

RS 2008

Sustainability Report



The authors of our **future**

“Sustainability is not a result to be achieved,
rather a way of thinking, a way of being,
and a principle that must constantly guide us”.



Giulio Bonazzi,
President of Aquafil S.p.A.

A letter from the President.

Last year we published our first sustainability report with the main aim of informing all our stakeholders of the results achieved, thanks to a firm industrial tradition that, assisted by farsightedness, managed to combine productive efficiency with quality and product innovation.

Hence we equipped ourselves with the tools suitable to measure and assess the impact of our operations at every facility on the environment, by considering each aspect of our companies and committing ourselves to improving our already very high standards.

Today, after only a year, we can state that the observation and reflection activities conducted have been extremely profitable.

The results attained and reported here reward the efforts we made, also in light of the particularly difficult economic situation experienced during 2008.

Going over our history, thinking about the challenges that lay ahead, led us to the awareness that Sustainability is not a result to be achieved, rather a way of thinking, a way of being, a principle that must constantly guide us. What personally excite us is to have understood our potential and consequently the effectiveness of choices that have been made.

For this reason we established a new Business Unit, that has the same importance of the other three units that originally made up Aquafil. The people involved in it, deal with sustainability on a fulltime basis, in the deepest sense of the term: recycling, obtaining energy from renewable sources, training-educating people and safety in the workplace. The 2008 report testifies the structural change started, which will make us become a model company that recycles and does not pollute, while respecting the communities and territory in which we work.

Giulio Bonazzi


“Sustainable development is development that meets the social, ecological and economic needs of current generations without compromising the ability of future generations to meet their own needs”.

World Commission on Environment and Development.
Our Common Future, 1987



Our guiding principles

- ▶ Being constantly sensitive to the stimulus offered by Clients who make sustainability their development strategy, since we are convinced that this is the path to follow if we are to strengthen our leadership.
- ▶ Making sure that our eco-efficiency policy is concretely implemented.
- ▶ Choosing Suppliers who offer the best performance in terms of Sustainability.
- ▶ Establishing and strengthening a link with the Communities where the Group operates and intends to grow in the future.
- ▶ Strengthening the roots the company has in the local area by paying constant attention to internal resources.

Our daily commitment is based on fighting:

- ▶ the accumulation of substances extracted from the Earth's crust
- ▶ the accumulation of substances produced by the company
- ▶ the physical degradation of nature
- ▶ the creation of conditions that compromise the ability of people to satisfy their needs

Source: "The Natural Step"

*Photo on the left: Torbole.
A few kilometers from Arco (province of Trento),
the Sarca River flows into Lake Garda.*

The Profile of the **Report**





The Profile of the Report.

2008 was an important year for Aquafil, for many aspects, especially in relation to sustainability-related issues.

The report is divided into two sections:

the first section introduces the Aquafil Group, its history, its current structure, and its relations with stakeholders; the second section reports the results of a year of activity under three profiles: economic, environmental and social, presenting the results achieved in relation to the set objectives.

The coloured boxes in the pages show for each subject the main actions taken, the resources employed and the projects for the future. A summary of the projects for 2009-2010 is available at the end of the second section.

This report is the result of the activities conducted during the year by the Environmental Team, from time to time involving personnel from the various production units and the heads of the various departments located at each plant.

This method allows everybody to increase their awareness both on the subjects dealt with and on the purpose and effectiveness of the actions undertaken. In drafting and issuing this document, the Aquafil Group followed the *GRI 2006 guidelines for Sustainability reporting* (version 3.0).

Also this edition has been translated into 3 languages, is available on the company website and has been distributed to all the personnel of the Group.

Important events occurred in the first months of 2009.

- ▶ Buy-out of the company Aquafil Solaris S.p.A.
- ▶ Buy-out of the company Aquafil Power S.p.A.

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Our guiding principles

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Aquafil

Structure and **stakeholders**

Sustainable development with everybody's contribution.

The Aquafil Group has chosen to address its company operations and developments taking into consideration the needs of all the stakeholders based on a strategy linked to sustainability.

In the pages of this section readers will gain a snapshot of the current structure of the group that was enhanced during 2008 with the Energy & Recycling Business Unit. The strategic value of this Unit is the same as the three existing units. Also described is the relationship with stakeholders such as Customers, Suppliers, Personnel and local Communities of the sites where the Group works.





People and means for great results

Qualified human resources and state-of-the-art plants for a global presence.

Aquafil Group.

Our Group is highly client-orientated in the polymers market and mainly polyamide-based synthetic yarn. We are a leading producer of yarn for textile flooring in Europe and have developed a significant presence in the sector of engineering plastics and synthetic yarn for clothing. We can count on the support of more than 1,800 collaborators, active in 11 sites. We mainly produce in Europe (with five plants in Italy, three in Slovenia and one in Croatia), the United States (Georgia) and since 2007, in Thailand, a reference point for the Asia Pacific market.



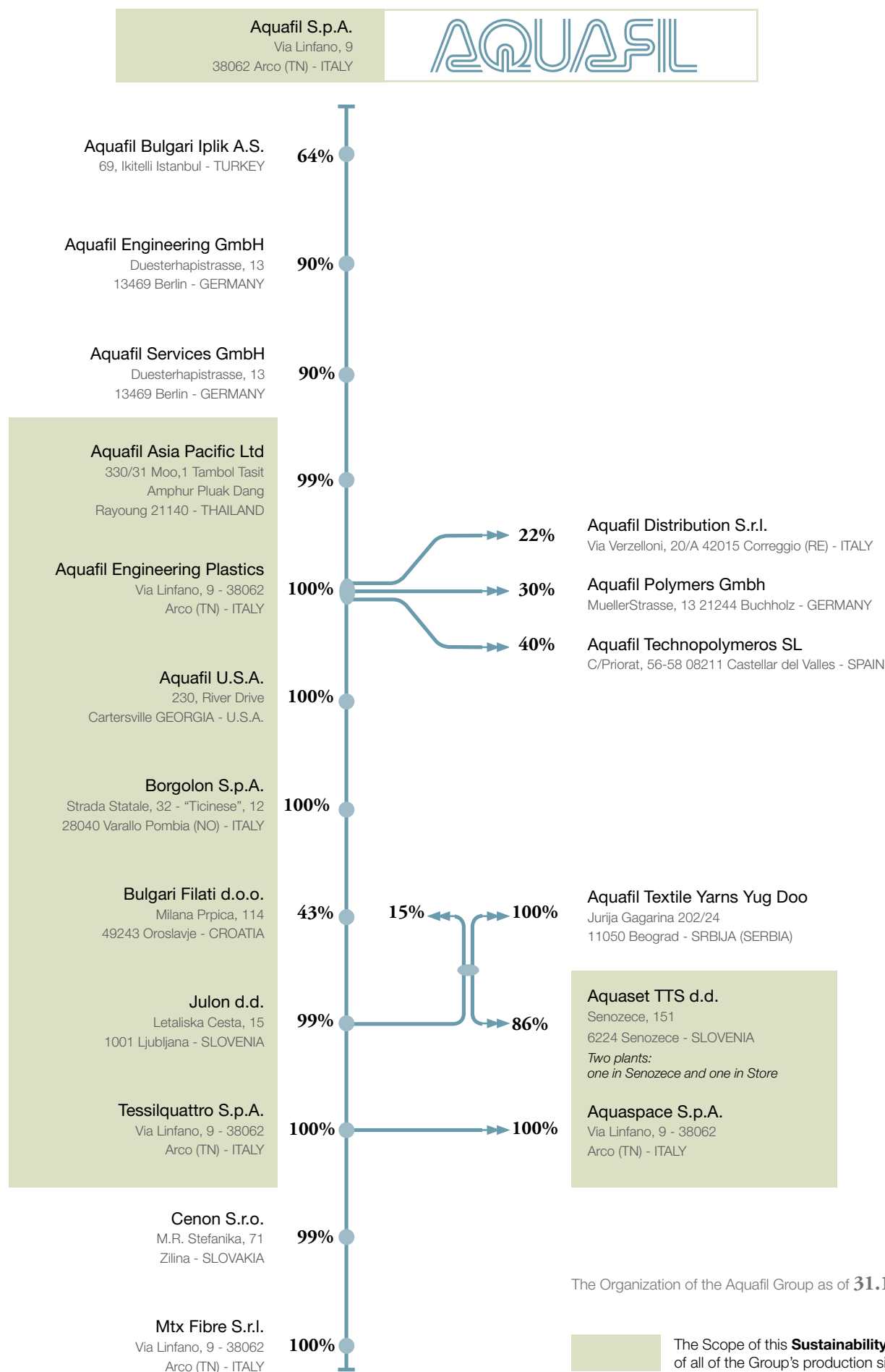
Aquafil headquarters in Arco (Trento).

The business strategy is driven by three fundamental principles:

- ▶ **vicinity to clients**
- ▶ **technological innovation**
- ▶ **our positioning in the specialties with the greatest added value**

Concerning the last point, in 2008 the company Borgolon Spa was purchased. It produces special synthetic solution dyed yarn for textile use in Varallo Pombia (Italy). The company's business features many synergies with the other activities of the Group and adds value to the products supplied by other Aquafil plants.

*Photo on the left:
Julon plant, Slovenia.*





11 production sites in 3 Continents



USA (GEORGIA)

Cartersville

BCF
Spinning
Air-entangling
Twisting
Heatsetting
Masterbatch



ITALY

Arco TN

BCF
Polymerization
Spinning
EP
Compound
of polyamide and
masterbatch

Cares TN

BCF
Air-entangling
Twisting

Rovereto TN

BCF
Dyeing with
Superba and Space
technology

Varallo Pombia NO

TEXTILES
Spinning
Texturizing



SLOVENIA

Ljubljana

BCF/TEXTILES
Polymerization
Spinning BCF/textiles
Twisting
Heatsetting

Senozce

TEXTILES
Warping

Store

BCF
Twisting
Heatsetting



CROATIA

Oroslavje

TEXTILES
Air-entangling
Conventional
covering
Twisting
Texturizing



THAILAND

Rayong - Bangkok

BCF
Air-entangling
Twisting
Logistics

BCF | synthetic yarn for textile flooring
EP | engineering plastics
TEXTILE | synthetic yarn for clothing



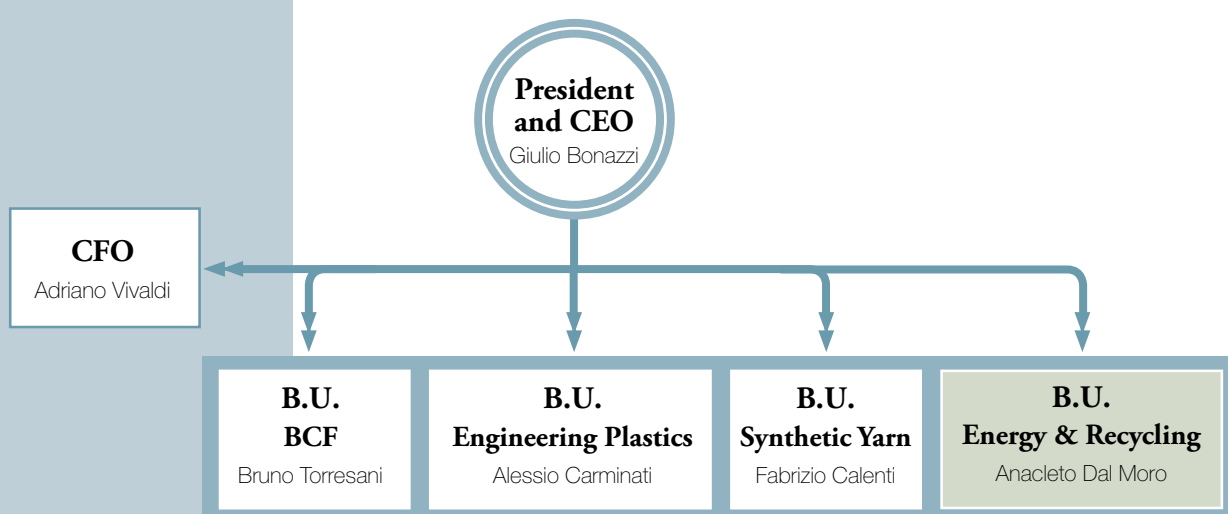
Aquafil Offices, Arco.

