

fater

Angelini Industries
P&G

Sustainability Report 2022/23

EVERY DAY MATTERS





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EVERYDAY MATTERS



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EVERY DAY MATTERS

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Esteemed Stakeholders,

We are delighted to extend to you an invitation to peruse the pages of our newly published Sustainability Report for the fiscal year 2022/23. In compliance with the “*with reference to GRI standard*” scheme, this document delineates our ongoing efforts to forge a sustainable corporate model and our earnest aspiration listening to consumers, customers, employees, shareholders and also paying attention to others to all stakeholders.

Annually, the Sustainability Report provides a moment to reflect with satisfaction upon the advancements toward our Environmental, Social, and Governance (ESG) goals. It also serves to strengthen us with renewed vigor to face the myriad challenges yet to be surmounted. We need it, the path is long and we know there is still a lot of work to be done.

In the preceding year, we adopted the guiding principle “Every Day Matters,” as a constant reminder that our commitment is for the long haul, yet it is actualized daily with relentless determination and fervor. As has been demonstrated in the past year.

Enclosed is a synopsis of significant developments in the year 2022/23 that you will discover:

- **Environment:** Our endeavors are manifesting in discernible signals of carbon footprint reduction. This has been made possible through the implementation of novel processes, the selection of raw materials with greater mindfulness, and enhancements in our formulations.

Letter to the stakeholders

Antonio Fazzari,

General Manager and Chief Operating Officer of Fater

- **Social:** With enthusiasm, we have advanced on our path toward the social objectives of our brands, to give our input on important themes to consumers of our products. We undertake this journey in concert with Associations and the multitude of Partners to whom we owe gratitude for their daily exemplary efforts. Guided by the People First strategy, we remain steadfast in our dedication to placing Fater's individuals at both the inception and culmination of our endeavors and their daily work helps outline our corporate responsibility to consumers, customers and suppliers.
- **Governance:** We have dedicated effort to establishing lucid and consensual internal operational procedures, aspiring to render our trajectory ever more transparent. But exemplary governance is inherently appraised by our day-to-day actions and in this trace, we have instituted an sensitization initiative amongst our staff, which we have aptly titled "Do the Right Thing".

This report offers a comprehensive description of our identity and the aspirations we harbor for the future.

It also presents a renewed opportunity to put ourselves in listening, therefore, we invite you to sincerely solicit your participation in this exciting journey toward sustainable growth.

It is a journey that we at Fater consider exciting and so we hope it will involve more and more people we come into contact within our everyday work.

Happy reading!



METHODOLOGICAL NOTE

FATER SECOND SUSTAINABILITY REPORT

Fater has been on a path since 2020 to measure and communicate the economic, social and environmental value produced. This second edition of the Sustainability Report presents some new features. The first consists of the **punctual measurement of Fater’s contribution to the construction of a sustainable development model**, identifying specific KPIs for each of the UN Agenda 2030 Sustainable Development Goals intercepted by the Group’s sustainability vision. The second concerns the involvement of the most relevant stakeholders in collecting feedback on the main ESG initiatives implemented and on the quality of the collaboration with Fater, reported in the pages dedicated to the “Stakeholder Voice.”

The Sustainability Report is structured into four sections.

EVERY DAY SUSTAINABILITY

Presents Identity, Governance and Sustainability Strategy

EVERY DAY A BETTER SOCIETY

Communicates the strategy and measures the social value produced on People, Customers and Consumers and the Community

EVERY DAY CLIMATE PROTECTION

Communicates strategy and measures the environmental impacts and value produced by the Group’s activities

EVERY DAY RESPONSIBILITY

Communicates values and policies on ethical business conduct by Fater, measures the economic value produced for different stakeholders, and deepens supply chain management

Technical criteria used in the construction of the reporting system are specified below.

REPORTING PERIOD AND STANDARDS

This Sustainability Report covers the fiscal year **July 1, 2022 to June 30, 2023** (Fiscal Year or FY 2022/23). Where possible or deemed appropriate, data for the last fiscal year have been compared with information for FY 202/21 and 2021/22 to allow all stakeholders to compare performance over time.

The GRI Sustainability Reporting Standards of the Global Reporting Initiative (GRI) were adopted as the technical-methodological references, according to the **“with reference to”** option.

REPORTING PERIMETER

The reporting boundary considered in this Report includes the Italian Headquarters and production plants (or plants) in Italy of Fater S.p.A, as well as the production plants located in Portugal and Turkey, respectively attributable to the companies Fater Portugal Unipessoal Lda and Fater Temizlik Urunleri Limited Sirketi, both wholly owned subsidiaries of Fater S.p.A. Excluded from the reporting boundary are the commercial offices in Romania and Russia, as their impact in terms of production, human resources and environment appears to be less significant.

Specifically, the reporting scope of quantitative data covers:

- Headquarters, Via Mare Adriatico, 122 - 65010 Spoltore (PE), Italy;
- Campochiaro Plant, Via Zona Industriale, 1 - 86020 Campochiaro (CB), Italy;
- Pescara Plant, Via Raiale 108 - 65128 Pescara (PE), Italy;
- Porto Plant, R. Monte dos Pupos 105 - 4460-865 Custòias, Portugal;
- Gebze Plant, İnönü Mah. Yolu Üzeri GEPOSB, Atatürk Blv. - 41400 Gebze/Kocaeli, Turkey.

The following exceptions are noted:

- Information regarding economic value (GRI 201-1) refers only to the company Fater S.p.A.; the inclusion of values referring to the companies Fater Portugal Unipessola Lda and Fater Temizlik Urunleri Limited Sirketi would have been irrelevant for the purpose of determining the economic value generated, retained and distributed;
- Data concerning the supply chain (including the type of materials purchased), energy and water consumption, waste, and Scope 1 and 2 emissions refer to the four production plants, excluding Headquarters from the perimeter.

DEFINITION OF CONTENT

The contents present in the Report have been prioritized according to the following principles: 1) ESG issues were identified through a materiality analysis carried out in FY 2021/22 and described in the section “Fater’s Sustainability”. 2) The topics covered are those considered “material” (relevant) insofar as they can reflect the impacts of the Group’s activities or influence the decisions of its stakeholders. 3) For the reporting year 2022/23 Fater decided to reuse the same assessment.

DATA COLLECTION PROCESS

Information and data were collected and consolidated through the use of qualitative-quantitative traces. Data were collected in a timely manner, for each of the entities included in the reporting scope, based on the findings of the general accounting and other information systems used. In the case of estimates in the determination of indicators, the method of calculation was indicated.

EXTERNAL ASSURANCE

Fater decided to subject these Financial Statements to the audit process, with the aim of ensuring the accuracy of the information. The limited review (“limited assurance engagement” conducted in accordance with the criteria set forth in ISAE 3000 Revised) by the Auditing Firm BDO Italia S.p.A. was concluded with the issuance of the “Auditor’s Report” shown in this document.

CONTACT

For more details, please refer to the website: www.fatergroup.com.

HIGHLIGHTS 2022/23

EVERY DAY SUSTAINABILITY

3 OUT OF **4**
FAMILIES IN ITALY
USE AT LEAST ONE
OF FATER PRODUCTS

37
COUNTRIES SERVED

3%
TURNOVER INVESTED
ON INNOVATION

70
RESEARCHERS
IN FATER'S
RESEARCH LABS

EVERY DAY A BETTER SOCIETY

1,554
PEOPLE AS AT 30
JUNE 2023, +3% VS
PREVIOUS FY

67%
UNDER 30 ON
TOTAL NEW HIRES

Zero
SEVERE INJURIES
FOR EMPLOYEES AND
NON-EMPLOYEES
IN FY 2022/23 AND
zero OCCUPATIONAL
DISEASES IN THE LAST
THREE YEARS

Extended to 3 months
THE PATERNITY LEAVE IN
ADDITION TO THE 10 DAYS
MANDATED BY THE LAW,
ELIGIBLE FOR SAME-SEX
FAMILIES TOO

96%
EMPLOYEES HIRED
ON A PERMANENT
CONTRACT

Over 90
TOTAL¹ TRAINING
HOURS RECEIVED ON
AVERAGE BY EACH
EMPLOYEE, EQUAL TO
OVER 11 WORKING DAYS

5 on 5 days
ALLOWED TO WORK
FROM HOME. FATER IS
ONE OF ITALY'S FIRST
COMPANIES TO HAVE
ADOPTED 100% HYBRID
WORK MODEL

Up to 3,000€
THE MAXIMUM VALUE
OF THE KINDERGARTEN
BONUS, EFFECTIVE FROM
JANUARY 2023

1. Including Health, Safety and Environment training.
2. According to "Plastic Packaging List" published by CONAI.



EVERY DAY CLIMATE PROTECTION

**SBTi
Targets**
were validated
TO WHICH FATER
DECARBONIZATION
PROCESS IS AIMING

-4%
EMISSION INTENSITY IN
CO₂EQ BY PRODUCTION
UNIT VS PREVIOUS FY

-8%
ELECTRICITY
CONSUMPTION PER
PRODUCTION UNIT VS
PREVIOUS FY

46%
SELF-GENERATED
ELECTRICITY ON THE
TOTAL ELECTRICITY
CONSUMED

0%
WASTE SENT DIRECTLY
TO LANDFILL

We set
ENVIRONMENTAL IMPACT
ASSESSMENT KPIS DURING
THE APPROVAL STAGE OF
EACH PROJECT

98%
RECYCLABLE
PRIMARY PACKAGING
FOR ALL FATER
PRODUCTS²

-3% ktCO₂eq
SCOPE 1, 2, 3 EMISSIONS
IN THE ATMOSPHERE
VS FY 2021/22

EVERY DAY RESPONSIBILITY

Zero
CONFIRMED INCIDENTS
OF CORRUPTION AND
LEGAL ACTIONS TAKEN
FOR ANTITRUST LAWS
VIOLATION

10
CERTIFICATIONS
HELD

All
PRODUCTION PLANTS –
BOTH IN ITALY AND ABROAD,
INCLUDING OUR CAMPUS
– ARE ISO 9001-, 14001- E
45001-CERTIFIED

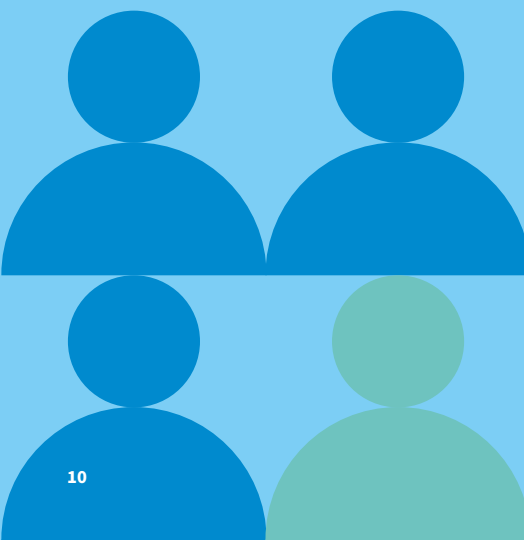
1,020 mln €
ECONOMIC VALUE
GENERATED, **95%** OF
WHICH IS DISTRIBUTED TO
STAKEHOLDERS

20 mln €
VALUE OF INVESTMENTS
(**70 mln €** OVER THE
THREE-YEAR PERIOD)

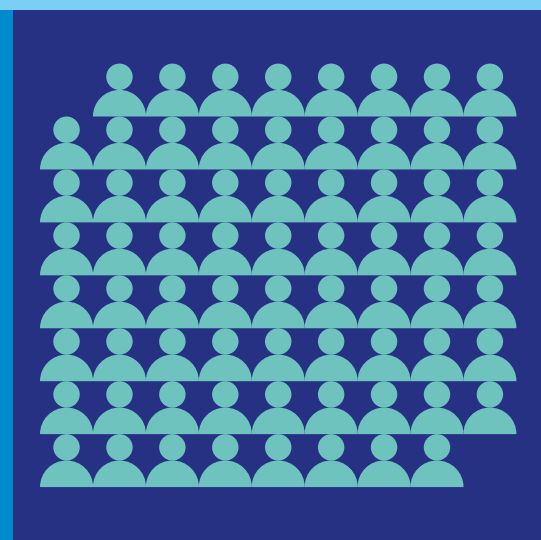
353 mln €
SPEND FOR SUPPLIES
TO SUPPORT
PRODUCTION

