Energy & Recycling**” operating unit which develops and promotes projects, technologies and skills to improve the environmental performance of products and processes

2010

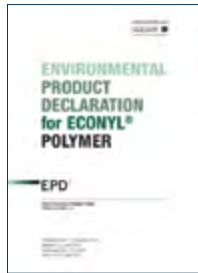
**2011**

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

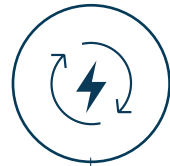
**ECONYL®**

## 2013

Foundation of “**The Healthy Seas - A Journey from Waste to Wear**”, initiative aimed at reducing solid waste (fishing nets) abandoned at sea by recovering and recycling them



The **first EPD** of the ECONYL® polymer is published



## 2015

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

## 2017

Aquafil is listed on the **stock exchange**

Creation of the “**I think circular**” competition, dedicated to start-ups and research centers, to reward innovative ideas in the context of circular economy



## 2019

Aquafil SpA obtains the **SA 8000 certification**, which guarantees respect for the rights of the Group's workers and those who operate in the supply chain

## 2015

Launch of the **ECONYL® Qualified** initiative for the development of an environmental qualification protocol for suppliers. The Group works with its suppliers to make the ECONYL® supply chain even more sustainable



## 2018

Launch of the European research project **EFFECTIVE**, which aims to develop nylon, starting from renewable raw materials



Inauguration of the USA **Aquafil Carpet Recycling** (ACR # 1) plant, dedicated to the recovery of old carpets and rugs. The recovered materials have different destinations: the nylon part is regenerated into ECONYL® while the others are used in various industrial sectors



# THE PILLARS OF SUSTAINABILITY: **THE ECO PLEDGE®**

## Rethinking products in a circular perspective

Innovating products to make them more and more circular, giving new life to waste materials, in an infinite cycle



## Protecting the environment

Producing consciously and responsibly, pursuing continuous improvement and excellence in every aspect

## Attention to the well-being of people

People who, with commitment and passion, are the foundation of the Group



## Shared responsibility along the supply chain

Collaborate with suppliers and customers to bring about change and environmental sustainability in the entire sector



## Support local communities

Grow in harmony with local communities, promoting a prosperous and respectful development of their territory



















## THE ROAD TOWARDS THE FUTURE

# Sustainability Plan and Improvement Areas

In 2019 Aquafil drafted a sustainability plan to guide the Group's commitments and activities in the mid-term.

The commitments, declared in the guidelines of **THE ECO PLEDGE® - Aquafil's path toward full sustainability**, have been summarized in **five sustainability "pillars"**, each defined by specific areas for improvement and related projects to be implemented.

The pillars and areas for improvement are in line with the United Nation's 2030 Agenda and the 17 "**Sustainable Development Goals**" (SDGs).

SUSTAINABILITY PILLARS	IMPROVEMENT AREAS	SUPPORTED SDGs
 <p>RETHINKING PRODUCTS FROM A CIRCULAR POINT OF VIEW</p>	<ul style="list-style-type: none"> <li>• Creating new sustainable value chains</li> <li>• Exploring other sustainable value chains</li> </ul>	
 <p>PROTECTING THE ENVIRONMENT</p>	<ul style="list-style-type: none"> <li>• Investing in energy from renewable sources</li> <li>• Improving the impacts of production processes</li> </ul>	   
 <p>ATTENTION TO THE WELL-BEING OF PEOPLE</p>	<ul style="list-style-type: none"> <li>• Minimizing accidents</li> <li>• Supporting employee growth</li> </ul>	 
 <p>SHARED RESPONSIBILITY ALONG THE SUPPLY CHAIN</p>	<ul style="list-style-type: none"> <li>• Integrating sustainability in purchasing procedures</li> <li>• Spreading the culture of sustainability</li> </ul>	
 <p>SUPPORT LOCAL COMMUNITIES</p>	<ul style="list-style-type: none"> <li>• Raising awareness of environmental protection</li> <li>• Supporting local development and training young people</li> </ul>	



## OUR COMMITMENT

# Rethinking products

Embracing circular economy does not just mean recycling, rather rethinking the product by adopting a broader, more visionary perspective and collaborating with various stakeholders. Aquafil based its way of doing business on this concept, creating high quality products from recovered resources and giving new life to materials that still have infinite lives to live.