During 2008 the organizational structure changed due to the addition of a fourth Business Unit Energy & Recycling, which assists the other three product units on the subjects of energy, recycling and the culture of Sustainability.

Our **organizational** structure

The best compromise between fast decision making and a wealth of intellectual contribution and experience.

Despite international growth and product diversification, the Group has maintained a streamlined and integrated organisational structure that is in synergy with the three Business Units with which we control the market areas where we operate. The technological, administrative and human resource services are centralised in the headquarters in Arco (TN).



Governance

Two separate bodies and the most effective integration of skills.

The system of Governance for the Group is overseen by two principal bodies: the Board of Directors of Aquafil S.p.A. (the group leader) and the Executive Management Committee. The Board of Directors of Aquafil S.p.A. (the group leader) directs the Corporate Governance system for the Aquafil Group. In particular it establishes the development strategies, direction, and investment plan for the Group, and evaluates the relative results. Instead the Executive Management Committee has the role of supporting the Board of Directors for the operative execution of the strategic choices. In particular it is entrusted with the industrial, logistic and commercial actions and interventions. Periodically the committee checks the general performance of the Group, the advance of the projects and the policies linked to safety in the workplace.



Aquafil Group Executive Management Committee.

In consideration of the new organization structure and the new strategic priorities, the Executive Management Committee has expanded with the addition of Mr. Anacleto Dal Moro.

The current composition:

Giulio Bonazzi
President and CEO

Bruno Torresani
Director of the B.U. BCF

Fabrizio Calenti
Director of the B.U. Synthetic yarn

Alessio Carminati
Director of the B.U. Engineering Plastics

Anacleto Dal Moro
Director of the B.U. Energy & Recycling

Adriano Vivaldi
CFO

Edi Kraus
General Manager Julon

Franco Rossi
General Manager Aquafil U.S.A.



Franco Rossi, General Manager Aquafil U.S.A.



Full interaction

A strong and constructive link, supported by a common view of the future.

Clients.

The belief that Clients are the core around which we define our development strategies drives us constantly. Thus we are ready to discuss, receive and elaborate any stimulus coming from our clients. With them we share our aims and developments in the search for the continuous innovation of products and applications, often resulting in true partnerships. These collaborations also give rise to product and service ideas and solutions that add value to our commitment towards sustainable development.

Suppliers.

The Group Policy sees Suppliers as important partners for success and a sustainable approach to business. A great opportunity to develop reciprocal communication was seized with the application of the REACH legislation by the Environmental Team. The relation established goes well beyond the REACH requirements and provides an opportunity to improve the exchange of information on materials supplied and their use while creating new business opportunities, especially with those suppliers who share the principles of sustainability formulated.

Employees.

Aquafil sees the skills and values of its collaborators as an absolutely necessary asset for corporate development. There are many initiatives dedicated to them, which concern: safeguarding their health and safety in the workplace, healthcare through special agreements, the integration of social security programs, education and training for their children and access to recreational and sports activities.

Local communities.

Aquafil has always created close links with the local communities at its production sites, by both actively participating in the social life, supporting cultural events and voluntary associations, and by establishing very close links with universities and training institutes. Therefore Aquafil is committed to the process of sharing its aims and development strategies with the institutions and the local governments. We act as promoters and often take on Research & Development projects that mean that our personnel work closely with researchers of Italian and foreign universities.

What we do

Our top market in terms of volume is textile flooring: to innovate beginning “at ground level” is a challenge that continues to excite us.



1



2



3



4

Synthetic yarn for textile flooring (BCF).

The company's core business lies in the production of polyamide 6 yarn for textile flooring, which is widely used in the contract sector (hotels, offices, public areas), residential buildings, automobiles and furnishings.

Constant dedication to clients, differentiation of articles, the quality of our products and continuous innovation have turned us into a leader in Europe for the production of high tech BCF synthetic yarn.

Our continuous and progressive commitment has enabled us to develop products with strong “environmental” components such as Econyl 70 and Econyl Next. The base for these two items is the content derived from post industrial recycling for the former and post consumer recycling for the latter.

1. ALTO CHROMA

Sector of application
Contract solution dyed

2. ALTO

Sector of application
Contract raw white

3. AQUALON

Sector of application
Residential buildings - Automobiles

4. ECONYL70 / ECONYL NEXT

Sector of application
Contract sector



Aquafil Reclaiming Program.

Aquafil's commitment is highly focused on the creation of a “double bond” with clients in the carpeting production cycle, with a view to a global approach to sustainability based on the criterion of completely recycling products and materials.

According to this principle, we have created a process entirely dedicated to the recovery of polyamide 6 post industrial waste from our clients using BCF yarn.

The impact of this initiative is much more visible when considering that the reduction of CO₂ connected to the energy saving for each ton of yarn produced using recycled raw materials equals 2 tons.

This equals the elimination of the emissions of a car that travels about 15,000 km a year.





What **we** do

Winning know-how in the development of state of the art products.

In 2008 the Group focused on the application of the principles of sustainability, adopted both in the development of new products and in the comarketing activities with Clients.

Therefore, notable investments were made in specialised plants to increase the capacity of the Group to use raw materials originating from recycling processes to a greater and greater degree.

Engineering Plastics.

Engineering Plastics are technical composites made from polyamide polymers, a sector in which we boast avant-garde technology, developed through the synergy with BCF and textile spinning processes. The core business is driven by continuous research and development on the formulations of products for specific applications in various industrial sectors.

An important role in our production range is currently played by the Econyl product family, obtained from recycling scrap material from yarn processing, a process in which our know-how allows us to obtain a first quality raw material.

1. AQUAMID

Corkscrew made with the Aquamid product

2. ECONYL

Nylon 6/6.6
Post Industrial
Post Consumer

3. AQUAREL

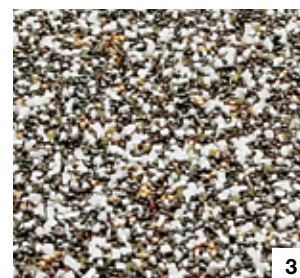
Masterbatch



2



1



3

AQUAMID

ECONYL

AQUAREL
HIGH PERFORMANCE MASTERBATCH

What **we** do

State-of-the-art technology meets highly refined style to dress the most demanding consumer.



Synthetic yarn for clothing.

Being the preferred partner of high profile fashion companies is Aquafil's mission in the yarn for clothing sector. The strategy and success of Aquafil have been built on this privileged relationship with these important companies that have been able to respond to the market changes with investments, intelligence, talent and innovation. It is a daily challenge. Even for our simplest and most mature products, the requested quality and service never allow any distraction.

However, it is a challenge that only very few companies have been able to meet, and its outcome has completely redesigned the balance of forces and the ability to create value which existed in the sector up until only a few years ago.

1. DRYARN

*Intimate wear and seamless
Swimwear and sweaters*

2. BORGOLON MICROLON

Hosiery for men and women

3. ULTRALON

Sportswear



To be able to better support our Clients, in 2008 Aquafil decided to make a significant investment in Slovenia, by building a new spinning in the Ljubljana plant. The level of automation of the plant guarantees and protects the high quality of the increasingly specialised and sophisticated production required. It also let us adopt a new type of packaging, more than 80% of which can be recycled (equal to more than 3,000 tons/year) and, thanks to a design that optimises the load potential, also reduce the number of lorries used for shipment by more than 20%.

THE **FEEL GOOD** MICROFIBRE
Dryarn
BY AQUAFIL

Borgolon[®]
BY AQUAFIL

Microlon[®]
BY AQUAFIL

ultralon

Business Unit Energy & Recycling

This Business Unit was established to give more value to the skills acquired by the Group during the years of industrial activity, in the field of energy savings, the use of renewable sources and recycling raw materials.

It performs two activities: on the one side it supplies support and services to other Business Units on the subjects it deals with, on the other hand it develops and creates plants for the production of electricity from renewable sources.

It is responsible for the feasibility of products that use recycled raw materials and deals with managing the quotas of CO₂ related to the legislation on emission trading, and collecting and processing all the elements necessary for the drafting and management of the Group's Consolidated Environmental Balance Sheet.

Drawing up the annual report and managing the relations with national and international bodies are activities that contribute to spreading a culture of Sustainability across the Group.

The Mission

Energy

Promoting the use of low environmental impact energy that comes from renewable sources.

Recycling

Promoting the use of recycled raw materials.

Sustainability

Encourage the culture of sustainability inside the Aquafil group and in its relationship with Stakeholders.



Energy from renewable sources.

Investments and projects

Important goals and milestones attained.

1 Through the subsidiary Aquafil Solaris, the Business Unit has already started the construction of two 1 MW photovoltaic plants. Located in the province of Brindisi, the plants are being built and will begin operating in the second half of 2009.

AQUAFIL 
S o l a r i s

2 The subsidiary Aquafil Power has begun to seek authorisation to create two 3 MW plants for the production of Hydroelectric Energy in the province of Trento.

AQUAFIL 
P O W E R

3 Econyl is a research project of the Business Unit Energy & Recycling, whose aim is to develop a product family with a growing content of recycled materials.

AQUAFIL 
E C O N Y L



Reducing our environmental impact

Econyl 70 is a milestone in the virtuous path taken by Aquafil towards sustainability.

Recover - Recycle - Reuse

Econyl 70 is the first product created with 70% of material originating from post-industrial waste and 30% from virgin polymer. It offers great possibilities for improved creativity in the design of the carpets and colouring.

An increasingly wider and balanced range is available, **up to 28 solution dyed colours**, including natural hints and intense colours.

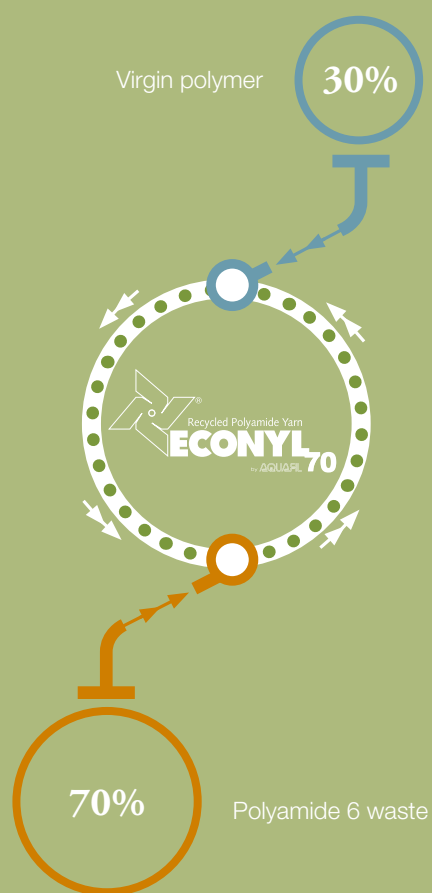
Furthermore it is available in all the typical Space Dying colour variations.