232
SUPPLIERS FOR
PRODUCTION, **78%** OF
WHICH ARE SCREENED
AGAINST SOCIAL CRITERIA
CONSIDERED FOR SA 8000
CERTIFICATION

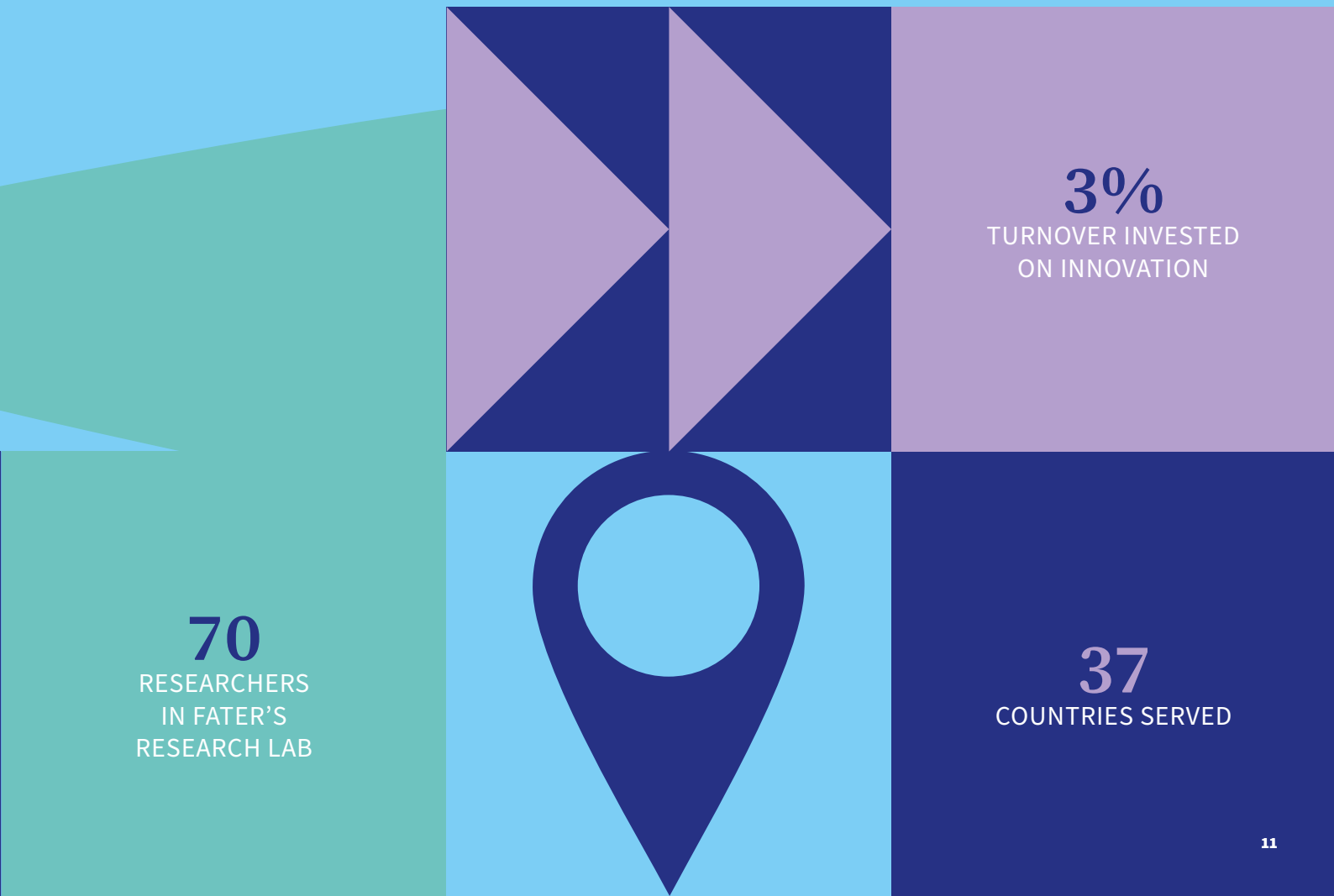
51%
LOCAL SUPPLIERS
FOR PRODUCTION



3 OUT OF **4**
FAMILIES IN ITALY
USE AT LEAST ONE OF
FATER PRODUCTS



EVERY DAY SUSTAINABILITY



THE 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 Tampax, Lines, Lines Specialist and Pampers. We are also a key player in the European market for fabric and home care products with ACE and Neoblanc brands, sold in Italy and 37 more countries worldwide. Since 2020, Fater has been distributing Hero Solo-branded baby toddler food products.



OUR MISSION

“EVERY DAY MATTERS”, SUMS UP OUR DAILY COMMITMENT TO HELP BUILD A BETTER FUTURE BY CARING THROUGH OUR WORK FOR OUR PEOPLE AND COMMUNITIES IN WHICH WE OPERATE. WE DELIVER INNOVATIVE PRODUCTS THAT CONTRIBUTE TO IMPROVING CONSUMERS’ LIVES, WITH CONSTANT FOCUS ON UNDERSTANDING AND ANTICIPATING NEW TRENDS WHILE COMBINING INNOVATION AND SUSTAINABILITY.

Fater product line-up is extremely wide and deep to meet the needs of consumers and distribution partners.



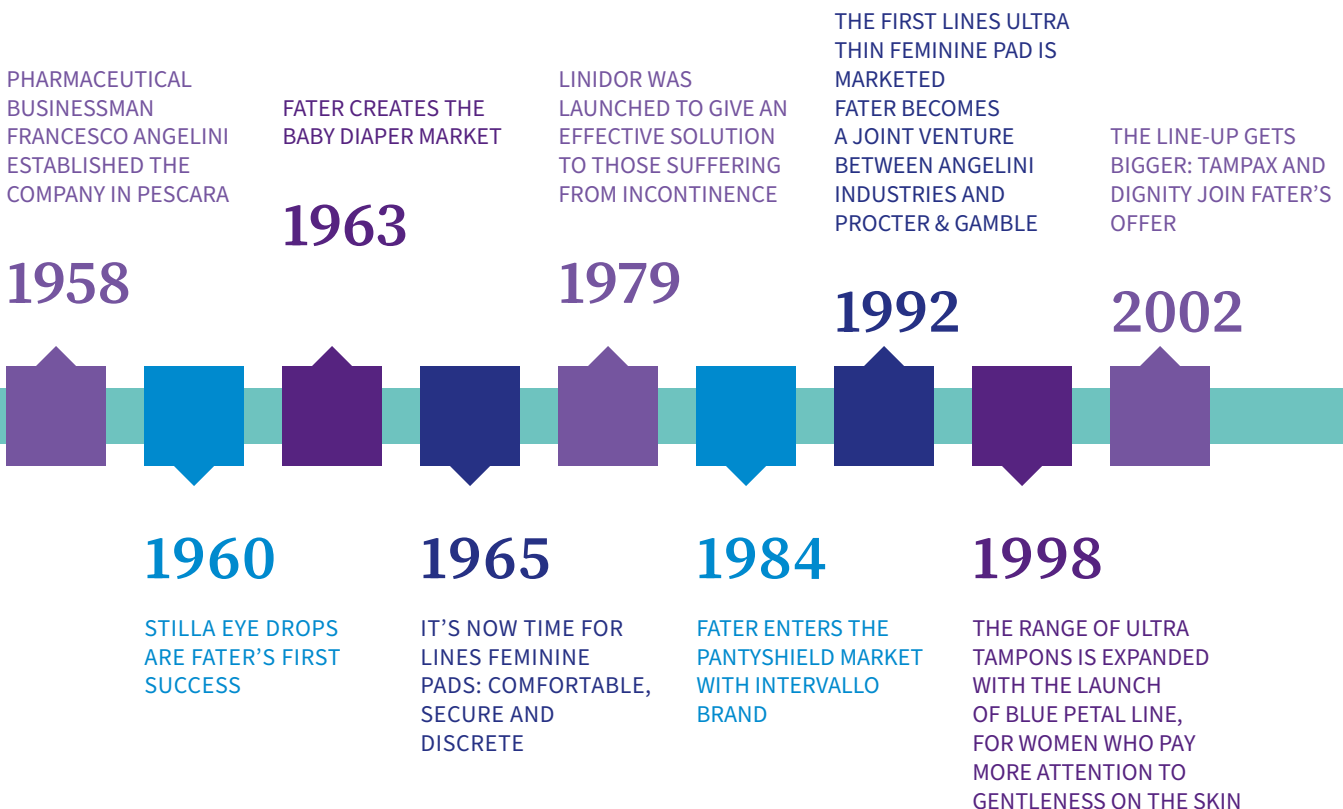
Fater brands are part of every Italian's daily life

3 OUT OF 4 FAMILIES USE AT LEAST ONE OF FATER PRODUCTS³

3. Source: Nielsen, 2022.

OUR HISTORY

FOR MORE THAN 60 YEARS, WE HAVE BEEN EXPERIENCING THE EVOLUTION OF SOCIETY, THE CHANGE IN CUSTOMS AND LANGUAGES, AND THE GROWTH OF ENVIRONMENTAL AND SOCIAL AWARENESS OF CITIZENS AND CONSUMERS, AND WE WERE ABLE TO ANTICIPATE THESE CHANGES BY CONSTANTLY LISTENING AND KEEPING A STRONG FOCUS ON INNOVATION.





FATER ACQUIRES ACE BLEACH FOR WESTERN EUROPE

2013

LINES SPECIALIST E-COMMERCE IS LAUNCHED

2016

FATER DISTRIBUTES HERO SOLO PRODUCTS IN ITALY

2020

THE ESG STRATEGY IS DESIGNED AND THE FIRST SUSTAINABILITY REPORT IS PUBLISHED

2023

2008

FATER CELEBRATES ITS FIRST 50 YEARS

2015

FATER RISE TO INTERNATIONAL STATUS IS COMPLETE, SETTING FOOT IN 37 COUNTRIES

2017

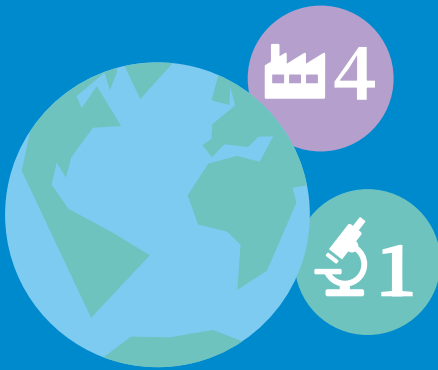
ACE PLANT OPENING IN GEBZE, TURKEY

2022

30-YEAR JOINT VENTURE BETWEEN PROCTER & GAMBLE AND ANGELINI

BUSINESS MODEL

▶ GRI 2-1, 2-6



4 PRODUCTION PLANTS
1 RESEARCH LAB



3%
TURNOVER ALLOCATED
FOR INNOVATION



OVER
1.500
EMPLOYEES



HEADQUARTERS (CAMPUS)
Spoltore



RESEARCH LAB
Spoltore
Research & Development for **Fabric & Home Care** products and **Lines Specialist** products for severe incontinence



SALES OFFICE IN ITALY
Pescara



SALES OFFICES FOR INTERNATIONAL DISTRIBUTION
EECAR HUB (Eastern Europe Area) – Moscow
CENTRAL EUROPE HUB – Bucharest
TURKEY HUB – Gebze



PRODUCTION PLANTS



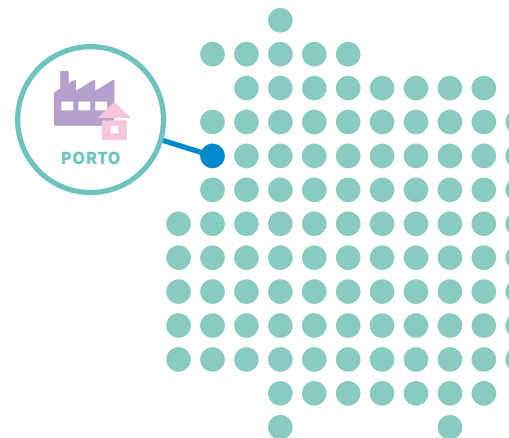
Production of Home and Fabric Care Detergent Products

ITALIA - Campochiaro
PORTUGAL - Porto
TURKEY - Gebze



Production of Personal Absorbent Products

ITALY - Pescara





MARKETS AND VALUE CHAIN

The main markets Fater operates in belong to the **Packaged Consumer Goods**, especially product categories of **Home, Fabric and Personal care**.