*For more information, see the 2019 Group Consolidated Financial Statements, pages 67, 85*



## TARKETT

### Circular economy: closing the circle

Thanks to the pioneering collaboration with Aquafil, Tarkett closes the circle in the production of carpet tiles in Europe.

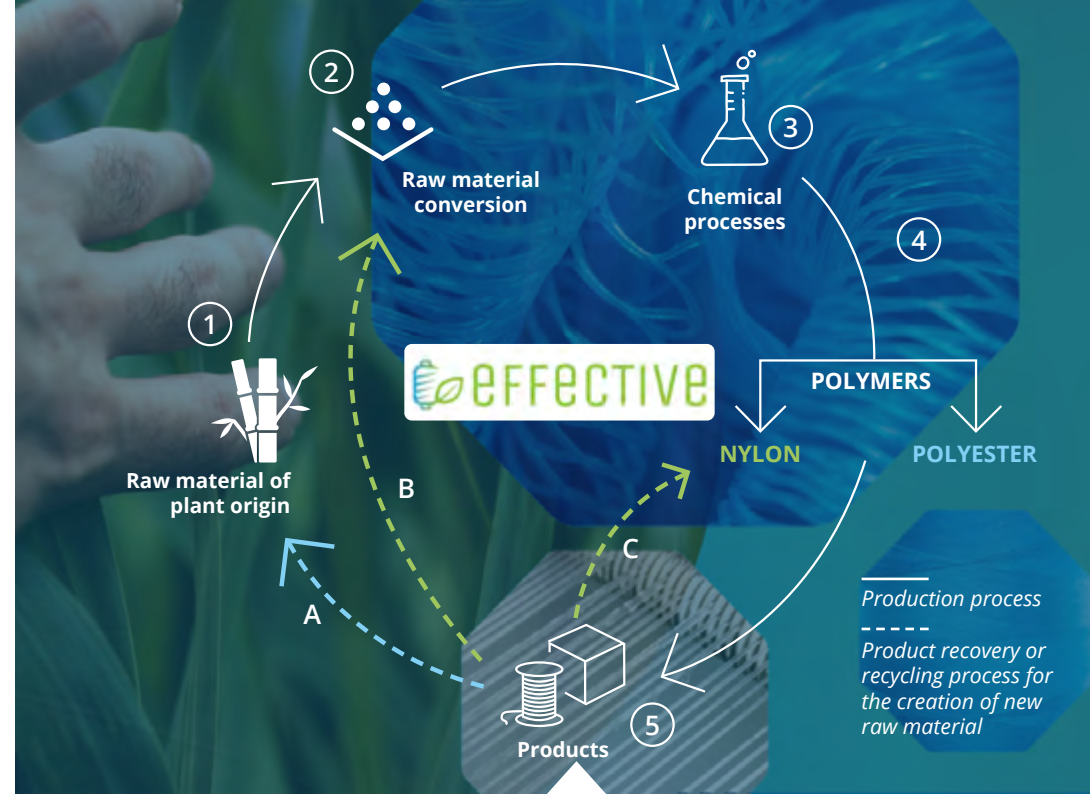
Tarkett has developed an innovative technology that separates carpet tiles at the end of life into two main components, maintaining over 95% purity of the yarn. This level of purity is fundamental to ensure that the polyamide 6 (PA6) yarn can be recycled from Aquafil and transformed into new ECONYL® regenerated nylon.



## NAPAPIJRI Skidoo Infinity, the first circular jacket

The collaboration between Aquafil and Napapijri has allowed to create a completely circular product.

The Skidoo Infinity jacket is made with ECONYL® yarn (100% regenerated polyamide) and standard nylon and designed to be completely recycled because it is composed of a single material. In addition, thanks to a take back program, it can be returned after two years of use and recycled into new ECONYL® yarn.



## EFFECTIVE Project

The EFFECTIVE project, supported by the EU Horizon 2020 research program, is one of the most relevant initiatives in which the Group takes part. Started in 2018, 12 organizations from 7 countries participate.

