

fater

Angellini Industries
P&G



Our
sustainable commitment
At a Glance



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P&G

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EVERYDAY MATTERS

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LETTER TO STAKEHOLDERS

Dear Stakeholders,

It is with great pleasure that we present Fater S.p.A.'s new sustainability report, which shows what we have learned and achieved in fiscal year 2021/2022 and the changes put in place to maximize our commitment to sustainable growth.

As you will read, it was a year when we made significant strides in our vision of sustainable growth, combining the company's development plans with environmental protection and a focus on social impacts and always doing the right thing.

It all starts with people first, which has always been our ultimate goal as an enterprise. Every day we strive to make a positive impact on the people on our team and to transfer this value outside the company for the public and those who choose our products.

Here are some aspects of our journey over the past year which I consider particularly important:

- ▼ We developed a materiality analysis by listening to relevant stakeholders to define the issues to work on.
- ▼ Based on the results of the materiality analysis, we strengthened our work program to protect the environment and to generate positive change in society.
- ▼ We defined clear medium and long-term goals (Sustainable Development Goals) to ensure the clarity and

transparency of our commitment.

- ▼ We've set up a governance that is consistent with the commitments undertaken, and this report - Fater's first with reference to GRI standard - is the first step in this direction.

In June 2022, Fater celebrated thirty years as an equal joint venture between its two shareholders Angelini Industries and Procter & Gamble. An amazing milestone, but most importantly a starting point for looking to the future of the company and its impact in the world.

As you will read, we have summarized what we want to accomplish and be in our claim "everyday matters". The reason we did this is to emphasize the enthusiasm that drives us every day to support people, not only with our products, but also by acting responsibly for the planet and society.

We hope this Report will serve as a new opportunity to receive feedback and suggestions to better direct our course. Because, even to listen and improve, "everyday matters".

Enjoy your reading



Antonio Fazzari
General Manager
and Chief Operating Officer Fater S.p.A.

HIGHLIGHTS 2022 FROM THE PERIOD



Everyday Sustainability

**3 out of 4 Italian
households**
use at least one
of Fater products

**Invested
in innovation**
4% of turnover

**Sustainability
Strategy**
Planet, Society and Governance



Everyday Climate Protection

**Scope 1, 2, 3,
Carbon Footprint**
for the last two years

**Science Based
Target at 2030**
& Net Zero 2040

Green line-up launch
ACE green, Lines Natura
and Pampers Green Generation

**Recycled plastics
packaging**
for Lines Seta Ultra,
ACE Detergent
and Pampers Baby Dry



Everyday a Better Society

People First strategy
putting people's
wellbeing first

+1.9% staff
(over FY 2020/2021)

32,400 training hours*
marking a +57% over
the previous fiscal year

**10 local community
engagement activities by
Fater Group**
(+6 over FY 2020/2021)



Everyday Responsibility

Certification
SA 8000:2014

Over 1 billion euro
of economic value distributed
to stakeholders

110 suppliers
screened against environmental
and social criteria

Local suppliers
46% of budget spent

* The Health and Safety training hours are excluded from the value.

FATER GROUP

Fater is an Italian company established back in 1958 in Pescara by Francesco Angelini. In 1992 it became a 50-50 Joint Venture between Angelini Industries and Procter & Gamble.

Fater operates in the FMCG industry and is a **leader in the Italian market for personal absorbent products**, with brands such as Lines, Tampax, Lines Specialist and Pampers. We are also a key player in the European market for home care products with the ACE, Neoblanc and Comet brands, sold in Italy and 37 more Countries worldwide. Since 2020 Fater has been distributing Hero products in Italy (baby food category).

Fater Group



**1,500
employees**



**4 production
plants**



**House and tissue cleaning products
manufacturing.**
Italy - Campochiaro/Porto - Portugal/
Turkey - Gebze



**38 Countries
served**



**Absorbency products
manufacturing.**
Italy - Pescara

The equal shareholders of Fater S.p.A. Joint Venture are Angelini Industries and Procter & Gamble.



OUR BRANDS

Fater wants to deliver innovative products that improve people's lives, with constant focus on understanding and anticipating new trends while combining innovation and sustainability.



Innovation investments

4% of yearly turnover

Fater product line-up is extremely wide and deep to meet the needs of consumers and distribution partners. **Innovation is what drives the company's development, and being constantly attentive to people's needs leads to continuous improvements and new product concepts.** The Company is investing about 4% of yearly turnover on innovation.

In the past two years, Fater brands have embraced a social purpose to really help society and contribute to build a better world.



Lines

is committed to building a world free of gender discrimination



Pampers

wants to support parenting



Ace

is promoting awareness on taking care of public spaces





EVERYDAY SUSTAINABILITY

We work for
a better tomorrow
by protecting what
matters, every day

Everyday matters

FATER SUSTAINABILITY STRATEGY

Fater's sustainability journey has evolved over the years. First, the company approached the environmental aspects of sustainability, then began focusing on each stage of the life cycle (upstream, corestream, downstream) and eventually gained an overall vision of sustainability as described below.