Below is a picture of **Fater positioning** in all its different markets.

Product Category	PERSONAL CARE (PAPER)			FABRIC & HOME CARE	
	Diapers and wipes	Feminine Hygiene Products	Adult Incontinence Absorbent Products	Classic and Gentle Bleach	Spray and fabric detergents
Market Value*	460 mln €	425 mln €	380 mln €	245 mln €	1319 mln €
Fater Brand	Pampers	Lines and Tampax	Lines Specialist	Ace	Ace

*Nielsen, on calendar year 2023.

In addition to these is the **Baby Toddler Food** category, which includes the Hero Solo brand.

The ability to provide access to products for such a wide range of consumers is ensured by a strong partnership with the distribution network that Fater has built over the years, based on mutual listening and collaboration.

Fater distributes its products through multiple channels: Mass Market, Pharmaceuticals, Health Care. Also, the online sale channel for Lines Specialist incontinence products has been active for some years. It can be accessed directly from the Lines Specialist website for consumers to get a wide range of services for their specific needs.

As far as markets, Paper and Hero Solo-branded Baby Toddler Food products are distributed only from Fater in the Italian market, while Fabric & Home Care products are distributed in the European market as well.

The Group's supply chain includes goods suppliers from EU and extra-EU countries, finished product suppliers and service providers.

INNOVATION

Innovation is what drives the company's development, and being constantly attentive to people's needs leads to continuous improvement and new products. **The Group is investing about 3% of yearly turnover on innovation** in FY 2022/23, that saw significant revenue growth.

Product innovations are conceived and developed at the Business Campus in Spoltore. It was opened in 2020 and houses **2,500 m² of research labs**, equipped areas and pilot plants, with ISO 9001 and 45001 certifications. The Technology Innovation department has three main goals:

- **Improve the user experience** of consumers and customers
- **Reduce the environmental footprint**, especially CO₂ emissions
- **Streamline the production cost structure**.

In 2022/23, about **70 researchers** were employed in labs, along with around twenty students who – in collaboration with the academia – did their thesis or PhD on Fater's initiatives and projects.

In-house laboratories carry out R&D on **Ace and Lines products**, with a special focus on severe incontinence. Research on other products is conducted by Procter & Gamble and then shared with Fater.



GOVERNANCE

GROUP STRUCTURE



Fater S.p.A. is a **50-50 Joint Venture** between Angelini Industries and Procter & Gamble.

The **parent company Fater S.p.A.** is based and runs operations in Spoltore (PE) and has two production plants in **Italy**: one in Pescara and the other in Campochiaro (CB). **Abroad** Fater is present with 4 wholly-owned (100%) companies (legal entities) under foreign law, only 2 of which have production plants: Fater Portugal Unipessoal Lda in Porto (Portugal) and Fater Temizlik Urunleri Limited Sirketi in Gebze (Turkey).

In Fater Group’s current organizational structure, the parent company is also responsible for providing strategy and functional coordination to the other subsidiaries.

FATER S.P.A. GOVERNANCE BODIES



Board of Directors

The Board of Directors⁴ consists of 6 members chosen by the two Shareholders, 2 of which are executive members and 4 are non-executive members. The Chairman of the Board of Directors and Board members have no operational roles. The Board of Directors delegates part of their responsibilities to an Executive Committee, consisting of two members from the Board.

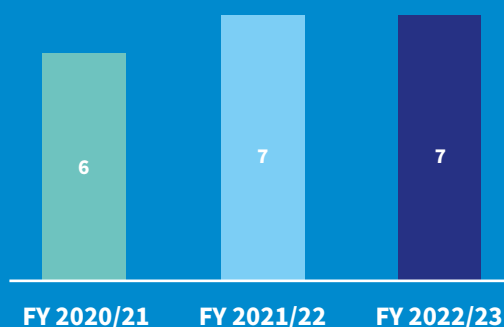
4. Appointed on 18 October 2023 and in office until approval of Financial Statements as of 30 June 2024.

5. In place of Roberto Talamo as of 01/07/23.

COMPOSITION OF THE BOARD OF DIRECTORS

Chairman	Giovanni Ciserani
Vice Chairman	Christian Eihausen ⁵
Director	Nicola Lopez
Director	Francesca Sagramora
Director	Antonio Bruno
Director	Massimo Marin

NUMBER OF MEETINGS



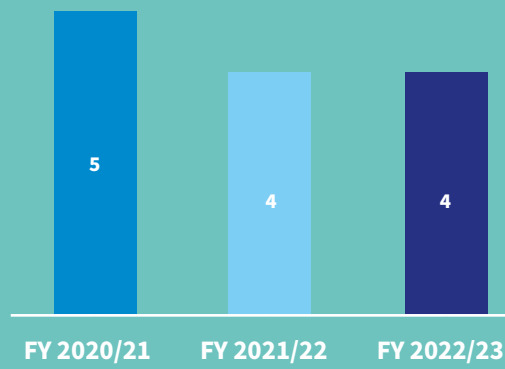
Executive Committee

The Executive Committee consists of two directors appointed and chosen by the Board of Directors and meets regularly to review the Group’s economic and financial performance. Specifically, it evaluates the business performance in relation to the approved budget, projects on new product lines, investment projects on tangible and intangible assets, and restructuring projects. In turn, the Executive Committee reports periodically to the Board of Directors and the Board of Auditors on the Company’s major operations.

COMPOSITION OF THE EXECUTIVE COMMITTEE

Director	Massimo Marin
Director	Christian Eihausen ⁶

NUMBER OF MEETINGS



General Manager

The General Manager is chosen and appointed by the BoD. The current General Manager and Chief Operating Officer is Antonio Fazzari, in office since July 2020.

Board of Auditors and Supervising Body

The Board of Directors is supported by a Board of Auditors⁷ and a Supervising Body⁸ appointed by the shareholders’ meeting.

According to the Law and the corporate bylaws, the Board of Auditors ensures the laws and bylaws are complied with and protects the integrity of the company’s assets as a guarantee to shareholders and any third parties, by interacting with Directors, shareholders, the Auditor, the Supervising Body and control functions. The Board of Auditors consists of 5 members.

6. In place of Roberto Talamo as of 01.07.2023.

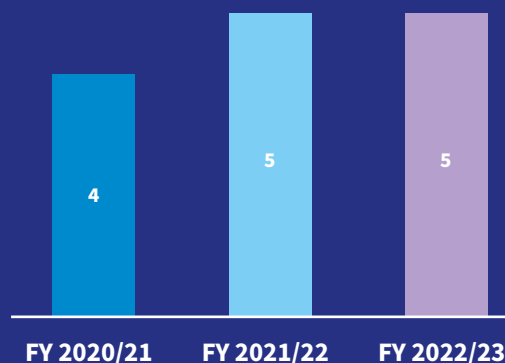
7. Appointed on 14 October 2021, and in office until approval of Financial Statements as of 30 June 2024.

8. Appointed on 18 October 2023, and in office until approval of Financial Statements as of 30 June 2024.

COMPOSITION OF THE BOARD OF AUDITORS

Chairman	Fabrizio Marchetti
Statutory Auditor	Marco Massa
Statutory Auditor	Luigi Mandolesi
Substitute Auditor	Lorenzo Barbone
Substitute Auditor	Giuliano Mandolesi

NUMBER OF MEETINGS

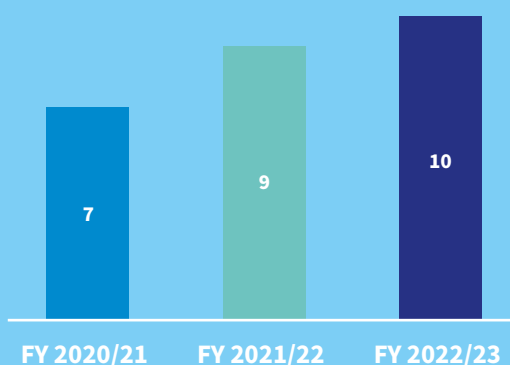


The Supervising Body is responsible for regularly monitoring and verifying the effectiveness of the Company's Organization, Management and Control Model, as well as updating the Model following changes in the regulations or the organization. The Supervising Body consists of 3 members.

COMPOSITION OF THE SUPERVISING BODY

Permanent Member	Giuseppe Emiliano Vaciago
Permanent Member	Luca Geninatti Satè ⁹
Permanent Member	Tommaso Luppino ¹⁰

NUMBER OF MEETINGS



The current company auditing our financial statements is Deloitte & Touche S.p.A.

Below is a general overview on gender and age breakdown in corporate bodies.

BREAKDOWN BY GENDER	FY 2020/21		FY 2021/22		FY 2022/23	
	Women	Men	Women	Men	Women	Men
Board of Directors	2	4	1	5	1	5
Executive Committee	-	2	-	2	-	2
Board of Auditors	-	3	-	3	-	3
Supervising Body	-	3	-	3	-	3

BREAKDOWN BY AGE	FY 2020/21		FY 2021/22		FY 2022/23	
	Aged 30 to 50	Aged 50+	Aged 30 to 50	Aged 50+	Aged 30 to 50	Aged 50+
Board of Directors	2	4	1	5	1	5
Executive Committee	2	-	1	1	1	1
Board of Auditors	-	3	-	3	-	3
Supervising Body	1	2	1	2	1	2

9. Replacing Riccardo Scurti and Daniele Del Monaco from 18.10.23.

10. see note 9.

FATER'S SUSTAINABILITY

WE SUPPORT THE GROWTH OF PEOPLE WITHIN THE COMPANY,
WE CARE ABOUT THE COMMUNITIES IN WHICH WE OPERATE,
ENSURE THE TRANSPARENCY OF OUR OPERATIONS,
AIMING FOR SUSTAINABLE GROWTH OF FATER AND OUR BRANDS.

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

Fater's attention to sustainability issues dates back to the 2000s, with the first environmental sustainability projects and welfare projects developed independently by the different functions. In 2020, Fater gained a comprehensive vision of sustainability and took an organic approach to Corporate Sustainability, adopting an organizational structure and decision-making, planning, and monitoring processes based on the given goals.

An approach was made clear in our sustainability ambition: **"We work for a better tomorrow by protecting what matters, every day"**.



AS BRIEF AS IT IS, OUR CLAIM "EVERY DAY MATTERS" FULLY REFLECTS 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 PROCESS



FY 2020/21

- With **Carbon footprint**, the single environmental initiatives developed by the different functions are brought together into a system
- The **Corporate Sustainability Function** is set up



FY 2021/22

- Governance is structured and the **Corporate & Sustainability Communication Department** is created
- Fater takes an integrated approach to ESG issues, conducts the **first materiality analysis** by involving relevant stakeholders, and develops the **sustainability ambition**
- It defines **Fater Sustainability Framework**, the scope of its action, and adopts the **Sustainability Strategy, complete with targets** to be achieved on the medium and long term **and KPIs** to be monitored periodically
- Fater takes inspiration from the **Science Based Targets initiative (SBTi)**, which supports companies in adopting transparent and ambitious targets to cut emissions of CO₂ and other climate-changing gases. An approach consistent with indication science¹¹ and guides them through the transition to a low-carbon economy.



FY 2022/23

- Fater publishes the **first Sustainability Report** based on the GRI standard, already certified
- **First Convention organized for present the “Every Day Matters” Report** to all employees and stakeholders who participated in the assessment
- Fater’s decarbonization target were **validated by SBTi**
- To strengthen our commitment on sustainability strategy and goals, Management by Objectives **MBO incentive systems are set based on ESG criteria**, to be adopted starting from FY 2023/24
- Fater supplements the **Three-Year Plan with sustainable investments**. Sustainability initiatives are also fully integrated into medium-term business strategies.

11. Beginning in July 2022, the SBTi requires that a company’s own emission reduction targets (Scope 1 and 2 GHGs) be aligned with the goal agreed upon in the climate agreement at COP 21 in Paris (2015), which is to contain the global average temperature within **+1.5°C by 2100**.

SUSTAINABILITY GOVERNANCE



GRI 2-12, 2-13, 2-14, 2-17

The road to sustainability integration into Fater is led by:



LEADERSHIP TEAM

Led by the General Manager and Directors of all functions, it approves the ESG strategy, the plans and targets proposed by the Teams who lead the ESG focus areas.