Aquafil is committed to reducing its environmental impact by:

- ▶ reducing its use of natural resources
- ▶ reducing the need for areas and spaces to dedicate to landfills
- ▶ reducing CO₂ emissions by product unit by 50%



Closing the Loop.



A year

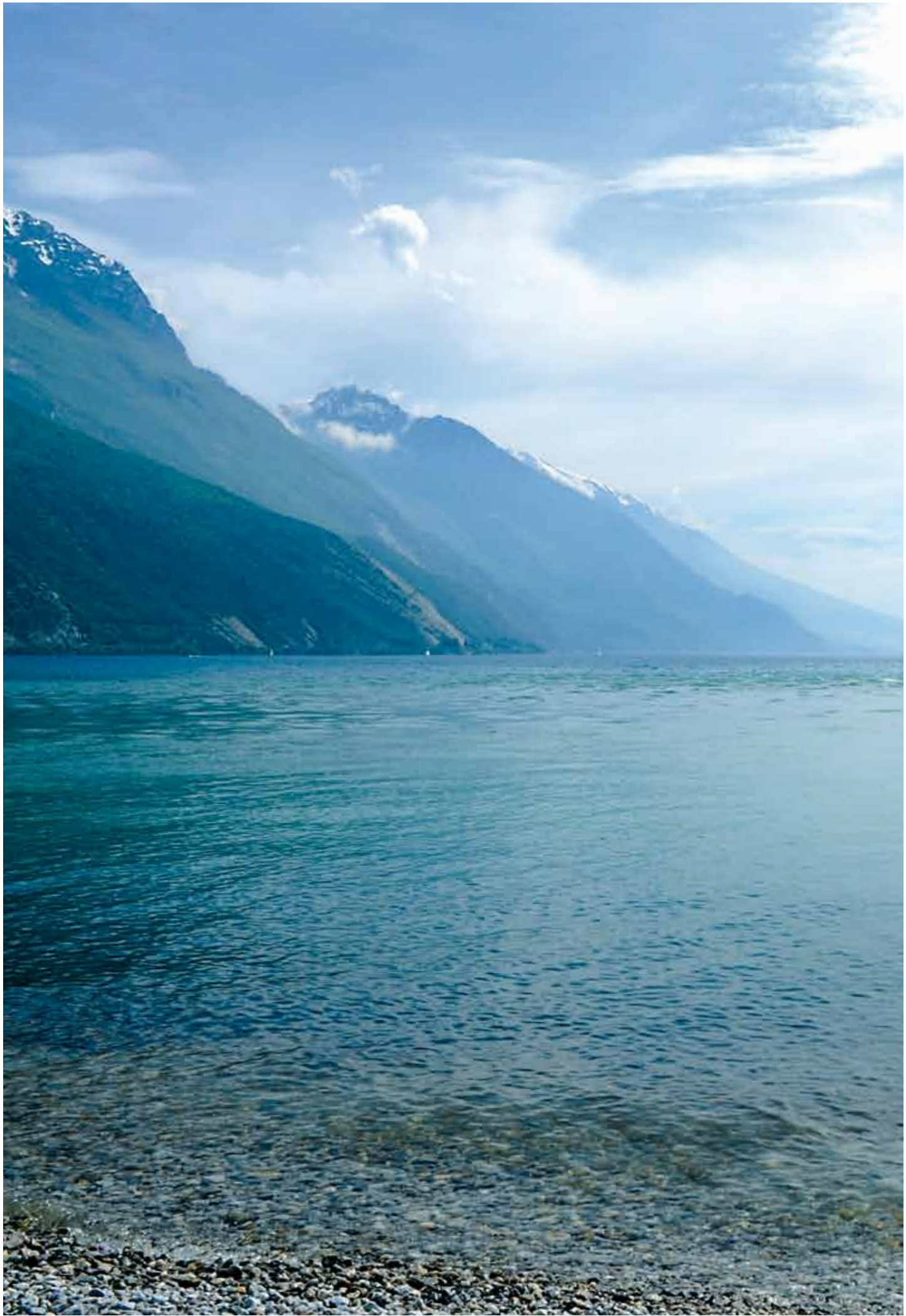
Results, actions and **projects**

Keeping in step when the economy slows down.

This section describes the results attained as well as the interventions that made them possible.

The projects are also reported for the next two years, taking into account the objectives we set ourselves. Results, actions and projects are examined from economic, environmental and social points of view.



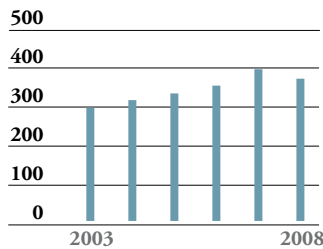




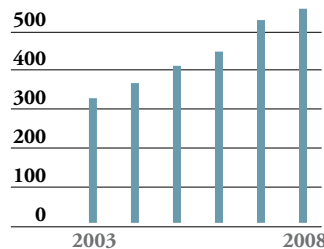
The economic trend

An important investment policy to increase productivity while pursuing a continuous process of innovation.

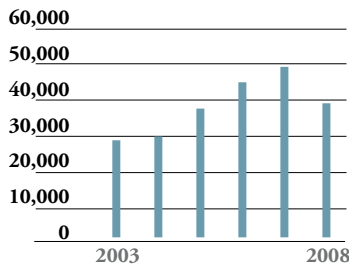
Millions of € Turnover



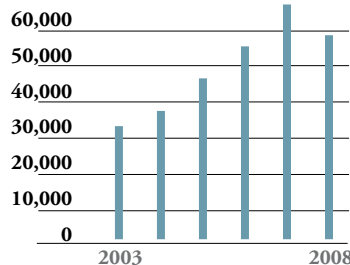
Millions of \$ Turnover



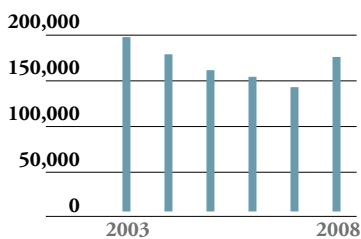
Millions of € Ebitda



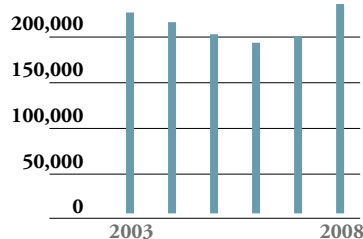
Millions of \$ Ebitda



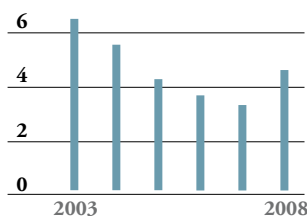
Millions of € Net. Fin. Pos.



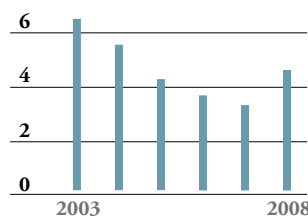
Millions of \$ Net Fin. Pos.



Millions of € NFP / Ebitda



Millions of \$ NFP / Ebitda



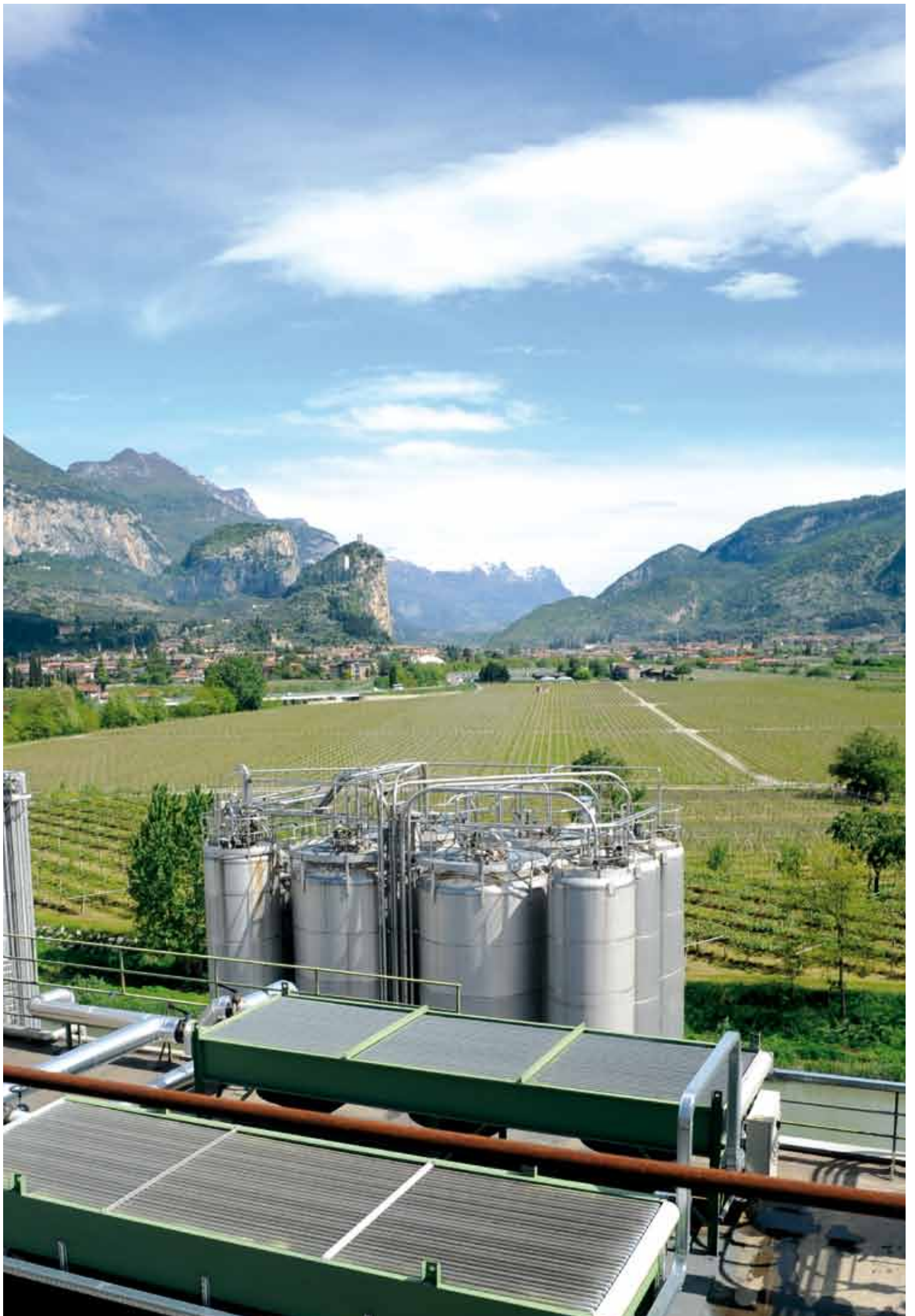
A particular year for everybody.

2008 was certainly a particular year for the global economy, that in the space of a few months went from years of growth to the current recession. For almost nine months we witnessed a continuous rise in the price of raw materials and the cost of energy, which concerned a large part of the production world.