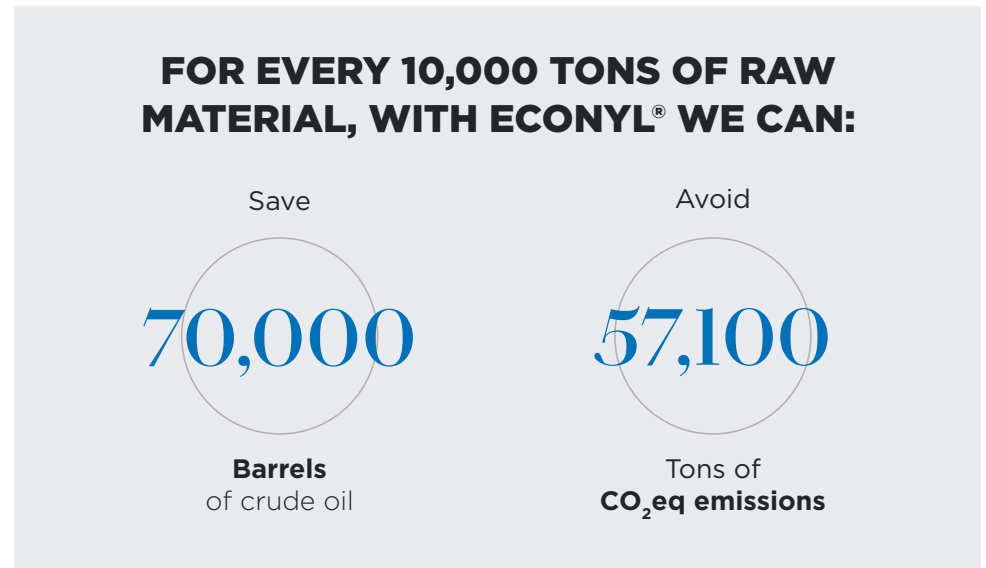
The aim is to promote economically advantageous and sustainable innovative paths for the production of bio-polyamide and bio-polyester fibers and films from renewable raw materials. The versatility of these polymers guarantees their application in a wide variety of products and sectors, in particular textiles and packaging.

[www.effective-project.eu](http://www.effective-project.eu)



# Where others see waste, we see treasures.

The ECONYL® regeneration system transforms what was once waste, such as fishing nets, old carpets and textile production waste, into a new source of opportunity. ECONYL® nylon has the same quality characteristics as virgin nylon, with a much lower environmental impact.



## Four steps for a circular future



### 01 Recover

We begin by recovering and cleaning nylon waste from landfills and oceans around the world.



### 02 Regenerate

Waste is regenerated through a process that is unique in the world. This is how ECONYL® nylon is born.



### 03 Remake

ECONYL® nylon is transformed into yarn for the garment, carpet and textile flooring industries.