CORPORATE SUSTAINABILITY TEAM

The Team is part of the Corporate & Sustainability Communication Direction and has the following functions:

- Spread ESG awareness and skills within the company, and help the business functions create processes and deploy projects
- Embed ESG issues into decision-making processes
- Connect what the ESG Teams of each department do
- Regulatory compliance on ESG issues
- Monitor the achievement of ESG strategy KPIs
- Preparing the Sustainability Report
- Communication and stakeholder engagement – both inside and outside the company - on ESG issues, in collaboration with Internal and External Communication functions.

The approach to sustainability within the company is cross-cutting and involves all departments. The Corporate Sustainability Team speaks with cross-functional work Teams or teams built into specific departments to develop sustainability areas and projects:



ENVIRONMENT

The **Net Zero Team** is a multi-functional team that aims to lead the company's journey to decarbonization. Internally, Technology Innovation department is responsible for ensuring the sufficiency of the Decarbonization Plans against the goals.



SOCIAL

The **People First and DE&I** team aims to ensure a positive and inclusive internal environment that values diversity. The **Marketing Team** develops projects for the community based on the Purpose of each brand.



GOVERNANCE

The **Governance Team** is designed to set up the conditions for responsible and transparent business management.

STAKEHOLDER MAPPING AND ENGAGEMENT

Fater has a distinctive feature, which is **open dialog with stakeholders** and, more generally, with the world outside, to be inspired and channel its action in the right way. This approach is based on actively listening to people – first and foremost consumers – which applies to all stages, from design of ideas to post-sale through Consumer Service.

This second edition of the Sustainability Report comes with big news: Fater has decided to **give voice to its stakeholders by involving them in the sustainability reporting process**.

SUSTAINABILITY TOPICS



With respect to ESG topics more relevant for stakeholders, for the preparation of this Report we have used material topics outcoming from 2021/22 assessment.

The 2021/22 matrix reports the sustainability topics based on the relevance assigned to them by Fater’s Leadership Team and Shareholders’ Communication (x-axis “Fater’s Perspective”) and external stakeholders (y-axis “Stakeholders’ Perspective”).

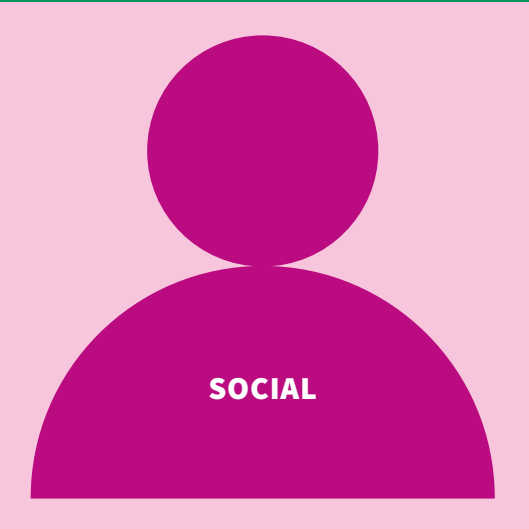




Below are some reflections about issues considered as the most relevant, which are shown in the top right.

Sustainable packaging and Waste are the most relevant issues. This fits in well with the product being at the core and with its quality recognized by customers and consumers. Packaging and waste relevance comes precisely from the daily use and dissemination of the brands. Similarly, high relevance is also attributed to **chemicals**, which are typically found in fabric and home care products, product innovation, which have always been considered a strength of Fater **and lower environmental impact**.

Climate change comes up very relevant and interviews revealed that a cross-cutting topic intertwined with the other major environmental topics.



Social issues turned out to be highly relevant to stakeholders both inside and outside the company. More specifically, **product safety and quality and workers' health, safety and well-being** appear to be the most important issues.



ESG Governance and Business transparency are strategically relevant for Fater. In their interviews, the Leadership Team confirmed to be as attentive to this topic as the external stakeholders.

SUSTAINABILITY GOALS AND TARGETS

TO ACTUALLY PURSUE OUR AMBITION, WE WORKED IN DEFINING MEDIUM- AND LONG-TERM GOALS CONSISTENT WITH THE MOST RELEVANT ISSUES THAT EMERGED FROM THE MATERIALITY ANALYSIS.

Fater has defined a first set of KPIs and targets to transparently and systematically monitor our way to long-term ambition.



BETTER SOCIETY



SUSTAINABILITY TOPICS	KPI		FY 2021/22	FY 2022/23	TARGET 2024/25	TARGET 2029/30	TARGET 2039/40
DIVERSITY, EQUALITY AND INCLUSION - DE&I	Gender pay gap		3.8%	2.9%	-	0%	
	Internal satisfaction survey		78%	78%	≥80%		
	Women with managerial roles		36%	36%	-	-	50%
RELATIONSHIP WITH COMMUNITIES AND BRAND PURPOSE	People involved		140k	220k	≥600k		



GENDER PAY GAP

Percentage difference between men’s and women’s pay, calculated as the arithmetic mean of the gaps found on individual positions without considering seniority. This includes permanent contract levels: Executives, Middle Managers, First-line Managers, Employees. Blue Collars are not considered because the ratio in terms of numerics is too unbalanced and the gap would not be representative.



INTERNAL SATISFACTION SURVEY

Satisfaction about employees’ well-being measured annually through an anonymous internal survey administered by an external company.



WOMEN WITH MANAGERIAL ROLES

Ratio of women and men having managerial positions considering the current CCNL contractual positions First-line Managers, Middle Managers and Executives (including the Leadership Team)



PEOPLE INVOLVED

This includes the estimated number of people involved by the social responsibility projects described in the “Social Value” section (Lines We Word, Lines Domande Scomode (Uncomfortable Questions), Pampers Heart4Children, Ace Retake, Food Bank). Target 600k to 2025 is intended as a cumulative year-on-year figure of people involved.

CLIMATE PROTECTION							
SUSTAINABILITY TOPICS	KPI	BASELINE 2020/21	FY 2021/22	FY 2022/23	TARGET 2024/25	TARGET 2029/30	TARGET 2039/40
OPPOSE CLIMATE CHANGE - SBTi¹²	Scope 1 and 2 emissions reduction	31 ktCO ₂ eq	49 ktCO ₂ eq	34 ktCO₂eq	-	18 ktCO ₂ eq -42%	
	Scope 3 emissions reduction (Target Categories ¹³)	403 ktCO ₂ eq	395 ktCO ₂ eq	391 ktCO₂eq	-	302 ktCO ₂ eq -25%	
	Net Zero 2040 (Target Categories ¹⁴)	567 ktCO ₂ eq	581 ktCO ₂ eq	572 ktCO₂eq	-	-	57 ktCO ₂ eq -90%
SUSTAINABLE BY DESIGN	Lower carbon impact products	-	Process under construction	Process activated	100% New operations with ≤CO ₂		
SUSTAINABLE PACKAGING AND RESPONSIBLE PROCUREMENT	Virgin plastic reduction in packaging	-	-5.2%	-5.7%	-50%	-75%	
	Suppliers following ESG policies	-	ESG Policy under definition	Engagement on climate strategy On track	80% Weighted suppliers with commitments consistent with Fater's ESG targets	100% Suppliers following ESG policies	



OPPOSE CLIMATE CHANGE - SBTi

Reduction of emission impact (Scope 1, 2 and 3) as outlined in the “Environmental Strategy” section.



LOWER CARBON IMPACT PRODUCTS

New product initiatives should cause lower or equal CO₂ emissions without worsening the overall Life Cycle Assessment (LCA) performance.



VIRIGIN PLASTIC REDUCTION IN PACKAGING

Reduction of virgin plastic used during the fiscal year for primary packaging of products, as calculated in relation to the baseline production volumes of fiscal year 2020/21.



SUPPLIERS FOLLOWING ESG POLICIES

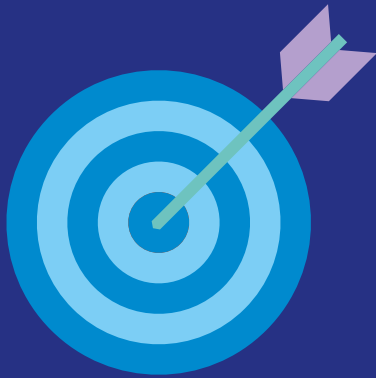
Weighted percentage of suppliers who will be required to follow the policy that contains the most relevant ESG topics.

12. The percentage of emission reduction in target columns was calculated against the baseline of FY 2020/21. See the Climate Protection section for details
 13. Target Categories: 3.1 Purchased Goods and Services; 3.3 Fuel-related Activities; 3.4 Upstream Logistics.
 14. Target Categories: Scope 1; Scope 2; Scope 3.1 Purchased Goods and Services; 3.3 Fuel-related Activities; 3.4 Upstream Logistics; 3.12 End-of-life Treatment of Sold Products.

FATER'S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

The 2030 Agenda for Sustainable Development is a plan of action for people, planet and prosperity signed on September 25, 2015 by the governments of the 193 United Nations member states and approved by the UN General Assembly. 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.



169
TARGETS
AND GOALS
TO BE ACHIEVED
BY 2030

BASED ON THOSE 17 GOALS, FATER HAS IDENTIFIED THE MOST APPROPRIATE SDGS BECAUSE THEY ARE MORE CONSISTENT WITH MOST RELEVANT TOPICS.

3 GOOD HEALTH AND WELL-BEING



TARGET 3.4

100%
employees who used at least one of the **52** benefits offered

ZERO
severe injuries for employees and non-employees in FY 2022/23 and **0** occupational diseases in the last three years

ALL
production plants – including our Campus – are ISO 45001-certified

4 QUALITY EDUCATION



TARGET 4.4
4.7

OVER 90
total¹⁵ training hours received on average by each employee, equal to over 11 working days

WE SET
targets in our MBO system related to ESG factors, which will be assessed starting from next FY

5 GENDER EQUALITY



TARGET 5.1
5.5

2.9%
in improvement over the previous FY

EXTENDED TO 3 MONTHS
paternity leave in addition to the 10 days mandated by the law, eligible for same-sex families too

UP TO 3,000 €
the maximum value of the Kindergarten bonus introduced in October, effective from January 2023

WE OPENED
the *Spazio Donna* (Women's Space) in Pescara in November 2022 with WeWorld. Over 300 women were welcomed and helped in Bologna and Pescara in FY 2022/23

55,000
students from 122 schools engaged to promote respect between genders

15. Including Health, Safety and Environment training.

6 CLEAN WATER AND SANITATION



780 MEGALITERS
total water withdrawal

TARGET 6.3
6.4

7 AFFORDABLE AND CLEAN ENERGY



46%
self-generated electricity on total electricity consumed

-8%
electricity consumption per production unit vs previous FY

TARGET 7.1
7.2

8 DECENT WORK AND ECONOMIC GROWTH



1,554
people as of 31 June 2023,
(+3% FY 2021/22)

96%
employees hired on a permanent contract

78%
internal Satisfaction Survey FY 2022/23

5 ON 5 DAYS
allowed to work from home.
Fater is one of Italy's first companies to have adopted 100% hybrid work model

TARGET 8.5

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



TARGET 9.4
9.5

20 MLN €

value of investments FY 2022/23
(70 mln € over the three years)

1,020 MLN €

economic value generated,
95% of which is distributed to
stakeholders

232

suppliers for production, **78%**
of which are screened against
social criteria considered SA 8000
certification

51%

local suppliers based on plant
location (production operations)

353 MLN €

spend for supplies
(production)

WE SET

environmental impact assessment
KPIs during the approval stage of
each project

10 REDUCED
INEQUALITIES



TARGET 10.2

67%

under 30 on total new hires

151.463

fater products gifted
to the Food Bank

11 SUSTAINABLE CITIES
AND COMMUNITIES



TARGET 11.7

6

italian cities involved in the
“*Scendiamo in piazza*”
(Let’s Take to the Streets) project
to promote restoration of urban
spaces such as squares, public
gardens, and parks

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



0%
waste directly sent to landfill

WE STARTED
a project to reuse liquid waste from the ACE line

TARGET 12.2
12.5

13 CLIMATE ACTION



600 ktCO₂eq
scope 1, 2 and 3 emissions in the atmosphere (-3% FY 2021/22)