In the last few months of the year the trend turned around, taking us back to the costs of the previous year, though with a slowdown in demanding every economic sector.

Conversion € / \$

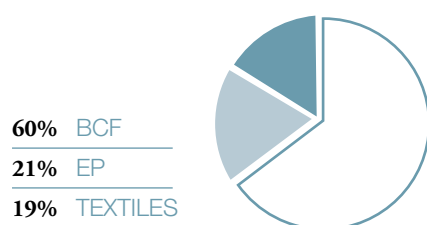
at mean annual exchange rate



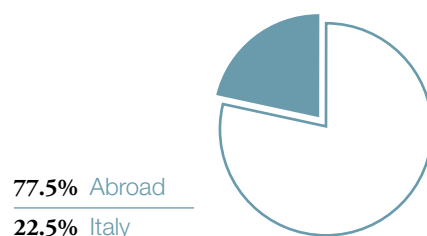
The **economic** trend

Planning our investments by looking ahead.

2008 turnover by **BUSINESS UNIT**



2008 turnover **Italy** and **Abroad**



2008 turnover **EU** and **rest of the world**



The Group's response

The Group's profitability was partly affected by the increased production costs, though, due to actions taken, it was able to recover already starting from December.

The consolidated turnover reflects this situation to a lesser extent, showing a slight reduction compared to 2007, with a satisfactory performance that is similar for all the product Business Units. The net indebtedness is due to the extraordinary investments made by the Group to increase productive capacity and technologically improve the plants. The efforts made were aimed at strengthening the market share of the company's business by introducing increasingly sophisticated products that in this phase of crisis may represent a distinguishing factor supporting the company's growth.

Despite external difficulties the Group continued its policy of investment in highly technological productive capacity to meet the needs of sophisticated market segments and maintain a leading position in the European market. The investments made especially in 2008 should show some results already in 2009. The solutions adopted, which contribute to the flexibility and efficiency of the plants in each production stage, ensure excellent profitability levels and ease the effects of the expected oscillations in the demand in coming years.

Picture to the left: the Aquafil plant in Arco (Trento).



Safety and Environmental Policy

Environmental Management System

Aquafil S.p.A. 2005

ISO 14001-2004 certification and environmental permits.

The following ISO 14001-certified factories in the Aquafil Group comprise 60% of the Group (in terms of personnel and sales volumes):

- ▶ Aquafil S.p.A. (Arco), certified in 2002, certifying agency DNV.
- ▶ Julon d.d subsequently associated to Aquaset Store, obtained the ISO 14001 certification in 1998.
- ▶ In October 2008 Julon obtained the AIA pursuant to IPPC.

The three Environmental Management Systems are periodically audited by the relative certifying agencies.

Aquafil S.p.A. and Aquaspace S.p.A. obtained Integrated Environmental Authorization on 2 September 2005 and 24 October 2007, respectively.

The primary goals that we set ourselves are: ongoing improvements in safety, the work environment, and protection of the natural environment.

Convinced that improving the work environment and reducing the risk of accident are a social obligation which the company must fulfil, and that the natural environment is a shared resource that is precious to everyone, Aquafil S.p.A. is thus committed to:

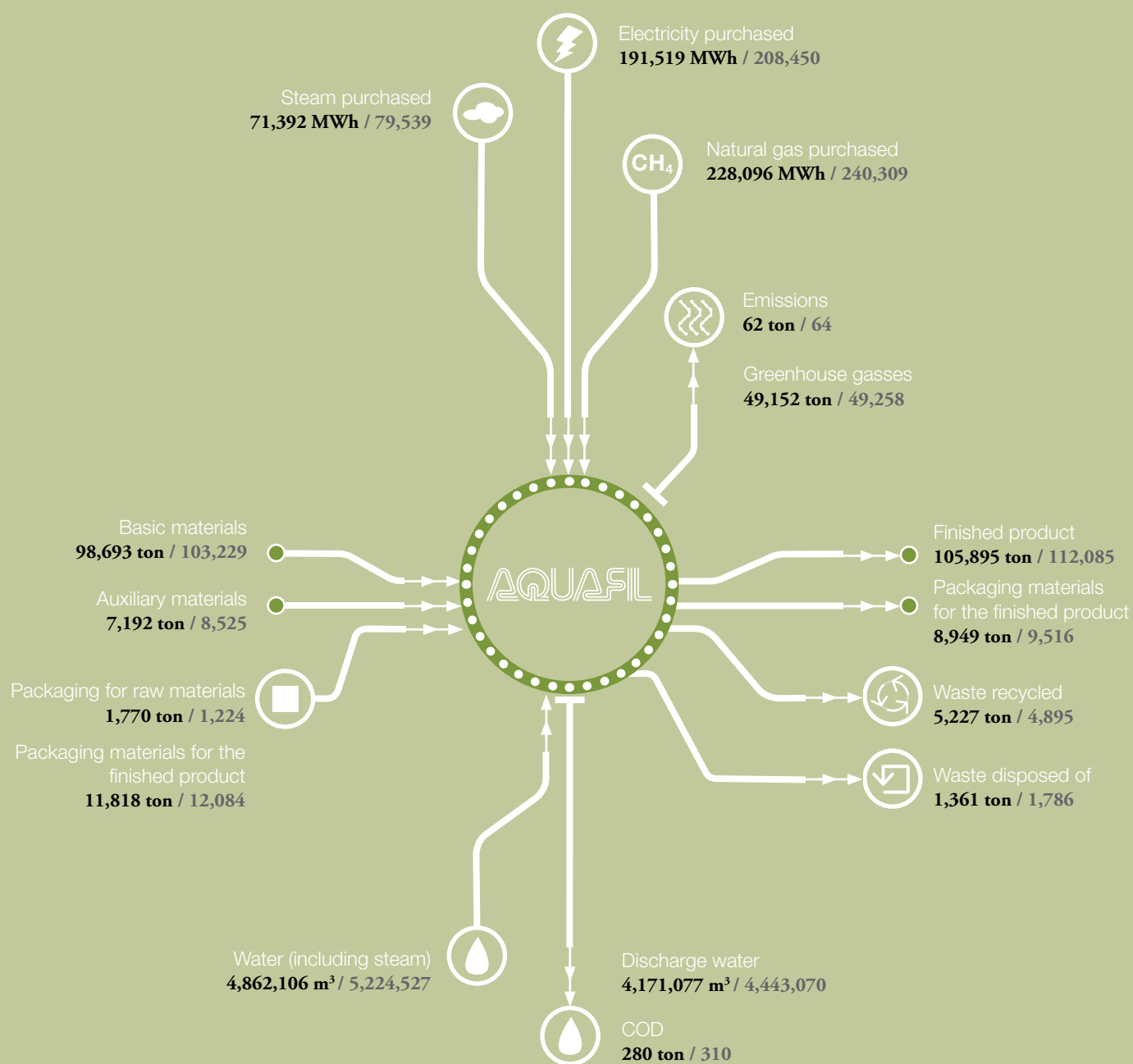
- ▶ **obeying** current laws on safety and the environment;
- ▶ **creating and maintaining an** organized Safety and Environmental Management System which provides constant supervision of company operations and minimizes the probability and the consequences of accidents, whatever their nature;
- ▶ **reducing** the impact of company operations, processes and products to protect the environment, prevent all types of pollution, and optimize the use of natural resources.

To implement this policy, Aquafil S.p.A. is committed to:

- ▶ **setting** goals for improving safety in the workplace and reducing the environmental impact of company operations, processes and products;
- ▶ **estimating** in advance (and right up until the development phase) the possible impact of new processes and products on safety, the workplace and the external environment;
- ▶ **improving** the management of natural resources and energy;
- ▶ **systematically** verifying and documenting the efficiency of its Safety and Environmental Management Systems;
- ▶ **promoting** a safety and environmental culture at the factory by providing appropriate training and by communicating to all personnel the goals for improvement that are established from time to time, so that staff becomes fully involved in completing activities designed to effect improvement and in solving specific problems;
- ▶ **ensuring** that employees of outside companies working at the factory follow procedures and current laws regarding safety in the workplace and environmental protection.

Consolidated Environmental Balance Sheet

2008 vs 2007





The mouth of the Sarca river.

A summary of results

Also this year we publish the Consolidated Environmental Balance Sheet including all of the Group's production sites (11).

The system of active detection and reporting allows each site to assess its own environmental impact and continuously monitor the trend in the main flows. The summarising table with all the performance indicators provides a consolidation at Group level and a comparison with the best practices in absolute and normalised terms.

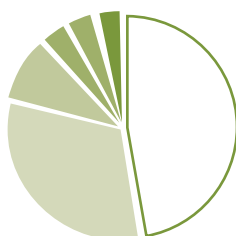
A comparison can also be made with data from the previous year, as well as an analysis of the effectiveness of the actions taken and the effects of the changes to the production structure. When compared with the normalised values of the previous year, all the performance indicators show a positive trend, in some cases even beyond expectations, despite external unforeseeable events. In consideration of the market trend, for the year 2008 also the values concerning the first half are reported.

CONSOLIDATED ENVIRONMENTAL BALANCE SHEET - Comparison 2008 - 2007

			Normalised values per ton of finished product			
		UofM	2007	1 st half 08	2008	% 08 / 07
<div>In</div> <div><div></div></div>	Basic materials	ton / ton	0.921	0.917	0.932	101%
	Auxiliary materials	ton / ton	0.076	0.081	0.068	89%
	Electricity purchased	kwh / ton	1.860	1.632	1.809	97%
	Steam purchased	kwh / ton	709.6	598.7	674.2	95%
	Natural gas purchased	kwh / ton	2.144	2.014	2.154	100%
	Water including condensation acquired from steam	m³ / ton	46.61	42.89	45.91	98%
	Packaging for raw materials	ton / ton	0.011	0.016	0.017	155%
	Packaging materials for the finished product	ton / ton	0.110	0.100	0.110	100%
	Finished product	1 ton	2007	1 st half 08	2008	% 08 / 07
<div>Out</div> <div><div></div></div>	Packaging materials for the finished product	ton / ton	0.085	0.081	0.085	100%
	Waste recycled	kg / ton	47.1	40.1	53.7	114%
	Waste disposed of	kg / ton	12.5	7.9	8.6	69%
	Emissions	gr / ton	574.0	555.7	581.3	101%
	Greenhouse gasses	ton / ton	439.5	420.6	426.4	97%
	COD	kg / ton	2.8	2.2	2.6	94%
	Discharge water	m³ / ton	39.5	36.9	39.4	99%

A summary of investments

Breakdown of **investments** in environmental protection.



48% Energy	4% Other
34% Safety	3% Emissions
8% Waste	3% Water

The values of the indicators show the soundness of the actions undertaken, whose effectiveness persists also in the second half of the year affected by an economic slowdown worldwide.

All of the 18 projects the Company had committed to as part of the 2007 sustainability report have been started. During the year another 3 projects were identified and commenced. The total investment equalled 3.2 Million Euros (3.6 Million Dollars).