### 04 Re-imagine

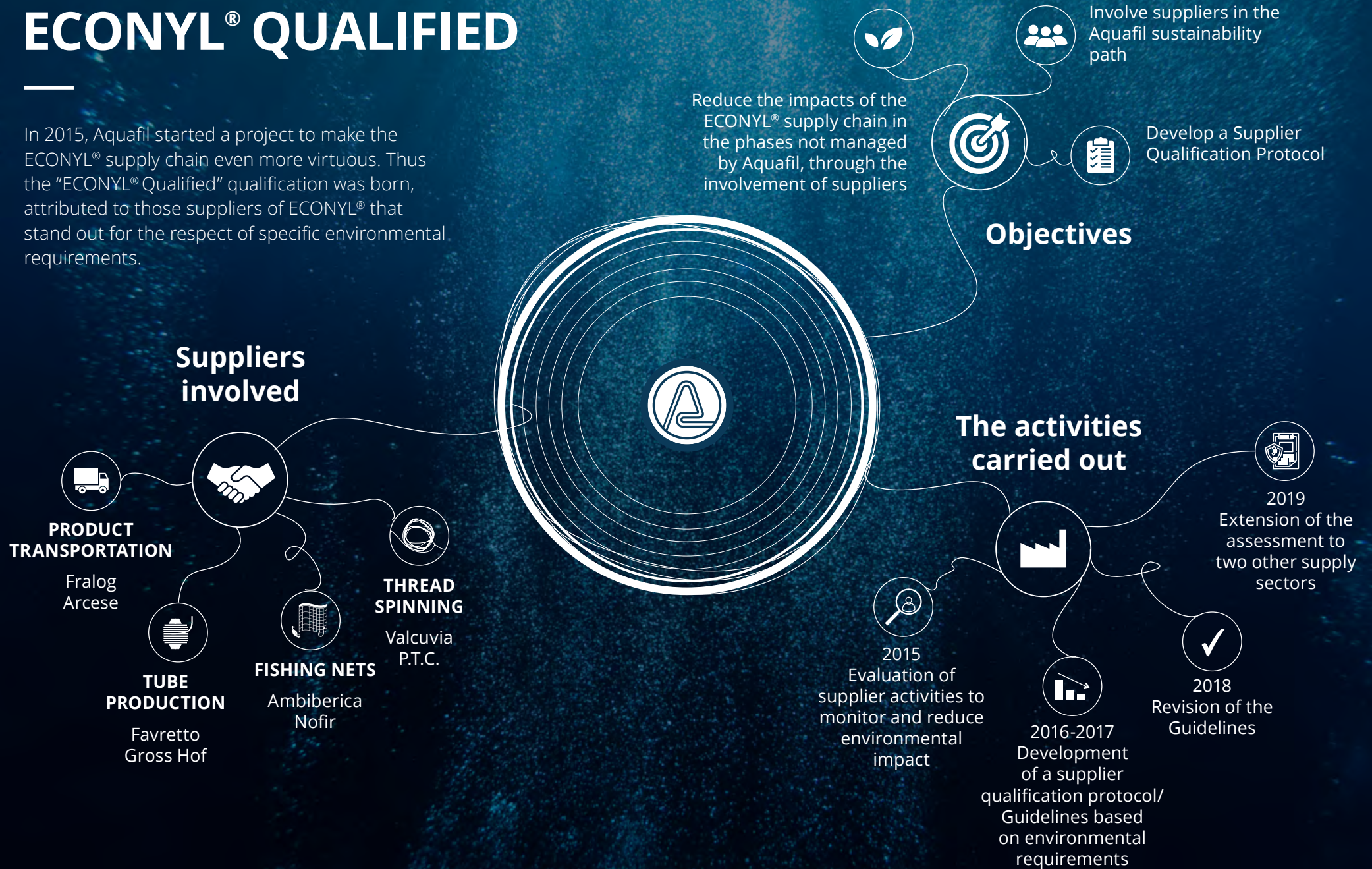
ECONYL® regenerated nylon gives life to completely new products. Nylon itself can be recycled endlessly, without ever losing its qualities.



# THE PROJECT

## ECONYL® QUALIFIED

In 2015, Aquafil started a project to make the ECONYL® supply chain even more virtuous. Thus the “ECONYL® Qualified” qualification was born, attributed to those suppliers of ECONYL® that stand out for the respect of specific environmental requirements.







## OUR COMMITMENT

# Protecting the Environment

Aquafil is committed to respect the environment in every phase of its own production process.

For this reason, it made interventions to reduce impacts and recover energy.

Some examples are the installation of new heating systems with heat recovery, sharing excess thermal energy with structures close to the factories and choosing energy from renewable sources.

## Constant commitment, tangible results



**-58%**

GREENHOUSE GAS EMISSIONS  
IN ABSOLUTE VALUE COMPARED  
TO 2016



**70%**

TOTAL ENERGY (ELECTRIC AND  
THERMAL) USED BY THE GROUP  
IN 2019 FROM RENEWABLE  
SOURCES

For more information, see the 2019 Group Consolidated Financial Statements, pages 76-77



