

## **NOVAMONT: TERNI WAGE GUARANTEE AGREEMENT SIGNED WITH TRADE UNION REPRESENTATIVES**

*Novara - Terni, 30 June 2022* - An agreement has been reached on Novamont's request to make use of the Wage Guarantee Fund instrument (CIG) at the Terni production site. On 17 June, at the Confindustria Umbria headquarters in Terni, the plant's single trade union representation (RSU), FEMCA CISL Umbria, FILCTEM CGIL Terni and UILTEC UIL UMBRIA took note of the reasons behind Novamont's request and acknowledged that the conditions justified activating the Ordinary Wage Guarantee Fund.

In Italy, the Ordinary Wage Guarantee Fund (Cassa integrazione guadagni ordinaria, CIGO) is a wage guarantee instrument activated in case of suspension of or reduction in working activities due to temporary events that cannot be ascribed to the company.

**The Ordinary Wage Guarantee Fund can in no way be confused with temporary or permanent layoffs.**

The reduction in production activities will take effect as from 25 July 2022, and not from 1 July as originally notified by Novamont, and will initially last four weeks, after which Novamont hopes to be able to resume production with the entire workforce.

Novamont will determine which personnel are to be suspended from production activities in accordance with their roles and the work to be performed, and on a rotation basis. Before the suspension takes place, the personnel involved must first take all their holiday leave accrued as of 31 December 2021. Novamont undertakes to pay the wage subsidy in advance for the workers affected by this measure.

Novamont's decision to temporarily reduce activities at the Terni production plant is due to various negative and distorting factors that have seriously exacerbated an already difficult situation, caused by increases in the prices of raw materials and energy. More specifically, these are:

- the exorbitant costs of the Terni Polymer site;
- unfair competition from fossil-based products with a high environmental impact that are imported below cost from Asia, as was clearly highlighted by ICIS News (Independent Commodity Intelligence Services) on 17 June;
- widespread illegal practices which, as shown in the latest Plastic Consult report for Assobioplastiche Trade Association, have resulted in around 18,000 tonnes of carrier bags being released on the market, the marketing and production of which are completely banned.

**Lastly, Novamont would like to make it clear that the reduced operations at the Terni site will in no way affect the delivery of products to its customers, whose contracts will be honoured.**

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*Novamont is a Benefit Company, certified B Corporation, world leader in the production of bioplastics and the development of biochemicals and bioproducts through the integration of chemistry, environment and agriculture. With 650 employees, the group has a turnover of approximately 414 million euros and constantly invests in research and innovation (50 million euros in 2021, employing 20% of staff); it holds approximately 1,400 patents and patent applications. It has headquarters in Novara, production plants in Terni, Bottrighe (Rovigo province) and Patrica (Frascati province) and research laboratories in Novara, Terni and Piana di Monte Verna (Caserta province). It has set up a joint venture with Versalis (Eni group) in Porto Torres (Sassari province) and a company for the development and distribution of agricultural solutions with Coldiretti. It is active abroad with offices in Germany, France, Spain and the United States. Through its distributors it has a presence in more than 40 countries on all continents. In 2021 it acquired BioBag International, a world leader in the development, production and marketing of certified biodegradable and compostable applications, with headquarters in Askim (Norway), a production plant in Dagö (Estonia) and a presence in 9 other countries worldwide.*

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