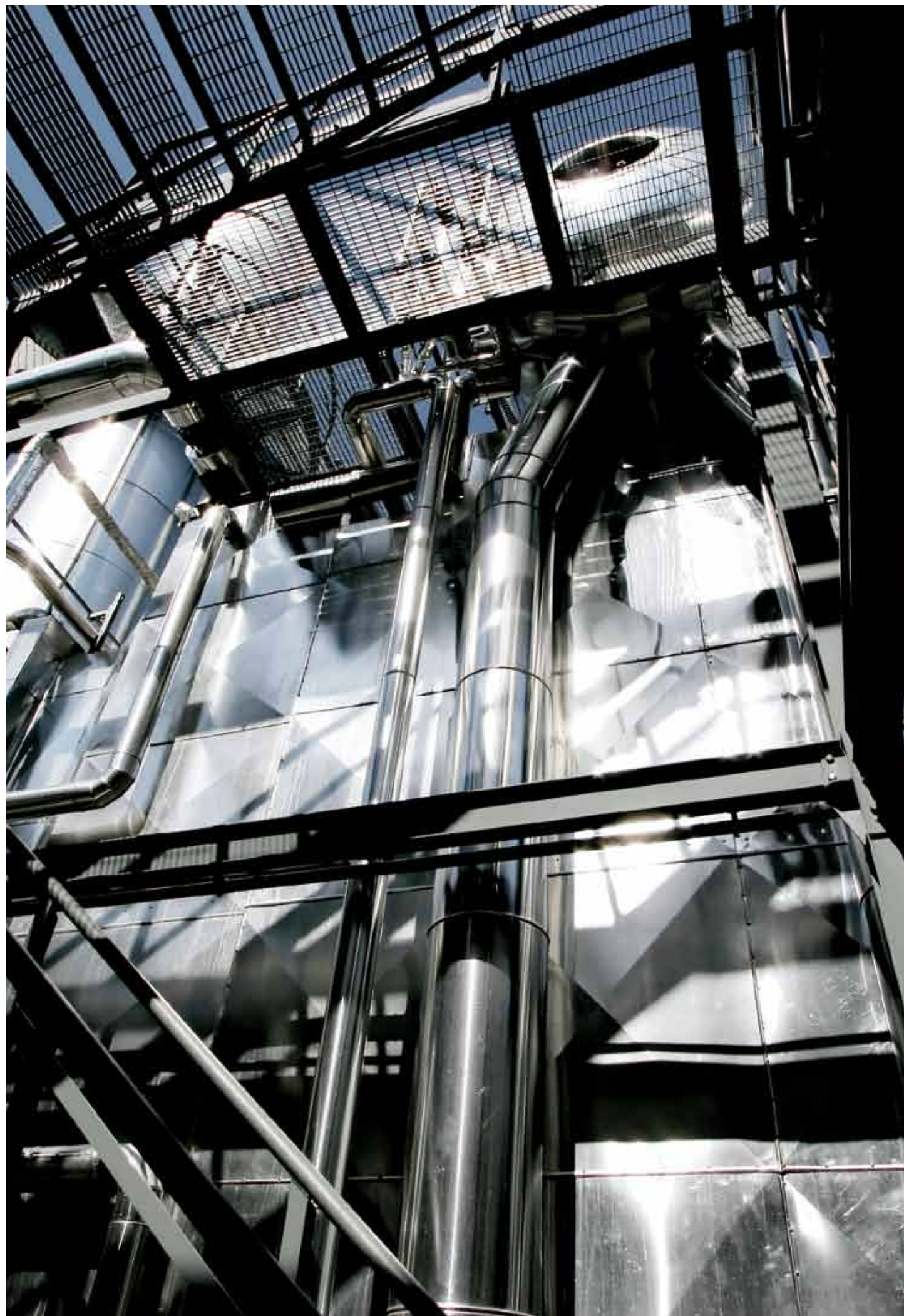
13 interventions arranged into 18 actions were completed by the end of the year and have already provided visible advantages in the 2008 environmental balance sheet.

The pages below report the main interventions by theme area, the progress of projects, the results obtained and the new initiatives introduced for the 2009-2010 period.

Progress status of the 18 projects included in the **2008-2010** period stated in the 2007 report

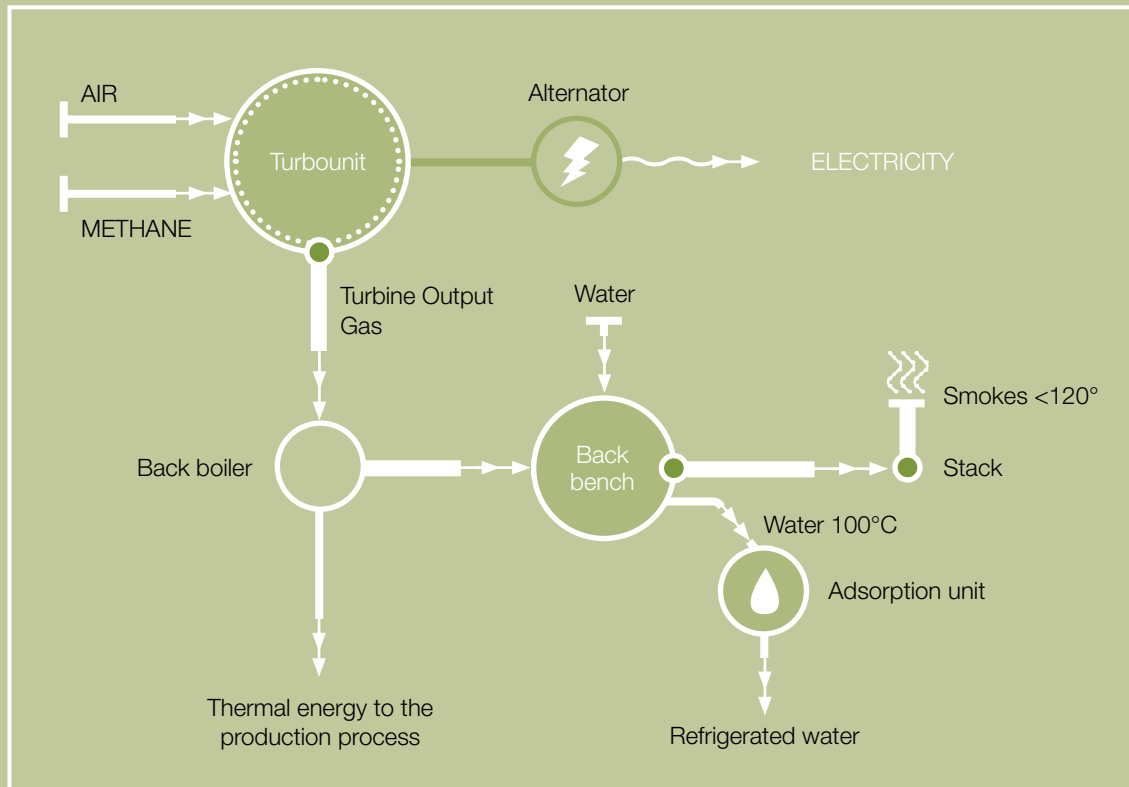
THEME AREA	no. Projects	no. Actions	Completed actions	Benefits	
				Values	%
Energy efficiency improvement	7	12	9	8,144 MWh	-1,6%
Non-separated waste reduction	2	4	3	452 tons	-41%
Air emission reduction	4	6	2	Process control	100%
Water consumption reduction	2	3	2	315,000 m ³	-6%
Safety in the workplace	3	3	2	Accident reduction	-30%
TOTAL	18	28	18		

Note: the same improvement project can be arranged into more sites and/or more actions.

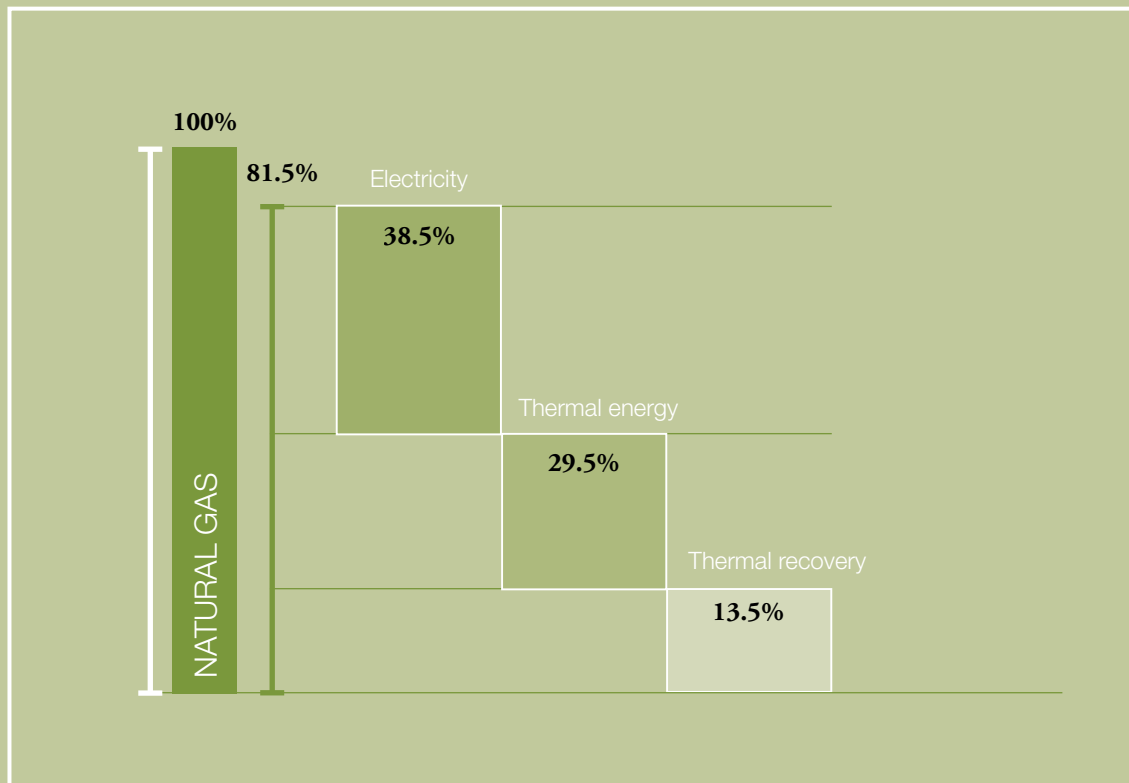


From the Co-generation to the **Three-generation**

Three-generation: the flows
2008



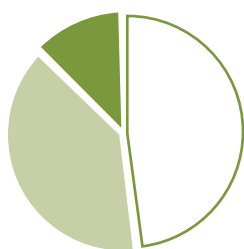
Three-generation: the yield
2008





Energy: the results

Energy sources



46% Methane

39% Electricity

15% Thermal Energy

AQUAFIL GROUP Energy purchases 2008 - 2007

MWh	2007	2008
Methane	240,309	228,096
Electricity	208,453	191,519
Thermal energy	79,539	71,392
TOTAL	528,301	491,006

Energy used in 2008 totalled 491,000 MWh, 46% in the form of methane, 39% of electricity and 15% of steam. During the year, the acquisition of Borgolon and the investments made by the Sythetic Yarn Business Unit, have moved the Group's production mix towards more complex processes with higher energy content. In consideration of the above, we still achieved a 7.1% drop in energy consumption over 2007; more specifically: 1.6% due to recovered efficiency and 5.5% for reduced production.

As illustrated in the diagram in the previous page, the "three-generation" system was brought to full operating capacity and obtained a total yield of 81.5%, thus improving the 80.7% value of the project and stabilising the 13.5% increase compared to the value ensured by the cogeneration only.