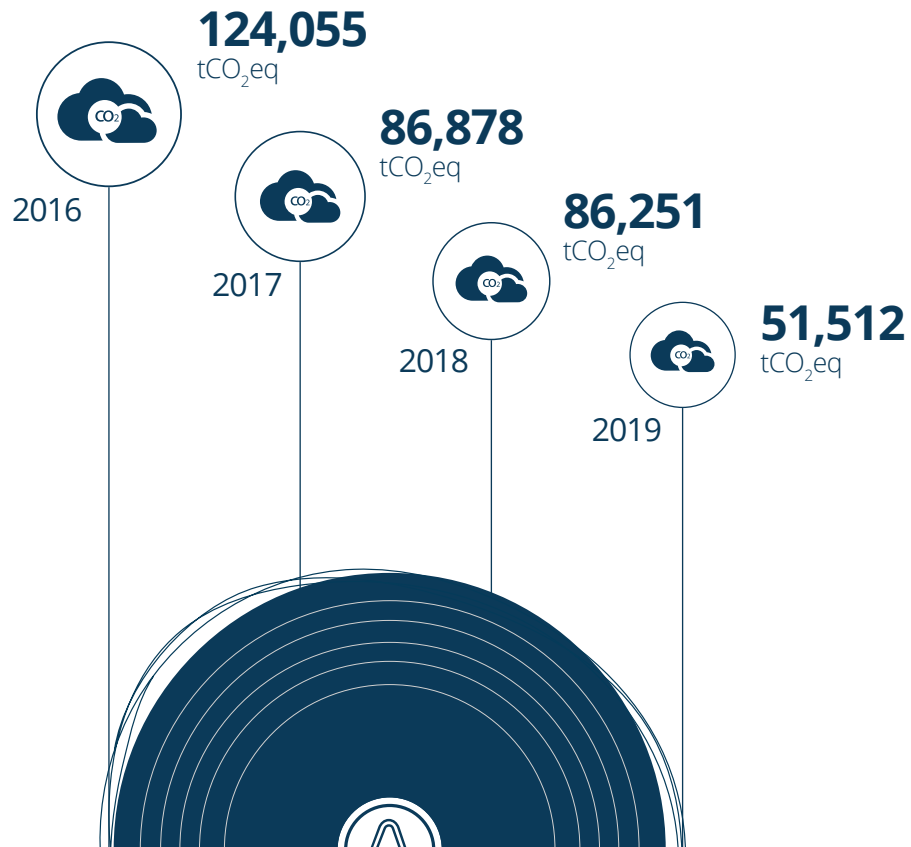


## Increasingly efficient processes

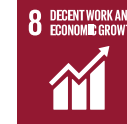
Over the past four years, the Group has managed to significantly reduce its greenhouse gas emissions, thanks to a series of forward-looking investments that are consistent with its sustainability plan.