During 2021-2022, the Company took an organic approach to Corporate

Sustainability and built an organizational structure, decision-making, planning and monitoring processes based on the goals set.

Over the same year, Fater developed the materiality analysis helped by consultants with relevant stakeholders involved, defined the scope of its action (Fater Sustainability Framework) and the roadmap with medium- and long-term objectives.

THERE ARE 3 AREAS FATER INTENDS TO FOCUS ON



"For You"

the people at the center, as the driver for all ESG actions.

Although Fater has already defined corporate commitments that include sustainability and launched projects about it, **developing a formal framework with clear ambitions and goals is a key step in the Group's sustainability journey.**

By leveraging the outcomes of the materiality assessment and workshops with selected leaders, managers and ambassadors within the Group, Fater aimed to strengthen the bond between sustainability strategy and

business. This vision has been translated into Fater's ambition **"We work for a better tomorrow by protecting what matters, every day"**, which contains the element of time as commitment to the future and the concept of tangibility conveyed by the verb "to work".

Our commitment wants to be real, starting right from the sense of protection generated by the very product categories Fater specializes in.

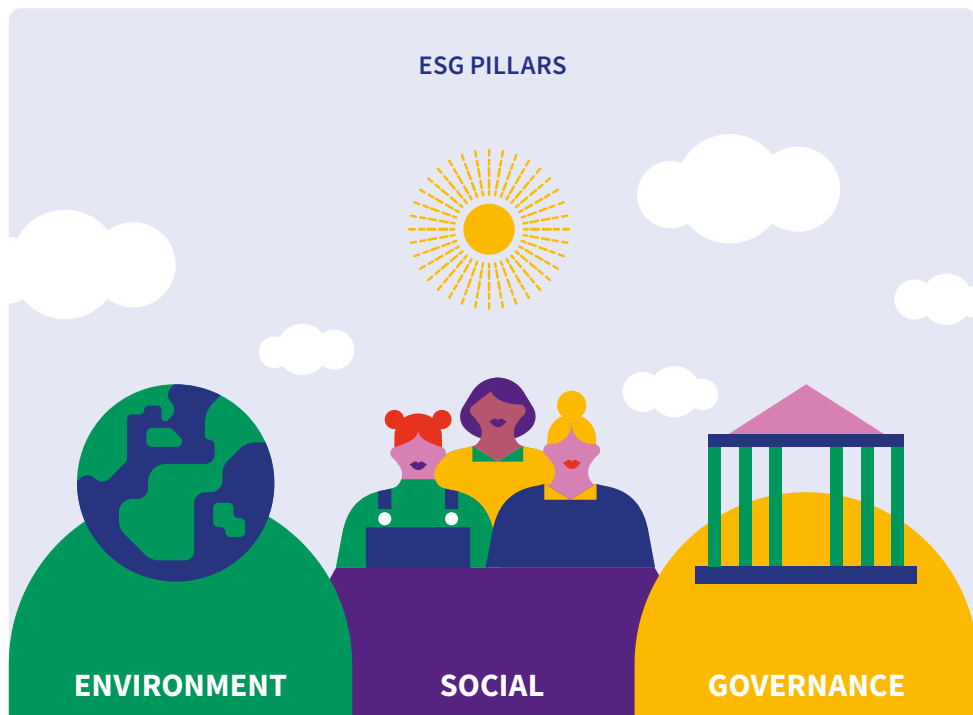


As brief as it is, our claim "everyday matters" fully expresses Fater's commitment to be alongside people every day, not just with our products, but with our sense of responsibility to what matters, namely our planet and society as a whole.

SUSTAINABILITY AT FATER

Fater believes that supporting people development within the company and in society, making your own contribution to protecting the planet, and working transparently is the best way to go for sustainable growth of the company and its brands.

Sustainability at Fater is a core element which defines the Group's industrial strategy. The aim is to grow the present and future value of the Group and its brands using a multi-stakeholder approach.



Each of these areas has annual and multi-year projects, has clear leadership and dedicated teams, and is subject to regular monitoring to check progress against goals.

17 SUSTAINABLE DEVELOPMENT GOALS - SDGS



**SUSTAINABLE
DEVELOPMENT GOALS**

**169 targets to be
achieved by 2030**

The sustainable development goals set have a global scope, affect and involve all the countries and members of society, from private companies to governments, civil society to information and culture players.

The 17 Goals cover a set of important development issues that consider the three dimensions of sustainable development – economic, social and environmental – in a balanced way, aiming to end poverty, fight inequality, tackle climate change, build peaceful societies that respect human rights.

Based on those 17 goals, Fater has identified the most appropriate SDGs relating to its strategy and the materiality analysis.





EVERYDAY CLIMATE PROTECTION

Innovation takes many forms and directions. Ours travels
Everyday further toward a sustainable future. Fater's
contribution to the planet is focused on the consistent reduction
of our environmental impact. We are committed to taking
action now to ensure the well-being of all both today and for
generations to come.