Arco Facility	Year	Purchased from outside sources	Produced internally	TOTAL
Electricity	2007	14,180	68,159	82,339
	2008	10,520	62,048	72,568
Thermal energy	2007	-	91,783	91,783
	2008	-	101,651	101,651

Energy: the projects

In addition to the 7 energy-related projects included in the plan (ref. 2007 report) another two projects were started, which were identified during the year. The actions completed have already given some benefits, as stated and described in the consolidated balance sheet.

Projects not included in the plan

- ▶ Reducing the consumption of compressed air for BCF yarn reprocessing machinery (**100%**)**
Aquafil (USA)
- ▶ Heating the Aquafil Arco office building with calories recovered from the cogeneration smokes (**100%**)**

2008

Projects included in the plan

- ▶ Bringing to full operating capacity our plants that produce and use thermal energy from natural gas (**85%**)**
- ▶ Replacing refrigeration units with the latest machines that consume less energy (**100%**)**
- ▶ Reorganizing the production and distribution of industrial cooling water (**60%**)**
- ▶ Optimizing the production of compressed air by rationalizing existing machinery and installing new machines with increased efficiency (**100%**)**
- ▶ Identifying the necessary technological changes, and updating machinery, to reduce the consumption of compressed air (**100%**)**
- ▶ Completely replacing the lighting systems in all BCF twisting and heatsetting departments with systems that consume less energy (**100%**)**
Aquafil (Slovenia)
- ▶ Installing new production lines with improved energy balance (**20%**)**
Aquafil Engineering Plastics (Italy)

** % of progress



2009-10

In addition to completing the actions already started in 2008, the following energy-related projects were launched:

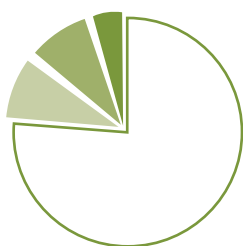
- ▶ **Implement** an energy efficiency improvement
as studied by the Cartersville Electric System Aquafil (USA)
- ▶ **Replacing** neon lights with low consumption systems (**-50%**)*
Tessilquattro (Italy)
- ▶ **Replacing** the engines of the yarn reprocessing machinery with others that consume less energy (**-10%**)*
Bulgari d.o.o. (Croatia)
- ▶ **Installing** light on-off switches
Borgolon (Italy)
- ▶ **Increasing** the working temperature of refrigeration units
Borgolon (Italy)
- ▶ **Increasing** the efficiency of the energy internal production system
Aquafil (Italy)

* Expected results



Waste: the results

Production of **waste** by type



77% Separated

10% Non-separated

9% Hazardous

4% Sludge from water treatment

The objective we set out at the beginning of the year, of reducing by 25% the amount of waste sent to landfills, i.e. the waste generated from the packaging of incoming materials, office activities and general service, was fully achieved.

We went from 9.8 kg/ton in 2007 to 6.1 kg/ton in 2008, in absolute terms from 1,095 tons in 2007 to 643 tons in 2008. Consequently, 79% of the total waste produced by the Group is now recycled.

Total waste has also been decreased despite major extraordinary maintenance interventions carried out during the year. The mix by type has not changed, except for the decrease in non-separated waste in favour of separated waste.

TYPE OF WASTE	ton		Kg/ton produced		% RECYCLED	
	2007	2008	2007	2008	2007	2008
Non-hazardous separated waste	4,779	5,065	42.6	47.6	100	100
Paper	3,164	2,636	28.3	24.9	100	100
Plastic and wood	1,615	2,429	14.4	22.9	100	100
Hazardous separated waste	499	620	4.5	5.8	23	26
Residual organic substances comparable to fuels	116	162	1	1.5	100	100
* Oils and exhausted batteries	383	458	3.5	4.3	0	0
Non-hazardous non-separated waste	1,095	643	9.8	6.1	0	0
Sludge from water treatment	308	260	2.7	2.5	0	0
TOTAL	6,681	6,588	59.6	62.0	73	79

* This family is recycled by obligatory consortia and not by the company. Thus = zero.

Waste: the projects

2008

Specific projects have been started and completed in the facilities of Arco, Cares and Cartersville (USA) to reduce the amount of non separated waste produced. They all achieved better than expected results and the objective of 25% reduction was successfully attained.

Projects included in the plan

- ▶ Achieving a 25% reduction in non-separated waste production, particularly at the Arco, Cares and Cartersville facilities (**100%**)**
- ▶ Achieving a 20% reduction in the quantity of separated waste generated by packaging materials for synthetic yarn for clothing (**100%**)**

** % of progress



2009-10

The projects started for the 2009-2010 period for waste reduction purposes include:

- ▶ **Eliminating** more than 50 tons/year of separate waste by using aluminium tubes
Bulgari d.o.o. (Croatia)
- ▶ **Expanding** the reduction of non-separated waste to all the sites (**-5%**)*
- ▶ **Reducing** separated waste by using recyclable separators for the intercompany handling of bobbins in Italian sites (**-15%**)*

* Expected results



Emissions into the atmosphere: the results

Carbon footprint

EMISSIONS INTO THE AIR*	2007 ton	2008 ton
TOC (CPL + OIL + VOC)	32.8	33.4
NOX	19.7	17.2
CO	7.6	7.3
SO2 / SOX	0	0
Dusts	3.9	3.7
PM 10	0	0
TOTAL	64	62

* For the assessment of emissions it must be considered that in most cases precision oscillates by 5 - 10%.

Conversion coefficients:

1 kWh = 0.531 kg CO₂ eq
(Enel)

1 kWh = 0.430 kg CO₂ eq
(ELES and Slovenian Ministry of Industry - Department of Energy)

1 kWh = 0.726 kg CO₂ eq
(Website Southern Company - Georgia Power Company)

The industrial operations of the Group do not involve any major effects in terms of atmospheric emissions, with values that are well below the legal limits. Nevertheless, a more rigorous detection program was implemented in all sites, which allowed an improved monitoring of the related trends and an additional reduction in emissions.

With regard to the amount of climate-altering gases produced by the Group, we considered:

- ▶ the direct emission of greenhouse gasses, 87% of which is produced in the Arco facility where the co-generation plant is installed
- ▶ the indirect impact of the purchase of electricity and steam from external sources
- ▶ emissions generated by internal movement of goods and persons within the Group.

The actions taken reduced energy requirements and thus emissions. This year again the Arco facility saved 28% of the CO₂ quotas assigned. The potential reduction of CO₂ at group level does not directly correspond to the reduction achieved for energy consumption. This is due to the fact that the organisation of production required a more intense use of the plants in Italy and the United States, where the CO₂ per MWh equivalent is one of the highest compared to other countries where we work. However, the success of the choice to invest in cogeneration plants and plants for energy production from renewable sources is confirmed.

AQUAFIL GROUP - Emission of CO ₂ equivalent greenhouse gases	2007 ton	2008 ton
Direct	49,258	45,152
Indirect	125,596	120,185
Movement	2,433	2,650
TOTAL	177,287	167,987

Emission Trading for the Arco facility

	Assigned quotas	Consumed quotas	Saving
2006	43,098	36,259	16%
2007	51,788	42,998	17%
2008	55,203	39,548	28%

Emissions: the projects

2008

Emission improvement actions were taken at various levels.

Projects included in the plan

- ▶ Implementing a rigorous system that monitors emissions more often than the frequency required by law and helps identify effective actions for improving performance in this area (**100%**)**
- ▶ Achieving a 15% reduction in the tons of CO₂ equivalents generated by the movement of textile yarn (**50%**)**
- ▶ Implementing a new system for extruders that collects and filters smokes (**100%**)**
Aquafil Engineering Plastics (Italy)
- ▶ Feasibility study to produce energy from renewable sources (**100%**)**

** % of progress



2009-10

The projects started for the 2009-2010 period for emission reduction purposes include:

- ▶ **Rationalising and reducing** the emission points
Aquaspace (Italy)
- ▶ **Improving** the efficiency of filters (**-10%**)*
Aquafil (Italy)
- ▶ **Creating** plants that produce electricity from renewable sources (**-1,560 ton/year** of CO₂)*
- ▶ Anemometric and meteorological **measures** for aeolian station
Tessilquattro (Italy)
- ▶ **Eliminating** one of the two stacks with reduction of total emissions into the atmosphere
Borgolon (Italy)

* Expected results



Water: the results

Sources of **water**



97% Well

2% Aqueduct

1% River

The initiatives planned for 2008 were completed and gave the expected results.

Our facilities use approximately 4.8 million m³ of water to cool process equipment, produce steam, wash and dye some special yarn, and condition and climatize the air.

Consumption was reduced by 6%, while the mix of sources of origin has remained constant: 97% from wells, 2% from aqueducts and 1% from rivers.

About 4.2 million m³ of water are discharged, 85% of which are discharged into surface water and 15% of which are sent to public consortia for treatment.

Discharge into surface water has a limited effect (310 tons) on COD, which is below legal limits and decreasing compared to 2007.

Types of **discharge**



85% Into surface water

14% Into industrial drainage system

1% Into municipal drainage system

DESTINATION OF DISCHARGED WATER	Volume of H ₂ O m ³		Quantity of COD ton		Average concentration mg/litre	
	2007	2008	2007	2008	2007	2008
Treatment	594,581	622,662	95	100	160	160
Surface water	3,848,489	3,548,415	215	180	56	51
TOTAL	4,443,070	4,171,077	310	280	-	-

Water: the projects

2008

The results obtained in terms of reduced water consumption derive from the projects conducted at the Aquafil, Aquaspace and Julon plants at the Arco and Ljubljana facilities. The intervention concerning cooling water started at the Arco facility will be completed in 2009.

Projects included in the plan

- ▶ 7.5% annual reduction in water consumption at the Aquaspace plant (**100%**)**
- ▶ Achieving a 20% annual reduction in the consumption of polymer cooling water used in autoclaves in the Arco facility (**50%**)**

Projects not included in the plan

- ▶ Reducing the use of civil water in Julon by controlling the network and eliminating leaks (**100%**)**

** % of progress



A view of Bohinj Lake, Slovenia.

2009-10

The projects planned to reduce water consumption and discharge are as follows:

- ▶ **Completing** the project to reduce consumption of polymer cooling water used in autoclaves (**-20% a year**)*
Aquafil (Italy)
- ▶ **Reducing** total COD in Ton/year and/or Kg/ton (**-10%**)*
Aquafil (Italy)
- ▶ **Improvements** to the conditioning system to minimise the water leaking from the circuit
Borgolon (Italy)

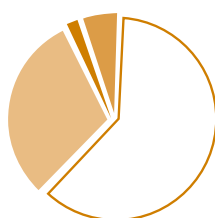
* Expected results



Our commitment to Collaborators

AQUAFIL GROUP	2007	2008
Men	1,201	1,170
Women	568	648
TOTAL	1,769	1,818

Breakdown of personnel by **B.U.**



62.6% **BCF**

31.7% **TEXTILE**

5.6% **EP**

0.1% **E&R**

Net of the Group's turnover, in 2008 Aquafil employees increased by 3% (49 more people), with a significant rise in the number of female personnel (+14%) and a net decrease in the number of male employees (-3%). The breakdown of employees by Business Unit did not change significantly. More than 49% of employees are employed in Italian sites, about 42% in Slovenia and Croatia, approximately 11% in the US and 1% in Thailand. In addition to the natural growth recorded in the Thai site set up in 2007, the main events concerned the transfer of some processes

from Slovenian sites to Croatia, where the greatest growth was recorded (83 employees), most of which (67) are women, and the (67) acquisition of Borgolon, which led to a net increase in employees in Italy of 45 people.