**The results are there, and they're visible.**

### GROUP GREENHOUSE GAS EMISSIONS TREND 2016-2019





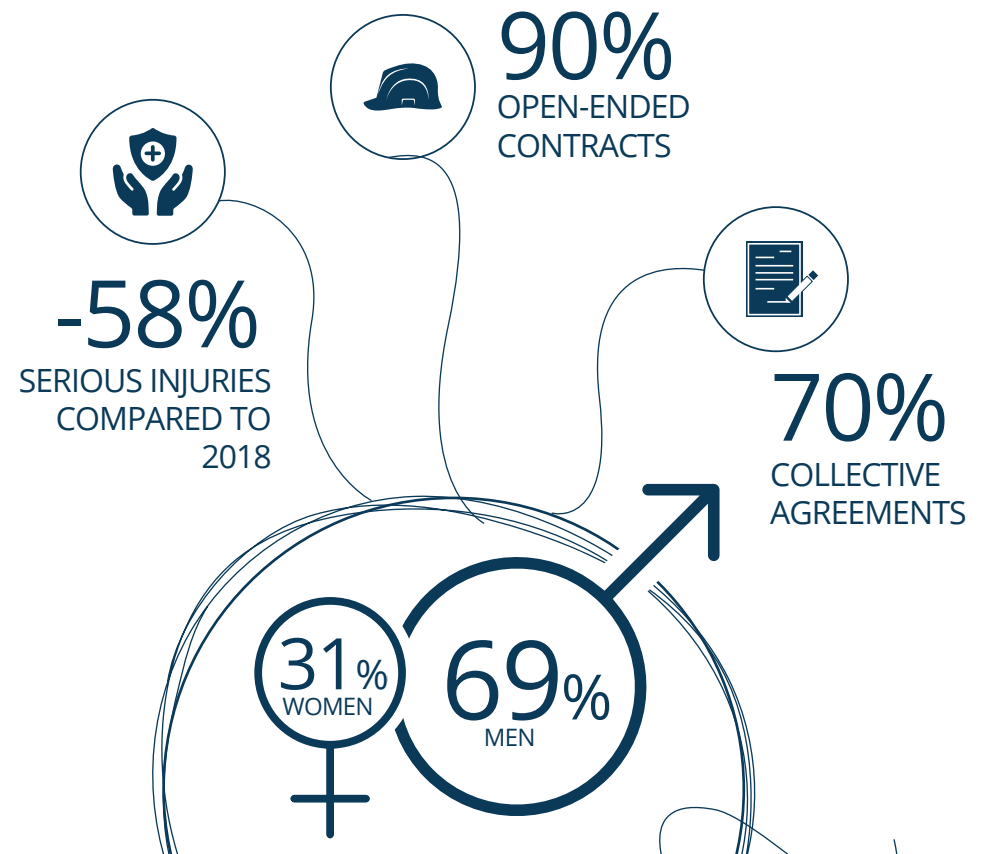


## OUR COMMITMENT

# Attention to the well-being of people

Every day, Aquafil employees contribute to making the Group an international point of reference.

Their commitment, experience and passion are the basis of the Group's growth.

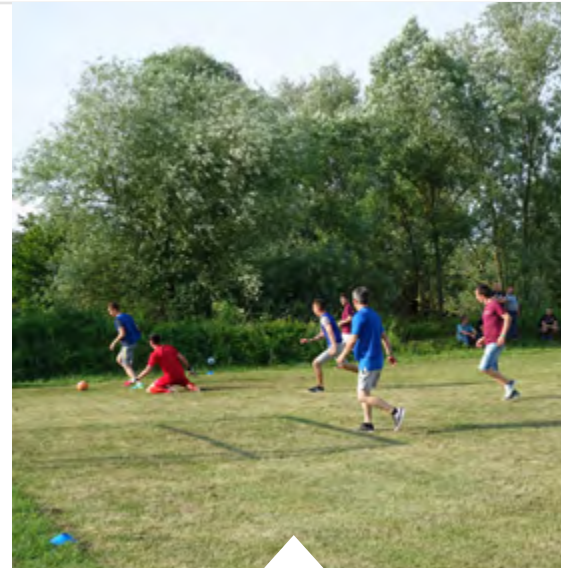


# EMPLOYEE INITIATIVES



## PREVENTION

Employees can benefit from various preventative initiatives. Examples are the flu vaccination offered in the Croatian and Slovenian facilities, medical insurance for employees of the Chinese facility and medical visits for the prevention of diseases set by Aquafil CRO.



## ENVIRONMENTAL PROTECTION

In 2019 Aquafil launched the “Plastic Free” project to gradually eliminate single-use plastic products. Various initiatives have been implemented, such as the adoption of reusable water bottles, the replacement of water jugs with dispensers connected directly to the central water supply and porcelain mugs instead of disposable containers.

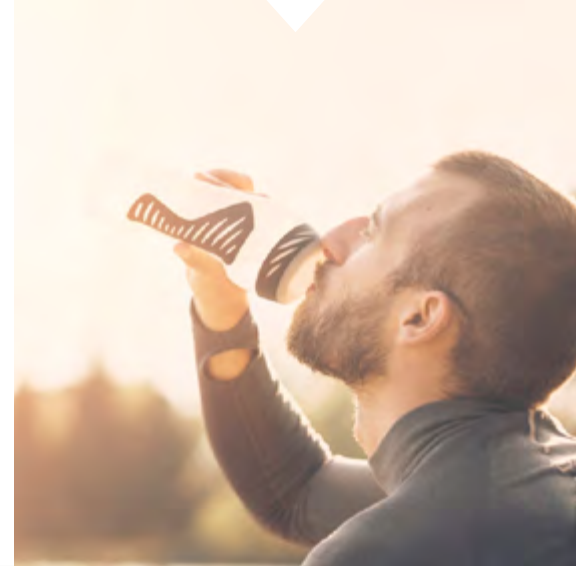
## HEALTH WEEK

The initiative is being carried out in Slovenia, Croatia and China to promote a healthy lifestyle, through the display of informational materials that provide suggestions to be implemented in daily life and the distribution of fresh fruit in company canteens.