-4%
emission intensity of production vs previous FY, in CO₂eq

TARGET 13.1

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



ZERO
confirmed incidents of corruption and legal actions taken for antitrust laws violation

TARGET 16.6

17 PARTNERSHIPS FOR THE GOALS



17
associations Fater is a member of

TARGET 17.17



3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH

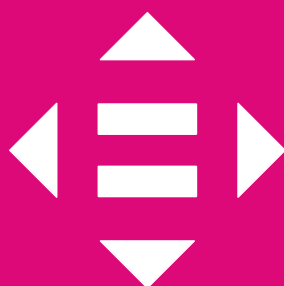


EVERY DAY A BETTER SOCIETY

11 SUSTAINABLE CITIES
AND COMMUNITIES



10 REDUCED
INEQUALITIES



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



17 PARTNERSHIPS
FOR THE GOALS



HIGHLIGHTS 2022/23

1,554
PEOPLE AS OF
30 JUNE 2023, **+3%**
VS PREVIOUS FY

Extended to 3 months
PATERNITY LEAVE IN ADDITION
TO THE 10 DAYS MANDATED BY
THE LAW, ELIGIBLE FOR SAME-SEX
FAMILIES TOO

96%
EMPLOYEES HIRED ON A
PERMANENT CONTRACT

**Turnover
Halved**
FROM 4% TO 2%
THE NEGATIVE TURNOVER
RATE BETWEEN FY 2020/21
AND 2022/23

67%
UNDER 30 ON
TOTAL NEW HIRES

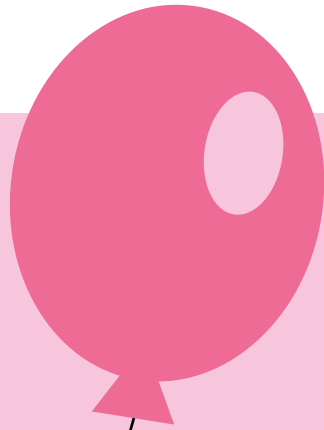
13%
EMPLOYEES UNDER 30

Over 90
TOTAL¹⁶ TRAINING HOURS
RECEIVED ON AVERAGE BY
EACH EMPLOYEE, EQUAL
TO OVER 11 WORKING
DAYS

We set
TARGETS IN OUR MBO
SYSTEM RELATED TO ESG
FACTORS, WHICH WILL BE
ASSESSED

95%
MIDDLE MANAGERS AND
EXECUTIVES WITH ONE
SUCCESSOR IDENTIFIED
WITHIN FATER

16. Including Health, Safety and Environment training.



100%
EMPLOYEES WHO
ENJOYED AT LEAST ONE
OF THE **52** BENEFITS
OFFERED

2.9%
GENDER PAY GAP,
IMPROVING FROM
PREVIOUS FY

Zero
SEVERE INJURIES FOR
EMPLOYEES AND NON-
EMPLOYEES IN FY 2022/23
AND **zero** OCCUPATIONAL
DISEASES IN THE LAST THREE
YEARS






151,463
FATER PRODUCTS
GIFTED TO THE
FOOD BANK

Up to **3,000€**
THE MAXIMUM
VALUE OF THE KINDERGARTEN
BONUS, EFFECTIVE FROM
JANUARY 2023

5 on 5 days
ALLOWED TO WORK FROM
HOME. FATER IS ONE OF
ITALY'S FIRST COMPANIES
TO HAVE ADOPTED 100%
HYBRID WORK MODEL

78%
INTERNAL SATISFACTION
SURVEY FY 2022/23

TARGETS: WHERE ARE WE?

BETTER SOCIETY						
						
KPI		FY 2021/22	FY 2022/23	TARGET 2024/25	TARGET 2029/30	TARGET 2039/40
DIVERSITY, EQUALITY AND INCLUSION - DE&I	Gender pay gap	 3.8%	2.9%	-	0%	
	Internal satisfaction survey	 78%	78%	≥80%		
	Women with managerial roles	 36%	36%	-	-	50%
RELATIONSHIP WITH COMMUNITIES AND BRAND PURPOSE	People involved	 140k	220k	≥600k		



PEOPLE FIRST

"PEOPLE FIRST" IS COMPANIE'S MAIN STRATEGY AIMING TO FATER'S PEOPLE HAPPINESS. HAPPINESS MEANS BEING ABLE TO HAVE THE BEST POSSIBLE WORK EXPERIENCE IN AN INCLUSIVE WORK ENVIRONMENT THAT IS BASED ON TRUST AND CAPABLE OF UNLEASHING AND ENHANCING EVERYONE'S TALENTS.

This program was developed from a structured listening plan, through surveys and focus groups, to give voice to employees' ideas and expectations and build a work environment that can contribute to people's well-being. With this in mind, Fater aims to consolidate the organization's areas of strength while identifying areas of improvement and opportunity, to put in place tangible actions that would result in stronger relationships among employees, with consumers and customers.

THE PILLARS OF THE PEOPLE FIRST STRATEGY

People First consists of 6 pillars: Listen, Growth & Impact, Well-being, Inspire, Include and Do The Right Thing. Every year, Fater defines a People First calendar, with the aim of developing the different pillars by following strategic themes for the company. The themes explored during 2023 were: Well-being, Coaching & Feedback, Communities, Diversity Equity & Inclusion.



People **First**

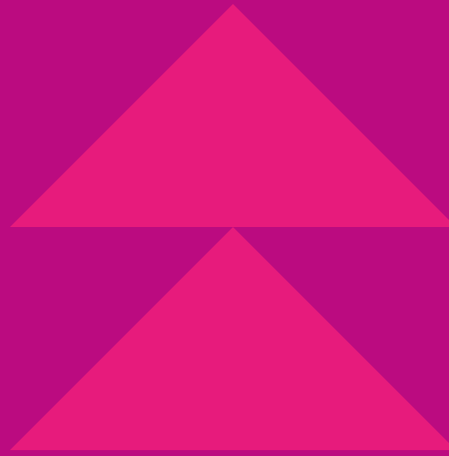


LISTEN

It is the starting point for People First. Active listening helps you map the effectiveness of the actions already taken and drive those for the future.

Since 2020, the Group has been conducting an **annual survey** to get an understanding of the climate within the company. Plus, we run **focus groups on clusters of people** to delve into specific topics, with the aim of delving into specific topics. In 2023, focus groups were held to fine-tune People First's communication to the different targets of corporate population and to understand the views of young women – under three years of seniority – on gender equality. **As of 2020, 501 people have been involved in focus groups.**

In addition to the annual **instant survey**, 5 more were conducted in FY 2022/23 to improve listening to staff on specific topics. **Since October 2022, 1,416 responses to the instant surveys have been collected.**



GROWTH & IMPACT

This pillar aims to enhance the strengths of Fater people by letting them express their own talent.

The “70-20-10” development scheme offers a comprehensive and effective skills and human capital development experience, consisting of: **70% experience, 20% coaching & mentoring and 10% training.**

WELLBEING

This pillar was introduced in 2023 as an evolution of the previous Enjoy pillar. The goal is to take care of the well-being of Fater's people, their families and communities, starting with those where the Group operates. These are the three areas of action:

Physical and psychological well-being

Fater offers tools that enable people to take care of their health, both physical and psychological;

Relational well-being

Fater recognizes the importance of healthy relationships that enable people to be themselves in inclusive workplaces;

Financial well-being

Fater raises all employees' awareness of the financial tools available to them.





INSPIRE

This pillar aims to inspire people with **success stories** told by testimonials from outside the company and to transfer their experiences and knowledge into the company. Guests are chosen according to the annual schedule of the People First strategy. This pillar concretely emphasizes the company's natural openness to the outside world, in an exchange that enriches skills and people in their entirety.

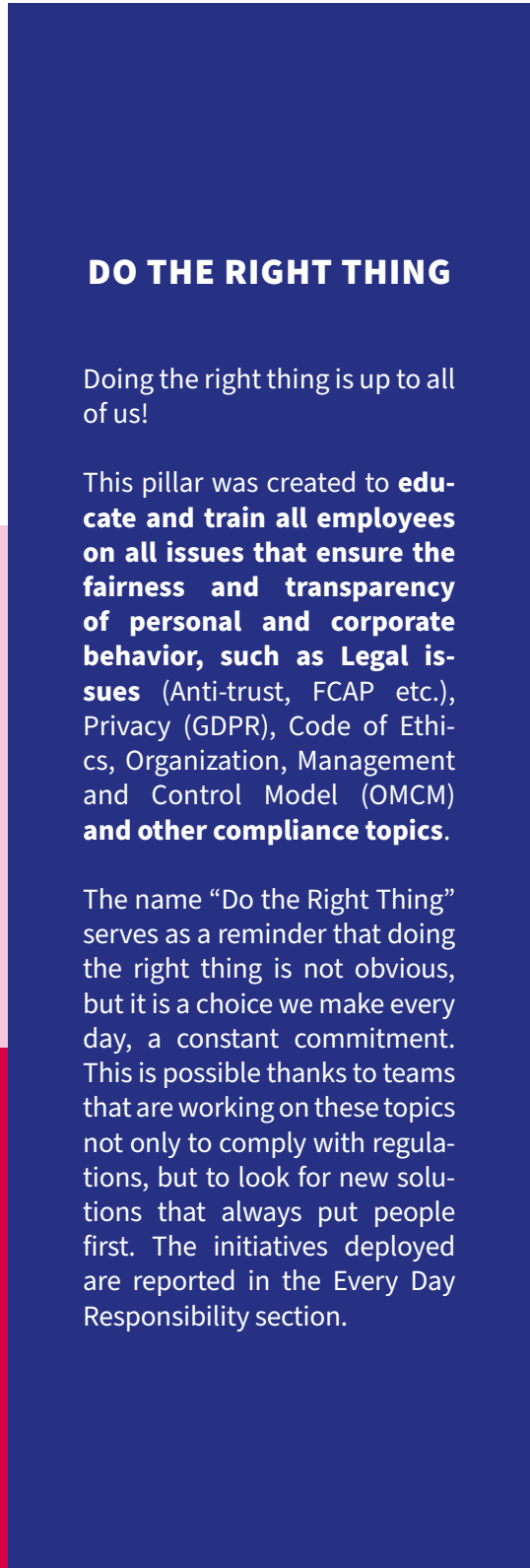
The **UXel Academy** is the main tool for promoting inspiration. It consists of online and in-person meetings with opinion leaders on a variety of topics not necessarily related to work, such as women's leadership, innovation, sustainability. The UXel Academy is open to all employees and, in some cases, even to the schools Fater partners with.

Here are some of our guests for FY 2022/23: Alec Ross, Ferdinando De Giorgi, Giovanni Ciserani, Chiara Bisconti, Francesca Corrado, Igor Suran, Grant Furlong, Daniela Lucangeli and Matteo Paduanello.



INCLUDE

Fater wants to be a place where everybody feels free to express their identity and true self, and value the unique that lies in all of us. Fater is committed to removing any kind of barrier, by creating an internal system and culture that allow everybody to be themselves and to report any discrimination suffered, or any inappropriate behaviors so that the organization can take action against those.



DO THE RIGHT THING

Doing the right thing is up to all of us!

This pillar was created to **educate and train all employees on all issues that ensure the fairness and transparency of personal and corporate behavior, such as Legal issues** (Anti-trust, FCAP etc.), Privacy (GDPR), Code of Ethics, Organization, Management and Control Model (OMCM) **and other compliance topics.**

The name "Do the Right Thing" serves as a reminder that doing the right thing is not obvious, but it is a choice we make every day, a constant commitment. This is possible thanks to teams that are working on these topics not only to comply with regulations, but to look for new solutions that always put people first. The initiatives deployed are reported in the Every Day Responsibility section.