The tables below provide a thorough basis to compare the number of employees in the 2007-2008 period, by country, position and gender.

	MEN		WOMEN		TOTAL		%	
	2007	2008	2007	2008	2007	2008	2007	2008
ITALY	637	653	216	245	853	898	48.2%	49.4%
SLOVENIA	443	389	195	177	638	566	36.1%	31.1%
CROATIA	15	31	94	161	109	192	6.2%	10.6%
USA	100	89	57	53	157	142	8.9%	7.8%
THAILAND	6	8	6	12	12	20	0.68%	1.1%
TOTAL	1,201	1,170	568	648	1,769	1,818		

	ITALY				ABROAD				TOTAL	
	Men		Women		Men		Women			
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
EXECUTIVE	18	21	1	2	4	6	0	0	23	29
MIDDLE MANAGEMENT	35	32	5	5	54	46	17	15	111	98
OFFICE WORKERS	100	105	79	82	35	30	49	70	263	287
PRODUCTION WORKERS	484	499	131	152	471	435	286	318	1,372	1,404



Training course

The results

Training Italy



45% Technical training

45% Safety training

10% Language training

Training Slovenia-Croatia



44% Technical training

43% Language training

13% Safety training

More flexible shifts and other initiatives in favour of the personnel.

Our commitment to employees is expressed in practical terms by an ongoing process of organizing work in the best possible way that is compatible with industrial requirements, by our attention to employees' growth, by our protection of their health and safety, and our interest in promoting their social life inside and outside the company. For example, we have a multifaceted system of work shifts that allows us to effectively meet the needs of workers. This is particularly true for the female members of our staff, who predominate at the production facilities of Bulgari d.o.o in Croatia.

Professional development.

In 2008 many more training initiatives on the subject of Health and Safety in the workplace were developed, accounting for approximately 45% of the total hours, the same percentage as technical training which historically accounted for the lion's share of the training program at Aquafil.

Training sessions are combined with continuous introductory programs by the head of the departments. The study of foreign languages is also given great importance, which reflects the proactive approach to internationalization that distinguishes the Group.



Collaborator in the Arco facility (Italy).

Employee health and safety.

In 2008 the values of safety indexes (Index of frequency, gravity and risk concerning accidents) improved compared to 2007.

In Aquafil, we focused on four fundamental points to start a process of continuous improvement to safeguard health and safety in the workplace:

- ▶ **Systematically inform** people at all levels.
- ▶ **Train** people to operate correctly.
- ▶ **Involve** people along the entire production chain.
- ▶ **Continuous monitoring** and **control** of the activities while being performed and measurement of the results obtained.

Great importance was attributed to risk assessment and minimisation activities, for which the Risk Assessment Documents of all of the group sites were reviewed with a view to maximising the active participation of our staff in individual processes.

Important tests.

An experiment was also conducted with regard to Engineering Plastics, for the application of the FMEA technique to the compound department.

In light of the good results achieved a decision was made to expand the experiment to other departments. In order to simplify and improve monitoring and prevention activities, the use of computer tools integrated with the company ERP system at all the levels of the operating structure is being considered.

In the US too, where the responsibility on this subject is traditionally borne by individuals, awareness-raising activities and initiatives of training on health and safety issues were intensified through both educational programs and collective moments of reflection on the importance of this subject for individuals and the company.

We expect the initiatives taken to have an effect on the general level of awareness and on the trends of the performance indexes towards a more marked and progressive improvement.

	year	IF	IG	IR
AQUAFIL GROUP	2008	26.28	0.65	16.96
	2007	31.69	0.77	24.48

	year	Hours worked (including temps)	no. of accidents >3 days	no. of days lost more than 3 days
AQUAFIL GROUP	2008	3,233,891	85.0	2,087.0
	2007	2,997,798	95.0	2,316.0

IF (Index of frequency): (no. of accidents with lost time > 3 days) × 1,000,000 / hours worked.

IG (Index of gravity): (no. of days lost > 3 days) × 1,000 / hours worked.

IR (Index of risk): IF × IG



Mentoring activity by one of our collaborators Aquafil USA at Cartersville Elementary School.

The initiatives

The scholarships, each of a value of € 5,165, to invest in further education, are destined to five students who achieve a minimum grade of 80/100 in their final high school examination. We make an effort to be close to our collaborators and their families through sport, culture and health, not only in Italy but also in all the countries where our production activities are based. In addition to sponsoring sports events in Trentino, for some years now we sponsor an employee team that participates in an indoor soccer tournament held by the city of Ljubljana. Also, a team of ours traditionally participates in a yearly national ski race that is reserved for employees of companies in the textile sector. To meet the families our employees, during the year we plant events at the various sites where people enjoy board games and participate in soccer, volleyball and basketball tournaments.

The Christmas party at Julon d.d. is reserved for young children, during which gifts are given to the kids.

New horizons for the future.

Activities of integration with the local community have been organised this year in the United States, which were really well received. Besides fund raising activities and sponsorships, in agreement with the Cartersville elementary school, some of Aquafil employees mentored a few young students, providing them with learning support and teaching them about the company.

More over, when assessing the annual results, a discussion was opened to define the measures to take to improve the performance in terms of health and safety of employees.



Maratona Aquafil Group.

In Thailand the company stipulated an insurance policy for all the staff, which covers medical expenses. This decision was taken since the Thai public health system does not guarantee a sufficient service. All the staff undergo a medical check up once a year, which is more in depth than the minimum checks imposed by law.

Pension funds, scholarships.

Employees of Julon d.d. can join a private pension fund on an individual, volunteer basis. Besides organizing and promoting this initiative, we also pay part of the annual premium.

In 2008, 324 employees signed up for the fund, and a total of € 115,655 was contributed by the company.

Finally, with an eye on future generations, we recognize the scholastic efforts of our employees' children who have distinguished themselves with the highest grades in school. They're rewarded with scholarships bearing the names of our colleagues Gianni Bettoni and Filippo Predaroli, who died in a plane crash in October of 2001. The scholarships, each of a value of € 5,165, to invest in further education, are destined to five students who achieve a minimum grade of 80/100 in their final high school examination.



Safety

The PILA award

Goal for 2008

Zero accidents on the job.

That's the name of the contest held every year that promotes on-the-job safety at Yulon d.d..

The contest rewards 15 persons (workers and clerks) who are drawn from those who had no accidents and no disciplinary reprimand for failure to follow safety procedures in the period extending from December 1 of the previous year to November 1 of the current year.

The draw is held at a Christmas dinner for all employees. The award consists of a monetary prize.

Since we feel it's important not only to raise the awareness of individual workers, but also to promote group attention to safety and health in the workplace, the contest rules specify that collective prizes be given to departments where no on-the-job accident occurred.

In 1990, at our Arco facility, the **PILA group** (for Prevention of Accidents among Aquafil Workers) was set up as a permanent analysis and study unit to involve the entire organization in matters regarding workplace safety, health and quality at the production facilities of the Aquafil Group.

Originally made up of technical and production managers in our factories in Italy and a representative of the workers, the group was rearranged to meet the requirements of Legislative Decree 81/08, although its activities remained unchanged.

In this expansion, new members were included that have specific responsibilities associated with safety in the workplace. The group meets on a regular basis to discuss common problems, examine accident statistics and issue the PILA Report, as well as to evaluate any new technology that is available in the sector.

Aquafil Group management, together with the managers of the various production facilities, felt the need to expand its preventive measures to include meetings and opportunities to discuss results.

As part of the Pila Group's activities, the PILA Award was created in 1998 with the goal of further strengthening the Group's effort to raise awareness of the importance of safety in the workplace.

The contest is open to employees with operational responsibilities (workers and middle managers). Approximately 30 employees with the least time lost due to accident and illness are rewarded every year.



The projects

2008

The employee-related activates carried out in 2008 focused on three topics:

Projects included in the plan

- ▶ A 15% increase in the hours of training dedicated to safety in the workplace (**100%**)**
- ▶ Performing a FMEA (*Failure Modes and Effects Analysis*) for Aquafil Engineering Plastics for the compound production department (**100%**)**
- ▶ Completing an upgrade of the fire fighting systems in all production facilities (**50%**)**



Fire fighting training course in Aquafil Asia Pacific (Thailand).

2009-10

These are the areas of intervention for 2009-2010:

- ▶ **Completing** CPI works in all the sites in Italy
- ▶ **Maintaining** the hours/year level training on safety issues at all sites
- ▶ **Transposing** the FMEA analysis to an operating project by involving the workforce
- ▶ **Completing** the feasibility study concerning the installation of the EHS computer module on SAP platform manage safety issues

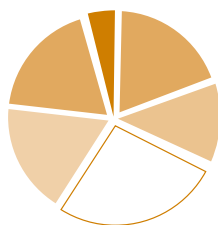
** % of progress



Center of Ljubljana, Slovenia.

Our commitment to local communities: continuity

Seniority of employees



27%	>5<=10	17%	>10<=20
19%	>20<=30	14%	>2<=5
19%	<=2	4%	>30

Being rooted in the local communities where we operate is one of the elements that strongly set us apart from the rest, as evidenced by the low turnover among Group employees over the past few years (approx. 5% in Italy during 2008) and their advanced seniority (38% of employees have been with the company for at least 10 years). Since we seek to strengthen and consolidate our bond with the social milieu where we operate, we continuously come up with activities that support local communities. Our initiatives range from donations and monetary sponsorships, to agreements with universities and institutes of professional training.

In 2008, we sponsored the Sports Association of Arco, which helped organize a half marathon event with the support of donations from local non-profit agencies, associations and organizations for a total of around € 50,000.

In Slovenia, we sponsor the SILA association that promotes charity programs through accredited embassies in Ljubljana. We deal directly with the Italian Embassy. We also support sports events, cultural organizations, local agencies and volunteer associations. Our commitment in 2008 amounted to € 42,000.

Turn Over

Reason for turnover in Italy	2005	2006	2007	2008
Death	1	1	2	2
Resignation	19	18	17	37
Emigration	0	2	0	0
End of work contract	2	0	5	10
Termination	2	1	1	7
Retirement	9	8	15	13
Transfer to other Group company	2	4	2	3
TOTAL	35	34	42	72

Our commitment to communities: **the future for young people**

“Educational Institution and Industry working together” project.

It was with great interest that Aquafil promoted an initiative during the year PAT - Confindustria Trento to draw young people closer to the business world.

According to this initiative, the top management, and in some cases the same entrepreneur, is directly involved in guiding young students through a route of mutual knowledge.

Students and schools have many different routes to choose from as part of a menu consisting of six proposals, according to their interests and the number of participants.

The level of involvement is high, allowing students to actively participate in the typical moments of the company life. On the other hand companies and executives have an opportunity to come into contact with potential resources.



Group of students visiting the Aquafil plant in Arco (Italy).

Our ties with the university system.

We consider it vitally important to maintain close ties with universities and research centres, both in Italy and abroad, since they are sources of - and provide incentive for - innovation and development. Here are some of the institutes and universities with which we have a working relationship:

- ▶ University of Trento
- ▶ University of Alessandria
- ▶ University of Padua
- ▶ Laboratory for Fire Research
- ▶ ITCF, Denkendorf - *Germany*
- ▶ TFI, Aachen - *Germany*
- ▶ GUT, Aachen - *Germany*
- ▶ University of Maribor - *Slovenia*
in collaboration with the Ministry of Defence
- ▶ University of Ljubljana - *Slovenia*
- ▶ National Institute of Chemistry, Ljubljana - *Slovenia*.