## COMPANY WELFARE

To help reconcile professional and private needs, the Group offers a series of non-monetary benefits that employees can choose according to personal or family necessities.



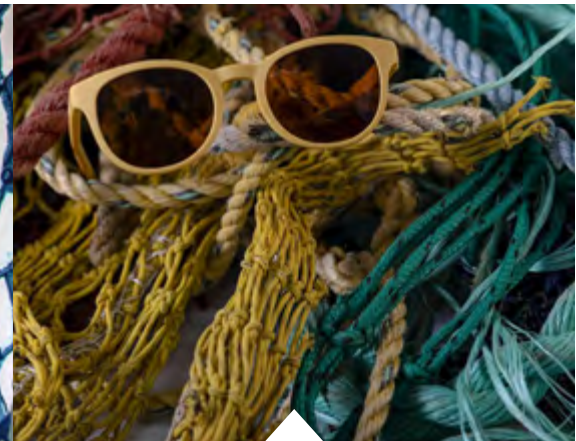


## OUR COMMITMENT

# Shared responsibility along the supply chain

In order to create circular supply chains, constant comparison and collaboration with the various actors along the value chain are essential. Aquafil establishes **solid relationships** with its customers and suppliers, based on the **commitment** and desire to **improve together**.

### PARTNERSHIP WITH CUSTOMERS



#### ECONYL® Reclaiming Program

Thanks to an internationally structured partnership network, Aquafil can collect large quantities of waste to be regenerated into new ECONYL® yarn.

#### PRADA

Prada has announced the goal of replacing all the nylon yarn used for its products with ECONYL® regenerated nylon by 2021. The Group has launched a collection in ECONYL®.

#### SARAWAGI RUGS

In 2019 Sarawagi Rugs, the British designer Isobel Morris and Aquafil partnered to create a line of hand-knotted rugs made with the traditional Nepalese technique using ECONYL® yarn.

#### KARÜN

Aquafil collaborates with Karün for the sunwear “Pacific Collection” that involves local communities of the Cochamò Valley in Patagonia for the recovery of fishing nets. The collected nets are regenerated by Aquafil to make ECONYL® nylon polymers, which are then used to make sunglasses.



# VOLUNTARY CERTIFICATION

## SA 8000

On its path of sustainable development, the Group chose the **SA 8000:2014 standard** as a management model to enforce its commitment to protect workers' and human rights.

Aquafil S.p.A. was the first company of the Group to obtain the SA 8000 certification in 2019.

Always in 2019, the process to gradually extend the certification to other Group companies was initiated.



### WHY



Activate a virtuous and systematic path to improve social performance and foster a culture of social responsibility