STAFF PROFILE

▶ **GRI 2-7, 2-8, 2-30**



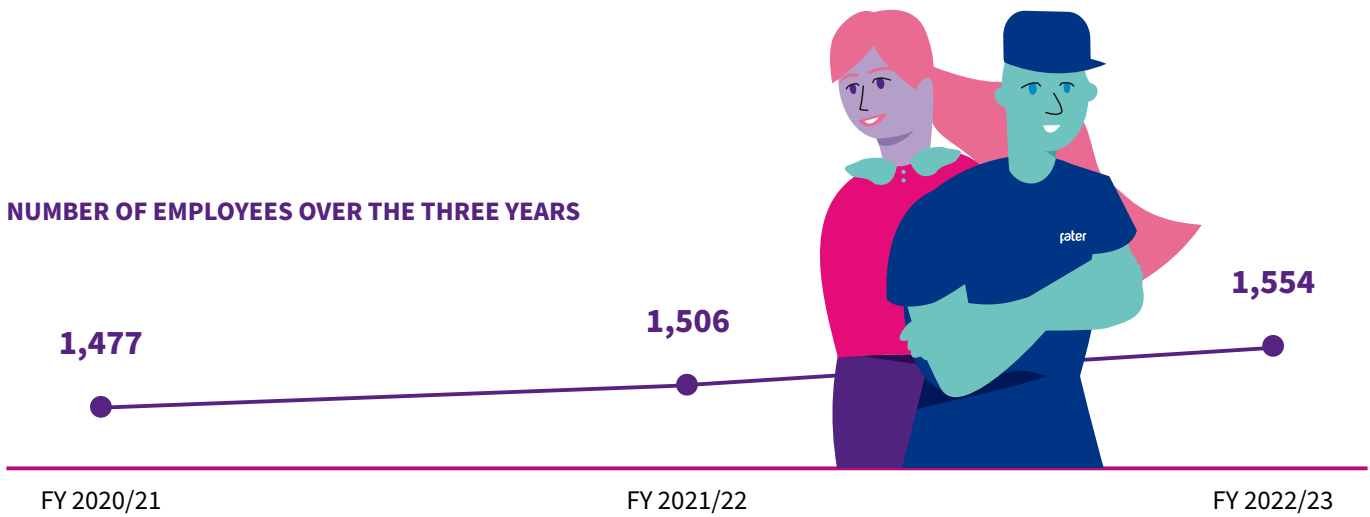
1,554
PEOPLE AS OF
31 JUNE 2023,
+3% VS PREVIOUS FY

96%
EMPLOYEES HIRED ON A
PERMANENT CONTRACT

13%
EMPLOYEES UNDER 30

STAFF OVERVIEW

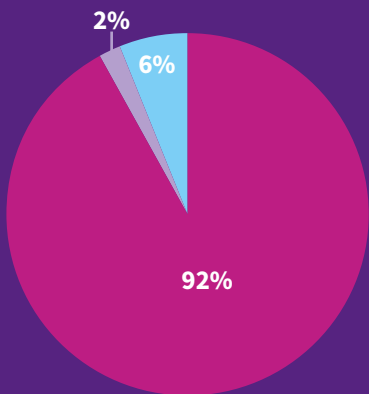
As of 30 June 2023, Fater Group’s workforce totaled **1,554 people, up by 3%** vs previous fiscal year.



92% of the Company's population is employed in the Italian plants and at Fater Campus (operations headquarters), while the remaining 8% is distributed across the facilities in Portugal and Turkey. This breakdown also reflects the regions our staff come from.

BREAKDOWN OF EMPLOYEES BY LOCATION

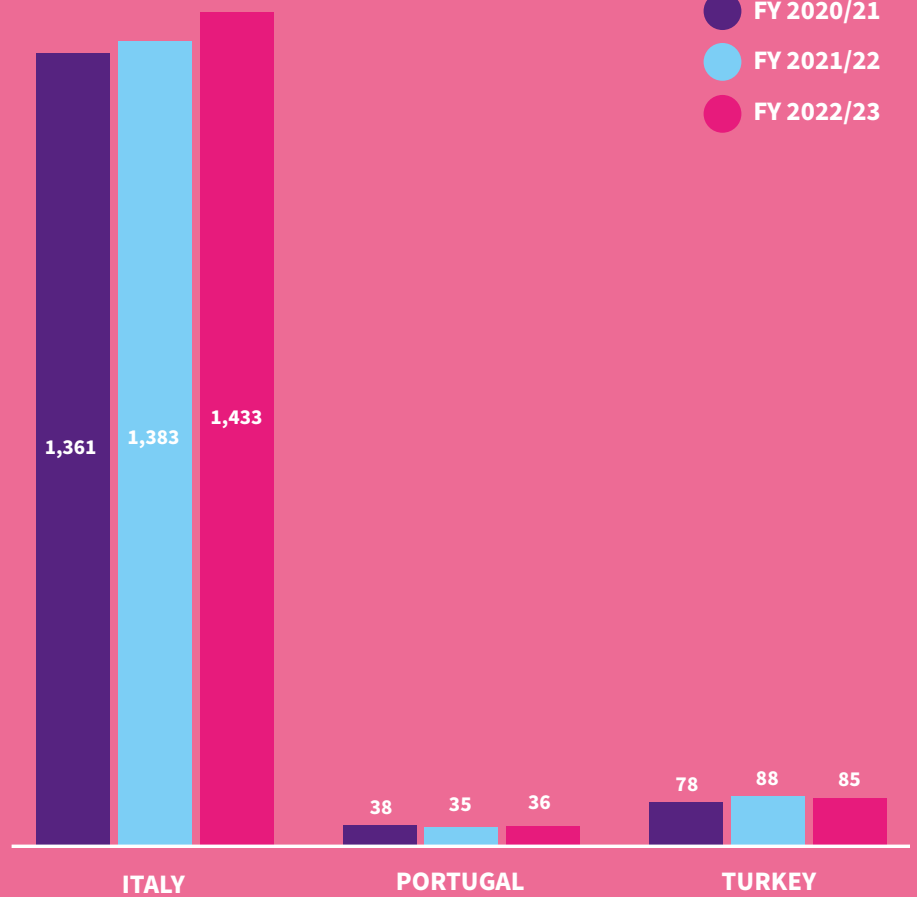
FY 2022/23



- ITALY
- PORTUGAL
- TURKEY

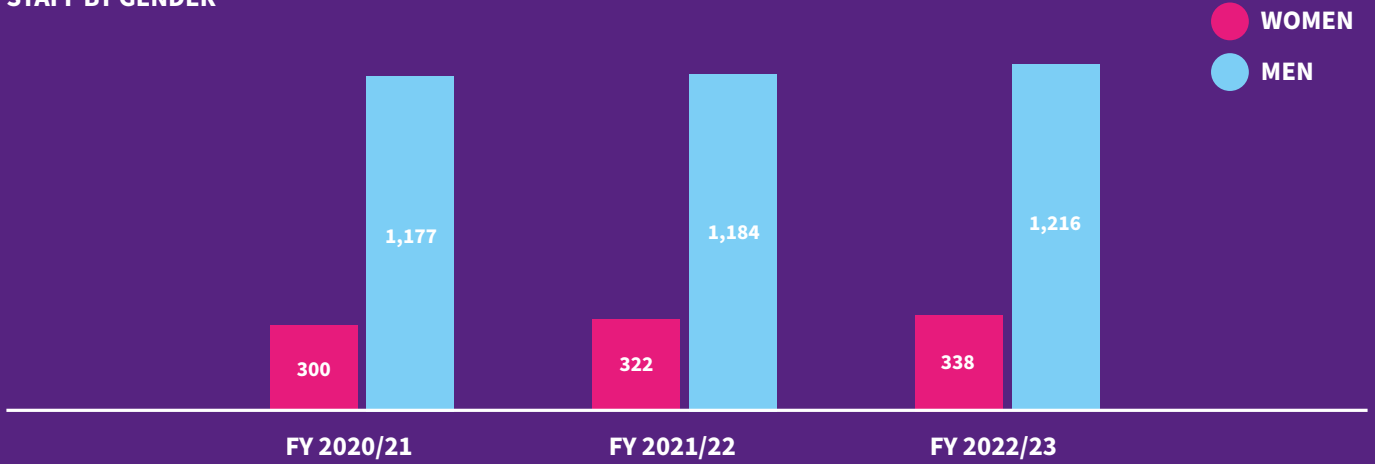
EMPLOYEE TRENDS BY LOCATION

- FY 2020/21
- FY 2021/22
- FY 2022/23

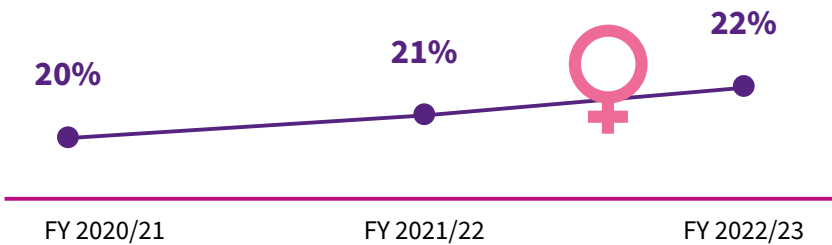


Women make up 22% of Fater’s employees and are growing over the three-year period. Almost 50% of Fater’s population is aged between 30 and 50, and about **13% of employees are under 30**. The largest portion of under 30 is white collars, with 19%.

STAFF BY GENDER



PERCENTAGE OF FEMALE EMPLOYEES



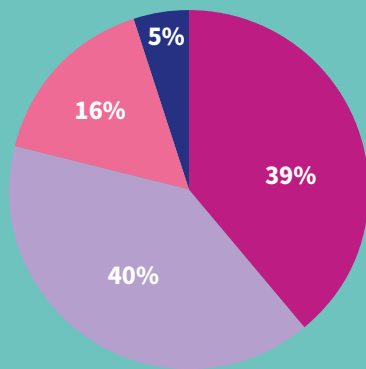
Almost all employees are hired on permanent contracts: 96%, which has been stable over the three years. In fiscal year 2022/23, 9% of employees was on a part-time contract. Additionally, all employees in Fater’s Italian locations and the Porto plant – 95% of total – are covered by collective bargaining agreements. Employees abroad are hired in compliance with local laws and collective or individual agreements.

EMPLOYEES BY CONTRACT TYPE AND GENDER	FY 2020/21		FY 2021/22		FY 2022/23	
	Women	Men	Women	Men	Women	Men
Permanent contract	294	1,136	312	1,135	325	1,160
Fixed-term contract	6	41	10	49	13	56
Total	300	1,177	322	1,184	338	1,216

As far as job categories, the composition of the organization remained basically unchanged throughout the reporting period: **39% of staff are blue collars, 40% are white collars, 16% middle managers and 5% executives.**