Everyday matters

FUTURE IS BUILT EVERY DAY

GOALS 2025



-50% virgin plastic in packaging



80% weighted supplier with a commitment consistent with Fater ESG target



100% new launches with \leq CO₂ emissions

GOALS 2030



-75% virgin plastic in packaging



100% suppliers ESG policy compliant



25% of volume sales from disruptive innovation



-42% Scope 1&2¹



-25% Scope 3¹

GOALS 2040



Net Zero²

¹ vs base FY 2020/2021. For scope 3, consider the Categories of GHG Protocol 3.1, 3.3, 3.4.

² vs base FY 2020/2021.

A CONCRETE COMMITMENT

Fater wants to do its part using less virgin plastic, contributing both to the reduction of emissions generated by its production cycles and the fight against plastic pollution.

This is why today 100 percent of Fater's primary packaging is already recyclable. In addition, Fater began marketing packages with increasing percentages of recycled plastic within the packaging of its best-selling products.



100% recyclable home care and personal care packaging



Recycled plastic packaging within some of best-selling products: Lines Seta Ultra, Pampers Baby Dry e ACE laundry



Fater's business philosophy is rooted in combining product and innovation with the aim of designing and making sustainable products with lower environmental impact that meet the evolving needs of consumers by removing any trade-off between performance and reduced environmental footprint.

Through the study of raw materials and the development of new production processes and technologies, the Group has established a pipeline of green projects for brands by completely rethinking product design and considering the most appropriate ways to reduce end-of-life impacts.



Line up green (Ace Green, Pampers Green Generation, Lines Natura)





EVERYDAY A BETTER SOCIETY

A beating heart, a thoughtful mind, a thought that in turn becomes an action. Our people are at the center of the change to come. It's our talent our skill and our passion that will move the world, inspiring each of us to grasp our full potential. Everyday means creating a better society: for us and for you!

Everyday matters

FUTURE IS BUILT EVERY DAY

GOALS 2025



**≥ 80 %
satisfaction internal survey**



**600.000 of positively impacted people
through initiatives giving back for
community**

GOALS 2030



0% gender pay gap

GOALS 2040



Gender-balance at Mgmt level

PEOPLE FIRST



People **First**

“People First” is Fater’s main strategy for its people to live the best possible work experience. Our ambition is to enhance people talents to create a climate of trust and happiness able to go outside Organization’s boundaries to reach clients, consumers and citizens.



LISTEN

Is the starting point for People First, as active listening helps you map the effectiveness of actions already taken and drive those for the future.



GROWTH & IMPACT

Growth & Impact aims to enhance the strengths of Fater’s people by expressing their own talents.



ENJOY

Through the “Enjoy” program Fater is committed to designing an engaging work environment based on open discussion, delegation, focus on results and the concept of trust.



INCLUDE

Fater wants to be a place where all the people feel welcome, valued, and respected.



INSPIRE

Aims to be inspired to pass on experiences and knowledge within Fater.

A CONCRETE COMMITMENT



WEWORLD

Lines has been working with the WeWorld association for more than 50 years to protect the rights of women and children in 25 Countries all over the world.

DOMANDE SCOMODE@SCHOOL

Lines wants to share with the youth the values and behaviors that fight gender inequalities.



RETAKE

Ace has partnered with Retake, which has been raising public awareness on the importance of caring for and recovering urban spaces for more than a decade.





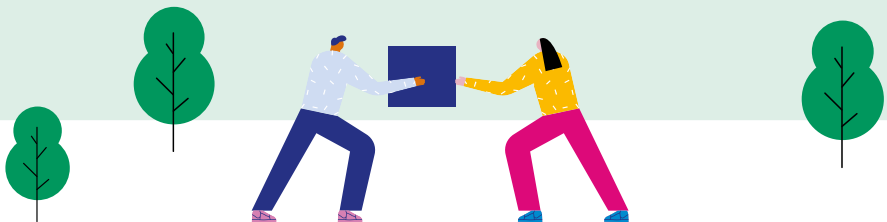
HEART4CHILDREN

Along with Heart4Children developed the “Pampers Village” project, a digital platform that offers services to support parents facing everyday difficulties in managing children.



BANCO ALIMENTARE

For many years Fater has been collaborating with Banco Alimentare in the Abruzzo and Molise regions to give out to the community any personal absorbent products, home and fabric care products that were discontinued. With Fater products, Banco Alimentare helps meeting the needs of 180 charities and third sector associations in the two regions.





EVERYDAY RESPONSIBILITY

Fater's first commitment is to ensure a well-defined, substantial and transparent governance whilst nurturing and promoting a culture of sustainability within the Group.

A responsible and proactive approach with actions as a result of policy continuity and principles of conduct, capable of involving and inspiring our entire organization.

At all levels, up to you.

Everyday matters



Editorial Project Coordination:
Corporate & Sustainability Communication

Art Direction and Graphic Project:
Common

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