### WHAT



Voluntary global standard to protect workers' rights of certified companies



Extend audits to protect workers in the entire supply chain

### HOW



Semi-annual audits, including unannounced, by an external certification body



Employee and supplier involvement



Risk analysis and improvement plans

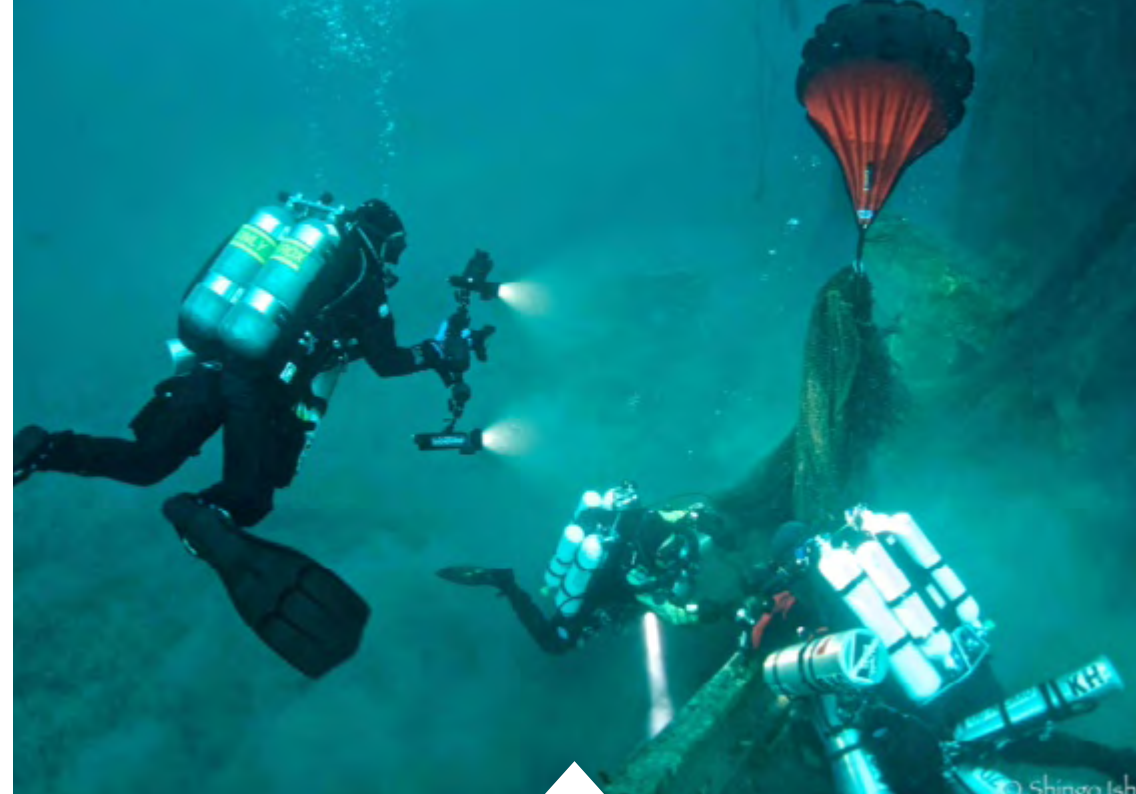


## OUR COMMITMENT

# Supporting local communities

Aquafil contributes to the development of the communities in the territories which it operates in, actively participating in initiatives and projects that aim to respond to different needs, from supporting all children's sports activities locally, to youth education and volunteering for those in need.

*For more information, see the 2019 Group Consolidated Financial Statements, pages 70-71*



## Environmental protection education

To help raise awareness of environmental issues, Aquafil promotes many initiatives, including **"The Healthy Seas, a Journey from Waste to Wear"**.

Through this initiative, Aquafil contributes to recover fishing nets abandoned at sea and recycling them into ECONYL® yarn. The project includes sessions in schools to raise children's awareness of marine pollution.

## Youth training

---

The Group carries out various initiatives to train young people and bring them closer to the workforce.

Through the national program “**alternanza scuola-lavoro**” which enables students to seek internships in companies, youths can intern in the Group offices, gaining firsthand experience in the field of circular economy.

In 2019, for the third consecutive year, Aquafil won the first place in the 11th edition of the “TU SEI”, project of Confindustria Trento and Intesa San Paolo, aimed at bringing students closer to the industrial world.



Progetto «TU SEI» 11ª Edizione

1° Classificato

**Tessilquattro SpA**

## Donations and support to the territory

---

To favor local development, Aquafil contributes to charities and organizations, such as **Telethon** and **ABIO**, sports and culture clubs, and cancer research.

As part of ongoing commitment to diversity inclusion, Aquafil supports the Eliodoro cooperative which, thanks to this collaboration, has involved people with disabilities in various corporate activities. Furthermore, to that avail, Aquafil stipulated an agreement, extended to 2024, with the Employment Agency and a social cooperative.







*Project and editorial coordination*

**Aquafile S.p.A.**

Via Linfano, 9  
38062 | Arco TN | Italy

T. +39 0464581111  
F. +39 0464532267

info@aquafil.com  
www.aquafil.com



*Graphic project*  
**Life Cycle Engineering s.r.l.**

*Images*  
**Aquafile Archive**

*Technical support*  
**Life Cycle Engineering s.r.l.**

**ECONYL®**

www.econyl.com



**HEALTHY SEAS**

www.healthyseas.org



**DRYARN**

www.dryarn.com



*Aquafile S.p.A. July 2020*

*Contacts*

**Maria Giovanna Sandrini**

maria.giovanna.sandrini@aquafil.com