STAFF BY JOB CATEGORY

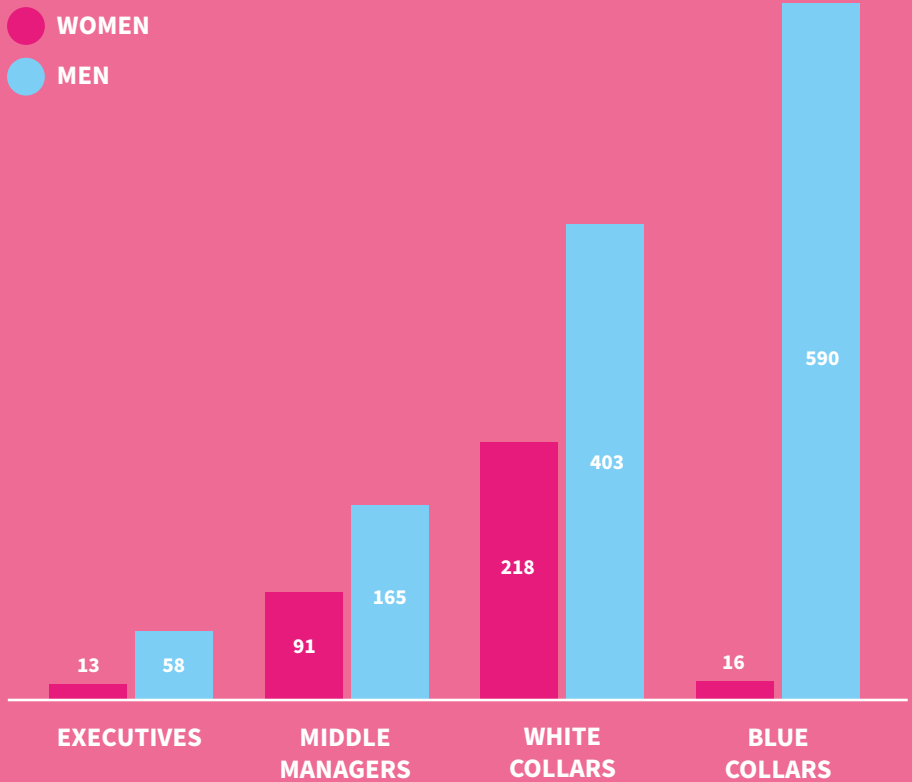
FY 2022/23



- BLUE COLLARS
- WHITE COLLARS
- MIDDLE MANAGERS
- EXECUTIVES

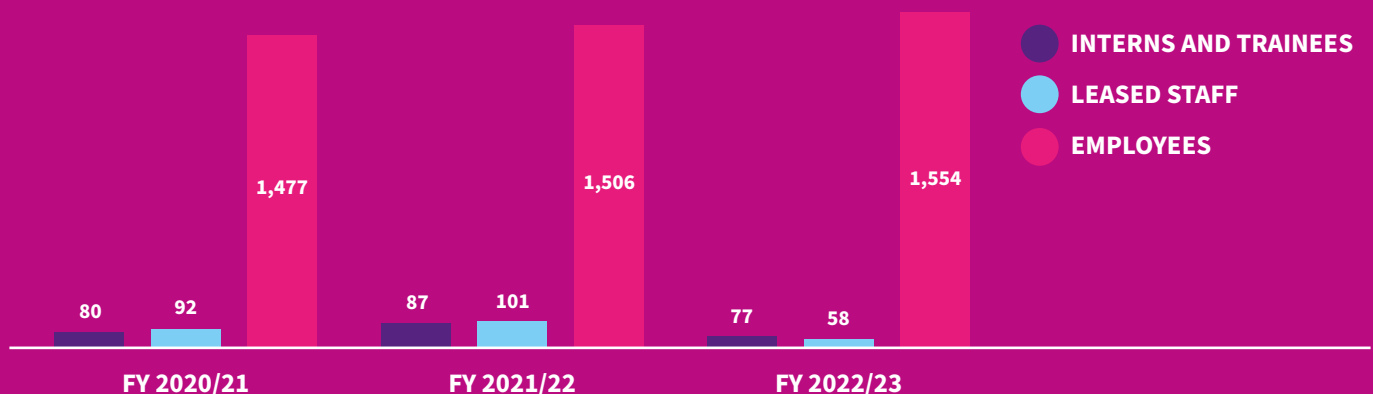
JOB CATEGORY BY GENDER

FY 2022/23



In addition to employed workers, Fater has **135 workers who are not employees – interns and leased staff – as of 30 June 2023, making up 8% of the total workforce.** Generally, interns are introduced through direct recruiting channels, to eventually consider employment opportunities at the end of the period. Leased staff are employees of staffing firms (APLs).

EMPLOYEES AND NON-EMPLOYEES

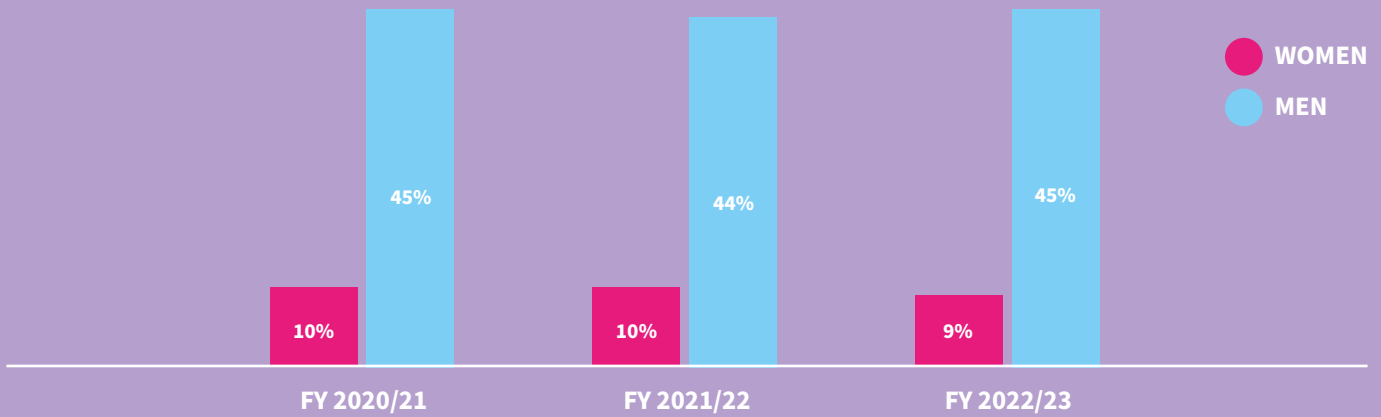


TRADE UNION RELATIONS

Fater has built solid, mature and responsible labor relations over time, allowing sensitive issues to be addressed through dialog with trade unions.

In Italian locations, **union members account for 37% of employees**, reaching 45% among men, in line with previous fiscal years. There are 22 union representatives, including 12 safety representatives.

PERCENTAGE OF UNIONIZED ITALIAN EMPLOYEES



In 2022, Fater Italia’s Supplementary Agreement was renewed. The topics covered in formal agreements between the company and trade unions were:



Reduction of injuries.



Attendance bonuses for training days (Safe Start project, Seveso regulations) with welfare credit.

HUMAN CAPITAL ATTRACTION AND DEVELOPMENT

ATTRACTION AND RECRUITMENT PROCESS



TO US, STAFF SELECTION AND RECRUITMENT ARE PRIMARY TOOLS TO SUPPORT THE ORGANIZATION'S DEVELOPMENT AND OUR COMPETITIVENESS ON THE MARKET.

OVER 5%
POSITIVE TURNOVER RATE

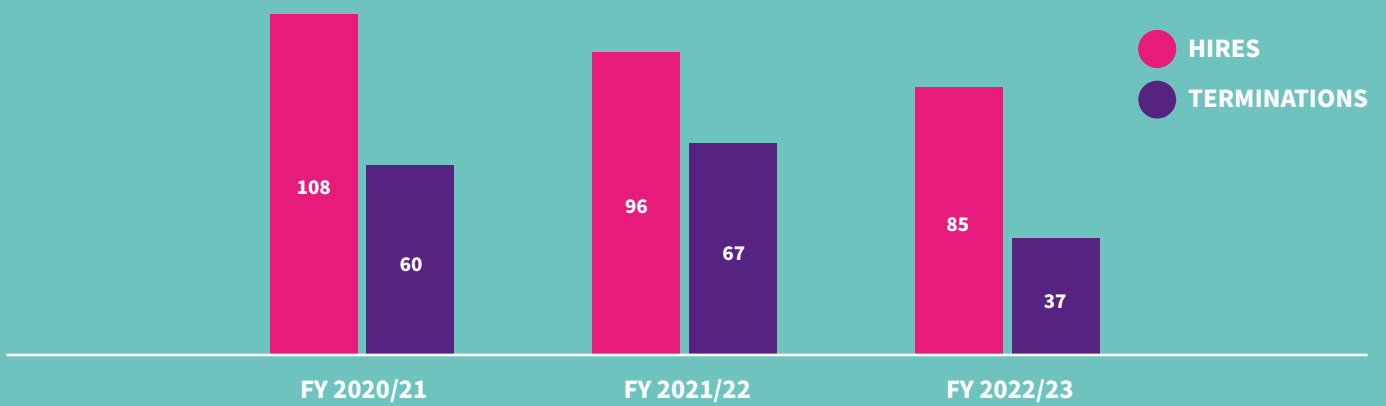
67%
UNDER 30 ON
TOTAL NEW HIRES

**Turnover
halved**
FROM 4% TO 2%
THE NEGATIVE TURNOVER
RATE BETWEEN FY 2020/21
AND 2022/23

Candidates are **recruited by the Talent Acquisition Team and Hiring Managers of Departments** to then join the company. As a **joint venture between Angelini Industries and Procter & Gamble**, in some cases there are opportunities for an interchange of people between the shareholding companies aimed at promoting a diversified career for employees to grow their skills.

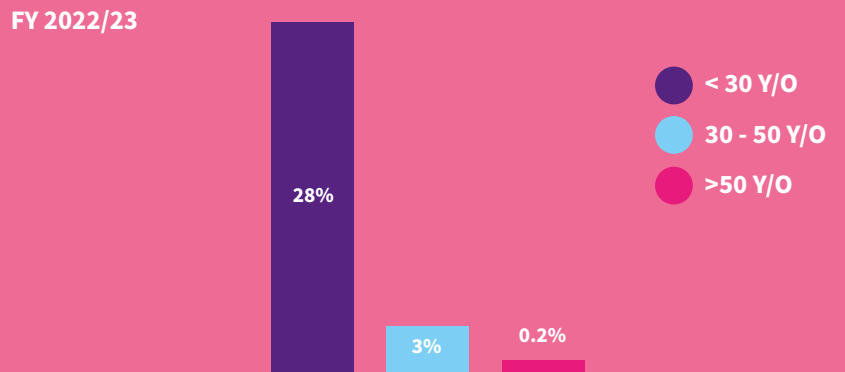
In the last fiscal year, Fater Group **hired 85 new employees, marking a positive turnover of over 5%**. Notably, the positive turnover rate of women was 8%, almost 3% more than males.

HIRES AND TERMINATIONS

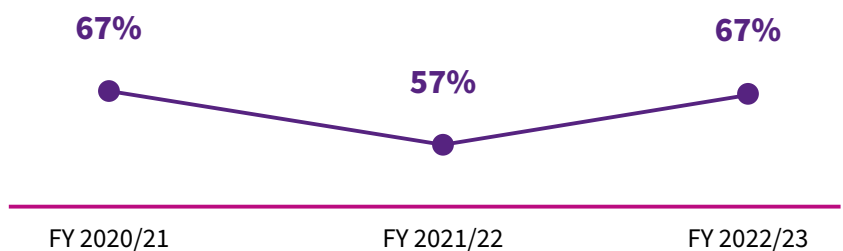


New hires under 30 years of age account for more than 67% of the total and the positive turnover rate for this age group is 28%. Negative turnover is also significantly improving, going from 19% to 7% over the past two fiscal years.

POSITIVE TURNOVER RATE BY AGE



PERCENTAGE OF NEW HIRES UNDER 30



Fater Award



In order to foster access to employment, **Fater Group carries out a bunch of activities intended for involving and incorporating young people, either graduates or undergraduates, within the organization.** The goal is to build a bridge between a big company and academia by encouraging students into practicing the skills they have learned and facilitate their transition into work.

An example of this is the **Fater Award** initiative, a project involving a wide pool of students from different universities. Students are split into work groups that collaborate on the development of business cases designed by Fater on topics such as sustainability and digital transformation – relevant to the markets where the organization operates – that are then evaluated by a Panel of judges consisting of university professors and Fater’s Leadership Team.

2023 marked Fater Award’s third edition, **involving about 500 students from 15 Universities.** The event finale is a **Hackathon** held at the Business Campus, where the members of the teams that won the university stages come together to combine their experience and skills to face another business game. At the end of this final stage, the winning team of the competition is announced.

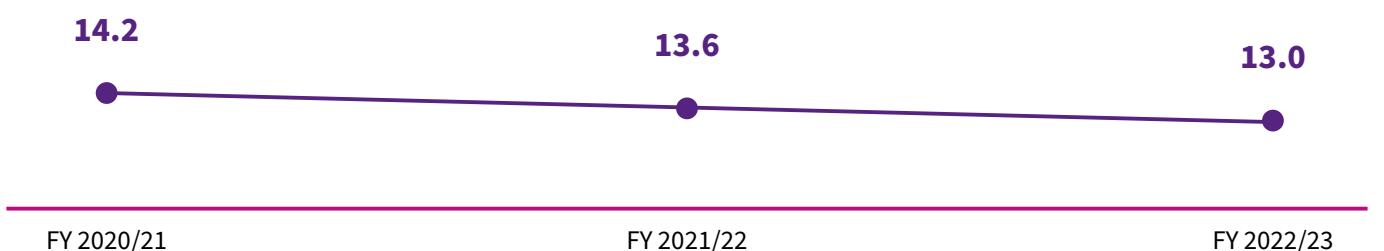
FaterLabExperience – Fater Alongside Universities for Innovation and Research

#FaterLabExperience is the program that brings academia and business together, in a mutual exchange of knowledge and perspectives. Students who are interested in **spending 6 months at Fater** are given the opportunity to work on a technical or scientific project relevant to their degree, in state-of-the-art premises with the latest equipment and the support of industry professionals. At the same time, this initiative is a valuable opportunity for Fater to get in touch with new perspectives and know-how. Running projects cover development and innovation in various areas, with **special focus on sustainability and reducing emission impact:** chemicals, ingredients and materials, product formulas, testing methods, analytical methods, and processes. In calendar year 2023, 16 students took part in the project.