The projects for 2009 - 2010: a **summary**

Energy

- ▶ **Implement** an energy efficiency improvement plan
as studied by the Cartersville Electric study Aquafil (USA)
- ▶ **Replacing** neon lights with low consumption systems (**-50%**)^{*}
Tessilquattro (Italy)
- ▶ **Replacing** the engines of the yarn reprocessing machinery with others that consume less energy (**-10%**)^{*}
Bulgari d.o.o. (Croatia)
- ▶ **Installing** light on-off switches
Borgolon (Italy)
- ▶ **Increasing** the working temperature of refrigeration units
Borgolon (Italy)
- ▶ **Increasing** the efficiency of the energy internal production system
Aquafil (Italy)

Waste

- ▶ **Eliminating** more than 50 tons/year of separate waste by using aluminium tubes
Bulgari d.o.o. (Croatia)
- ▶ **Expanding** the reduction of non-separated waste to all the sites (**-5%**)^{*}
- ▶ **Reducing** separated waste by using recyclable separators for the intercompany handling of bobbins in Italian sites (**-15%**)^{*}

Water

- ▶ **Completing** the project to reduce consumption of polymer cooling water used in autoclaves (**-20% a year**)^{*}
Aquafil (Italy)
- ▶ **Reducing** total COD in Tons/year and/or Kg/ton (**-10%**)^{*}
Aquafil (Italy)
- ▶ **Improvements** to the conditioning system to minimise the water leaking from the circuit
Borgolon (Italy)

^{*} Expected results



Detail of the Arco plant (Italy).

Emissions

- ▶ **Rationalising and reducing** the emission points.
Aquaspace (Italy)
- ▶ **Improving** the efficiency of filters
(-10%)*
Aquafil (Italy)
- ▶ **Creating** plants that produce electricity from renewable sources
(-1,560 ton/year of CO₂)*
- ▶ Anemometric and meteorological **measures** for aeolian station
Tessilquattro (Italy)
- ▶ **Eliminating** one of the two stacks with reduction of total emissions into the atmosphere
Borgolon (Italy)

Employees

- ▶ **Completing** CPI works in all the sites in Italy
- ▶ **Maintaining** the hours/year level training on safety issues at all sites
- ▶ **Transposing** the FMEA analysis to an operating project by involving the workforce
- ▶ **Completing** the feasibility study concerning the installation of the EHS computer module on SAP platform manage safety issues

* Expected results

Glossary

2008

To aid in the correct interpretation of the topics discussed, reported below are the meanings of the acronyms used

AIA

Integrated Environmental Authorization

The general authorisation granted by the authorities in charge to the companies subject to IPCC. All the environmental provisions (effluents, emissions, waste, etc.) are reported in a single authorisation document.

CO

Carbon monoxide, a toxic gas produced by the incomplete or partial combustion of fuels and combustible materials.

CO₂

Carbon dioxide, a gas that is naturally present in the atmosphere. It is produced by combustion, respiration, and the decomposition of organic material due to the oxidation of carbon.

COD

Chemical Oxygen Demand: the oxygen consumed to oxidize organic and inorganic substances dissolved in water or in suspension. This parameter is mainly used to estimate the content of oxidizable compounds, and thus to evaluate the potential for polluting naturally occurring water and discharge water.

CPI

Fire Prevention Certificate.

CPL

Caprolactam.

FMEA

Failure Modes and Effect Analysis.

Methodology that by analysing the possible faults in terms of probability, gravity and detectability allows us to anticipate risks and errors in both the development and design phase and in the operating phase of industrial operations.

IPPC

Integrated Pollution Prevention and Control. European Directive aimed at reducing emissions and effluents, no longer on the basis of individual pollution sources but, having analysed their global effect, it imposes restrictions with respect to normal legal limits.

NO_x

Nitrogen oxides. These gasses are mainly produced when atmospheric nitrogen is oxidized during normal combustion.

OIL

Oil fog.

PAT

Autonomous Province of Trento.

PM10

Particles suspended in the air (PM: particulate) with an aerodynamic diameter of less than 10 microns.

REACH

Registration, Evaluation and Authorisation of Chemicals.

The European regulation with the objective to increase safety levels and protect the health of people and the environment from the risks deriving from the use of chemical substances.

SO₂/SOX

Sulfur dioxide/sulfur oxides, which are produced by oxidation of sulfur during combustion of fossil fuels containing this element as an impurity.

TEP

Tons of Oil Equivalent - a unit of energy corresponding to the output of 1 ton of oil, used to express the energy production or consumption of a country.

TOC

Total Organic Carbon. The quantity of carbon contained in an organic compound. This parameter is used as a water quality indicator and to evaluate the content of organic substances present in smokes.

VOC

Volatile Organic Compounds. Represent the organic substances released in the environment through the emissions. The principal source of these emissions is the use of solvents.

Aquafil's **commitment**

In 2008 Aquafil decided to make its commitment towards the external world in terms of Sustainability official by creating and registering "The Eco Pledge" brand.

Aquafil's Path toward Full Sustainability



Aquafil's Path toward Full Sustainability

OUR CORE VALUES

- ▶ The importance of people clients, suppliers, collaborators or simply as citizens of the Earth
- ▶ The quest for innovation: as a constant necessity, pursued with every available means
- ▶ The entrepreneurial spirit: a willingness to put oneself on the line with one's work, accepting all the risks and the obligations

OUR CORE PURPOSE

- ▶ To serve Humanity while preserving the Earth, creating value through innovation.

OUR ULTIMATE OBJECTIVE

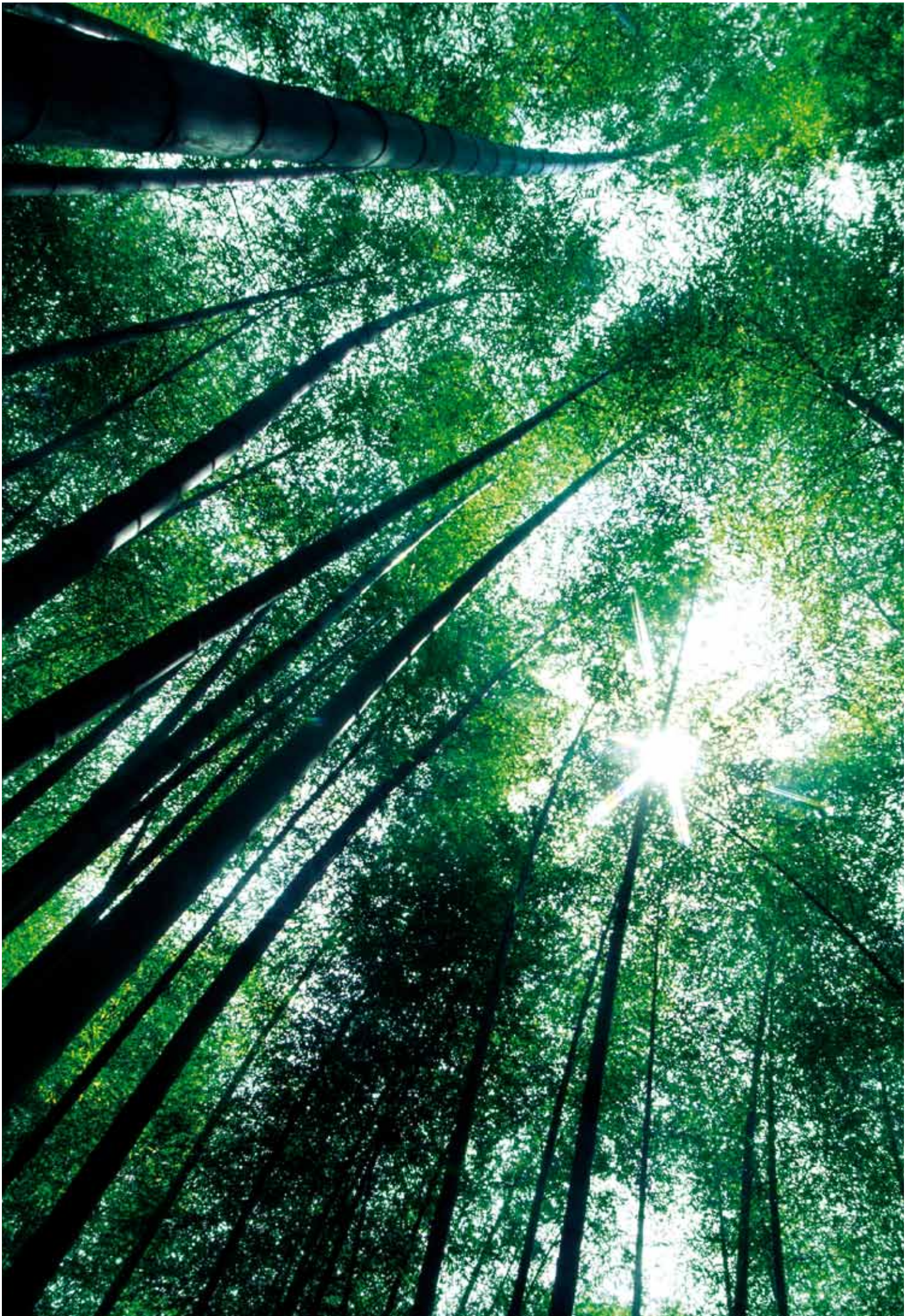
- ▶ To become the leading company in the market of polyamide fibres and polymers, with total commitment to sustainability with the ultimate goal of contributing to restoration of the integrity of the Earth System.

THE STEPS ALONG THE WAY

- ▶ We will develop and evolve closed loop cycle products, thus saving natural resources and contributing to the regeneration of the environment
- ▶ We will give ourselves the concrete and measurable goal of climate neutrality increasing continuously the use of energy obtained from renewable sources
- ▶ We will involve all collaborators, clients, suppliers and local communities in our project

THE MID-COURSE GOAL

- ▶ Within 2020, 50% reduction of greenhouse CO₂ per unit of product into the atmosphere, 30 years ahead the G8 statement.





Aquafil's Path toward Full Sustainability

AQUAFIL'S ACTIONS

- ▶ **Eliminating our contribution to the systematic increase in concentrations of substances extracted from the Earth's crust.**

Aquafil's Econyl product range prevents, through recycling, the accumulation of substances which would otherwise be released into nature.

- ▶ **Eliminating our contribution to the systematic increase in concentrations of substances.**

Aquafil is committed to using low-emission processes, and to re-using differentiated wastes internally and externally, all of which re-enter the production cycle as raw materials.

- ▶ **Eliminating our contribution to the physical degradation of nature.**

Aquafil is building each and every production site attentively considering its location, and limiting its land-use through the most accurate planning and site management (e.g., Aquafil's headquarters and production site, near the Sarca river).

In addition, a closed-cycle system has been implemented in the use of water in Aquafil's production facilities. For older production sites, Aquafil is working to achieve a more harmonious presence in the surrounding natural environment.

- ▶ **Avoiding the creation of conditions that systematically undermine people's capacity to meet their needs.** Aquafil is committed to satisfying its clients requirements today and in the future, creating a closed-loop cycle, forever supplying new products produced by recycling old ones.

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