VERSALIS

THE VERSALIS SUSTAINABILITY FORMULA

Our approach aims to create short-, medium- and long-term **VALUE FOR OURSELVES AND OUR STAKEHOLDERS**, using a structured skills-and-innovation-based model that seeks transparent, constructive engagement with the areas in which we operate and its communities.
So for us, sustainability doesn't just mean ensuring the financial viability needed for a business's long-term development and solidity, but also working with a synergistic approach aimed at environmental protection and human development, meaning social sustainability in its broadest sense.
By following specified strategic priorities, our core objective is to achieve **RESPONSIBLE GROWTH** that can help build a better future for people and communities, contributing to the creation of a just transition model based on decarbonisation targets and increasingly sustainable, circular development models.
We therefore focus on the importance of lasting **PARTNERSHIPS** and ongoing dialogue with the areas and communities in which we operate, key elements in generating long-term shared prosperity. In association with industrial and value-chain players, we can tackle the challenges the sector is currently facing, taking an integrated approach to the key drivers of change and future development.
Within this overall framework, **INNOVATION** and **TECHNOLOGY** drive the change that enables us to apply innovative solutions to all identified strategic priorities.
We are working on new solutions for the transformation of a constantly evolving chemical industry, seeking to foresee market requirements and develop increasingly sustainable products and technology. Our ongoing commitment to research and development aims to offer products with increasingly higher performance, but with a lower environmental impact.
Having noted a consolidated and irreversible structural weakness in the basic chemicals sector, we have decided to implement an ambitious **TRANSFORMATION** and revitalisation plan for the industry as a whole. We aim to move into new sectors, extending our gaze towards high-potential market areas and finding synergies in energy transition segments such as biorefineries and stationary energy storage, recycling schemes and biochemicals, leveraging in-house expertise and continuing to engage with the local communities that have helped to shape our history.
Our approach is based on **PEOPLE**, the value of their knowhow and respect for diversity of every kind, ensuring an inclusive model in which our modus operandi is based on worker engagement and enhancement.
We invest in training, upskilling, protecting personal health and safety and land conservation.
Our transformation also aims to create employment, helping to offset the inevitable adverse effects of the ongoing structural crisis on the European chemical industry.
We take an integrated approach to the shift towards more sustainable models, consciously seeking to address each facet of sustainability. The main priorities of this approach include:

- Gradual decarbonisation of our processes.
- Development of circular economy platforms.
- Development of the biochemical sector and increasingly specialist, sustainable products.

DECARBONISATION

We have implemented an ongoing decarbonisation process designed to achieve **NET ZERO BY 2050**.
We are heavily committed to lowering greenhouse gas emissions with targets set for both direct and indirect emissions. The company transformation plan will produce decarbonisation benefits, cutting Scope 1 and 2 CO_2 emissions in Italy by around one million tonnes by 2029 compared to the 2023 baseline. This expected emissions reduction is not merely attributable to the winding down of basic chemicals operations; it is also due to their conversion to **NEW LOW-CARBON PLATFORMS**, such as mechanical and chemical recycling plants and biochemical production facilities. Along the path towards net zero by 2050, the medium-term objective is to achieve a 50% reduction in Scope 1 and 2 emissions by 2035 compared to the 2018 baseline. To this end, the circular economy, biochemicals and energy transition measures are the main decarbonisation levers supporting Versalis' strategy.

CIRCULAR ECONOMY

We develop **COMPLEMENTARY POLYMER RECYCLING TECHNOLOGY** that reduces the use of virgin raw materials and consumption of natural resources, thereby contributing to the recovery of post-consumer plastic waste by transforming it into new products. We are constantly seeking to expand our range of products containing mechanically recycled plastic and rubber, addressing one of our sector's most demanding technological challenges.
We are also developing chemical recycling solutions, enabling the recovery of sorted mixed plastic waste, and are always seeking new opportunities for **FEEDSTOCK DIVERSIFICATION** by using secondary raw materials, such as pyrolysis oil, that we use alongside conventional feedstocks.
As proof of our ongoing commitment, we have set up a fully fledged circular plastics and rubber platform:

- Regarding the development of chemical recycling technology to recover mixed plastic waste, work has continued on our new proprietary Hoop® technology. Built at the Versalis facility in Mantua, the demonstration plant has a rated input capacity of 6 kt/year. Furthermore, expectations of industrial scale-up after 2025 remain in place.
- Regarding development of the Versalis advanced mechanical recycling hub, a new plant has been opened in Porto Marghera to produce plastics derived wholly or in part from mechanically recycled feedstock. With an output capacity of up to 20 kt/year, it uses secondary raw materials (SRMs) sourced from recycled expanded polystyrene (EPS) waste.
- Regarding the market for these products, development of key enabling factors remains essential. This refers to both legislative measures and matters linked to innovation, dissemination of knowledge and awareness, infrastructure development and creation of new market dynamics, along with a clear, supportive regulatory framework.

BIOCHEMICALS

We develop integrated technology platforms that use **BIO-BASED FEEDSTOCKS–WHOLLY** or in part–allowing us to expand our range with new, increasingly sustainable solutions. Novamont has enabled us to consolidate our position in the biochemicals sector, thus contributing to a gradual reduction in the long-term carbon footprint, greenhouse gas emissions and fossil fuel dependency. Furthermore, our synergy with Eni guarantees a constant supply of renewable raw materials, sourced from agriculture, as well as from industrial processes such as those employed in biorefineries. As a result, we not only extend our product range, but help to achieve decarbonisation targets.
We have worked on setting up a highly **INTEGRATED BIOCHEMICAL TECHNOLOGY PLATFORM** capable of showing great potential as far as innovation and industrial scale-up are concerned. Indeed, it combines under a single umbrella, technology to convert biomass into monomers and intermediates with downstream applications, ranging from biodegradable and compostable plastics to bioherbicides and biolubricants.
We have an ongoing commitment to transform our product portfolio, directing it towards increasingly specialist, sustainable and innovative solutions. Our ambition is to evolve together with the market, addressing environmental and social challenges in a responsible manner and creating products capable of meeting both current and future requirements.
With a constant focus on innovation and sustainability, we are determined to redesign our role within the sector.