In addition to attractiveness, the data show that staff management policies ensure **stability and retention. The negative turnover rate**, relating to resources leaving the organization, **stands at just over 2% and is down** from the 4% recorded in the two previous fiscal years.

Average company seniority – which has declined over the three years from 14.2 to 13 years as a partial result of new hires – still attests to a significant degree of staff retention. Average seniority is 14.1 years for men and 9.5 for women.

AVERAGE BUSINESS SENIORITY



“

For University students, getting a taste of what it feels like working in a company is crucial for their growth, both in terms of knowledge and soft skills.

It is a great opportunity and privilege for our master's degree program to be joining Fater Award. This is one important life experience and a chance to learn a big deal of professional skills, for a number of reasons.

First, because they get to learn more about **a model of business and managerial excellence that cherishes the human dimension of relationships.**

Secondly, because it is an immersive experience, which fosters cross-fertilization between different universities and backgrounds.

Finally, the issues that students have to challenge themselves on are extremely current and interesting.

”

Stakeholders' Voice

Sebastiano Grandi,
Ordinary Professor at Università Cattolica,
Head of the Master's Degree Program in Food
Marketing and Business Strategies



HUMAN CAPITAL TRAINING AND DEVELOPMENT

▶ GRI 404-1, 404-2, 404-3



40%
MANAGERS WHO CHANGED JOB POSITION, +20% VS PREVIOUS FY

Over 40
CORPORATE TRAINING HOURS RECEIVED BY EACH EMPLOYEE ON AVERAGE

95%
MIDDLE MANAGERS AND EXECUTIVES WITH ONE SUCCESSOR IDENTIFIED WITHIN FATER

UNDER THE GROWTH & IMPACT PILLAR, HUMAN RESOURCE TRAINING AND DEVELOPMENT ARE PARAMOUNT.

Fater’s training and development offer follows the “70-20-10” scheme, which aims to provide a **comprehensive and effective development experience** and identifies the main ways of acquiring new skills.

 **70% EXPERIENCE**

Fater believes that hands-on experience plays the main role in developing its people, through on-the-field learning. Our strategy gives employees the opportunity to change roles, to live different experiences within the same organization. **In the last fiscal year, 40% of people in managerial positions changed roles for a total of 241 changes, 20% higher than the previous fiscal year**, with a view to horizontal and vertical career development that allows people to acquire diversified skills, fulfill their professional expectations, and improve work-life balance. To get an even deeper look into this, we also started the **“In Your Shoes” program**, which allows people to experience a few days in another department and learn new skills. Last year, about 90 people used the program opportunity to experience working a shift in production.

 **20% COACHING & MENTORING**

Fater values the creation of customized paths to support each person’s individual development. All employees are given the opportunity to have **a reference coach** who helps them achieve their potential and is qualified through a specific training program. During 2023 new inside coaches were trained and qualified: 5 at the basic level and 3 executive coaches, for a total of 15 qualified coaches. Since the program began, about 100 people have engaged in coaching with a qualified coach. In parallel, a **mentoring program** was developed. The mentor is a trusted person, a point of reference who offers their knowledge and experience to give support in personal and working life.

 **10% TRAINING**

Fater’s training program starts with **Onboarding**, when a new resource joins the company, and then advances with specific technical and soft skill building courses.

More specifically, the training course includes:

- **Technical skills development** through on-the-job training and classroom training programs led by individual Departments;
- **Soft skill building**, through corporate training with a set of training opportunities for Fater’s population and a special Academy for People Managers.

For corporate training, the training catalog within the **EasyTraining platform** has been upgraded to bring together a wide range of courses.

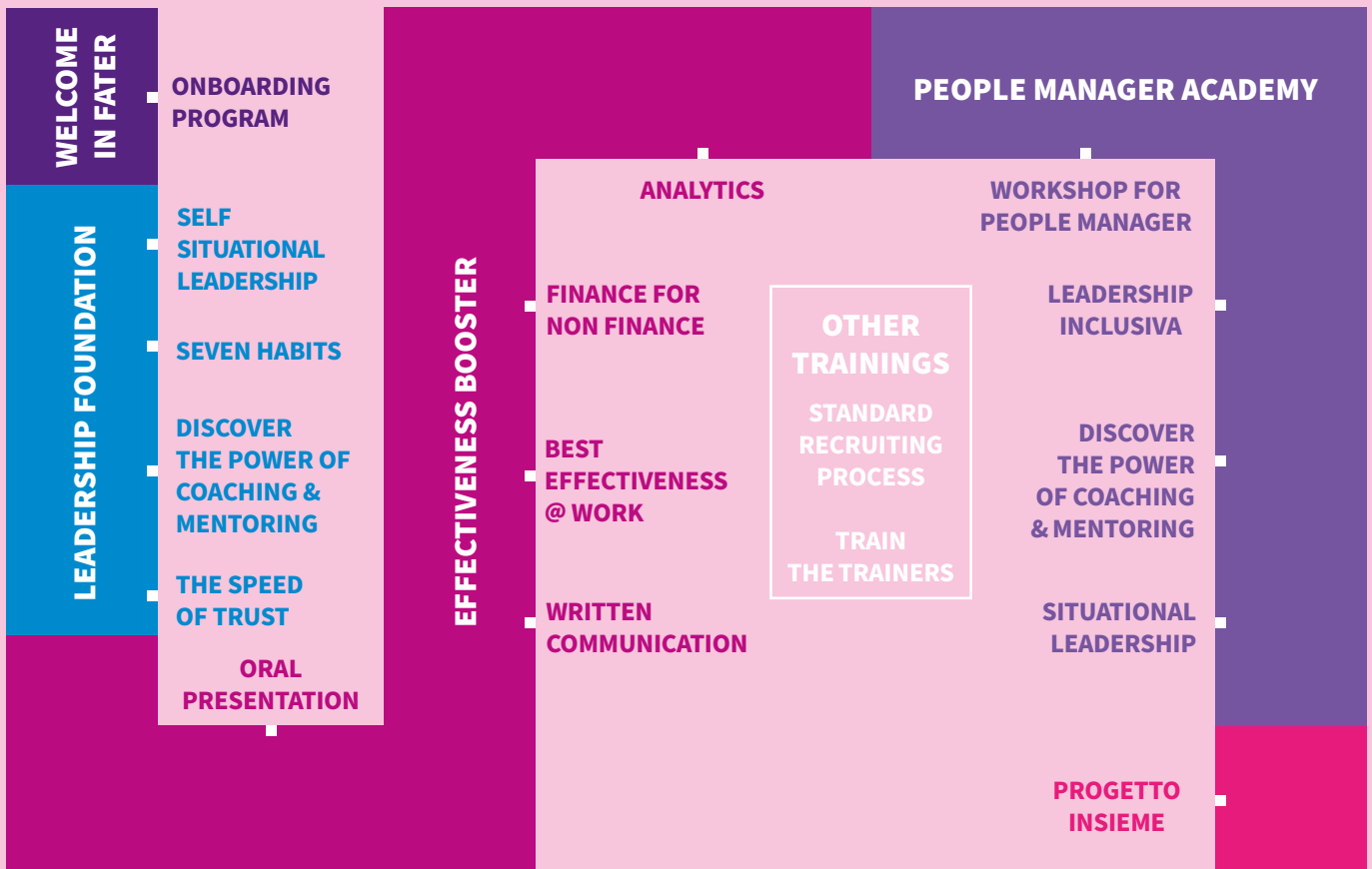
The purpose is to provide employees with the tools and soft skills needed to achieve their work goals. This includes mastering self-leadership, by building trust relationships and recognizing how to fulfill one’s needs through development actions such as coaching, mentoring or training, helping People Managers to enhance people and their talents, as well as lead projects efficiently (People Manager Academy).

Notably, in the last fiscal year a new training program was introduced within the **People Manager Academy**: Inclusive Leadership, which aims to enhance those skills that are useful in managing teams considering the uniqueness and characteristics of each individual. By enhancing everyone’s strengths, in fact you can deal with the complex changes in today’s world of work with a spirit of creativity and innovation.

Corporate training also includes training sessions:

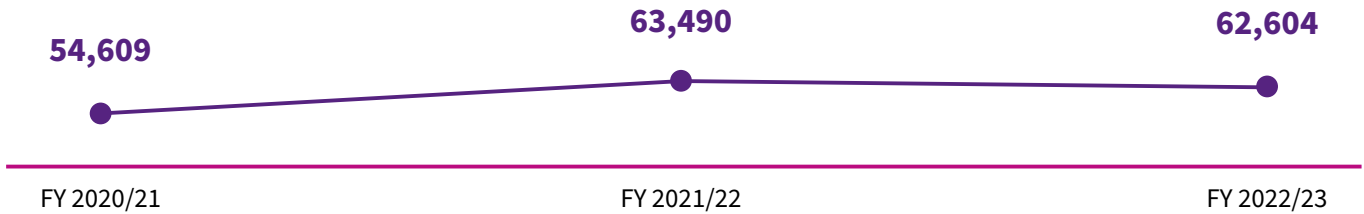
- **Standard Recruiting process**: A mandatory training program for those who conduct recruiting interviews at Fater;
- **Train The Trainers**: Mandatory training for Fater trainers;
- **Progetto Insieme (Together Project)**: A team coaching program that aims to work on team cohesion and lay the foundation to build psychological safety in teams (vulnerable trust, 360° Feedback).

In addition to Fater’s training offer, staff also have access to the **Angelini Academy**, Angelini Industries’ Corporate University which has been providing training programs for 10 years supporting employees in their personal and professional growth. The goal is to provide the tools, skills and knowledge needed to cope with the changing scenario in which companies operate. The Academy’s offer includes several programs (with limited capacity): training for managers, specific courses for professional categories, programs for talented employees under 30, Onboarding for new hires at Angelini, essential toolkits, master classes on key topics, and community empowerment initiatives (the latter aimed at all employees and their families).



In 2022/23, Fater delivered a total of 62,604 corporate training hours, slightly lower number from the previous fiscal year and significantly up from 2020/21 (+15%). Over the three years the ability to monitor training activities was gradually improved, allowing for more accurate data.

TRAINING HOURS IN THE THREE YEARS*

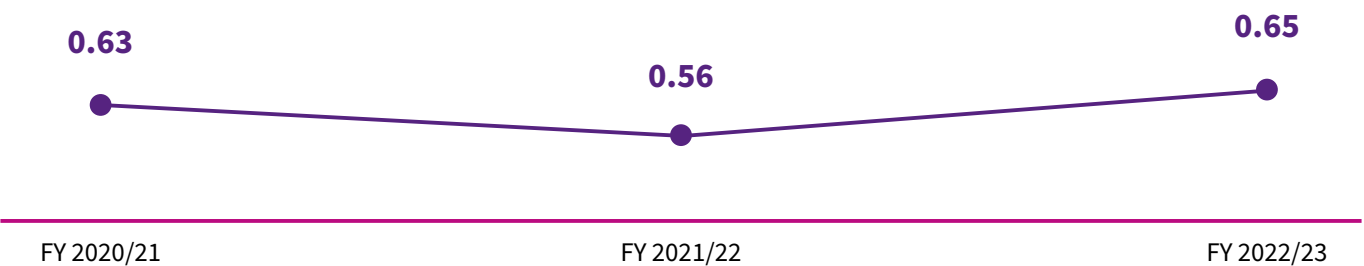


*Figures for FY 2020/21 and 2021/22 were adjusted from those in the Sustainability Report 2022.

Some projects are funded using training funds (e.g., Fondimpresa, Findirigenti) to partially cover for training costs.

In the last fiscal year, each employee received an average of over 40 hours of corporate training to which if the average HS&E training hours are added, it comes to 90 total average training hours per employee. Blue collar workers are confirmed as the category that received the most training hours (59%), mainly among men (65%). In addition, the ratio of average training hours delivered to women to those provided to men has been improving over the three years.

RATIO OF AVERAGE TRAINING HOURS DELIVERED TO WOMEN TO TRAINING HOURS DELIVERED TO MEN



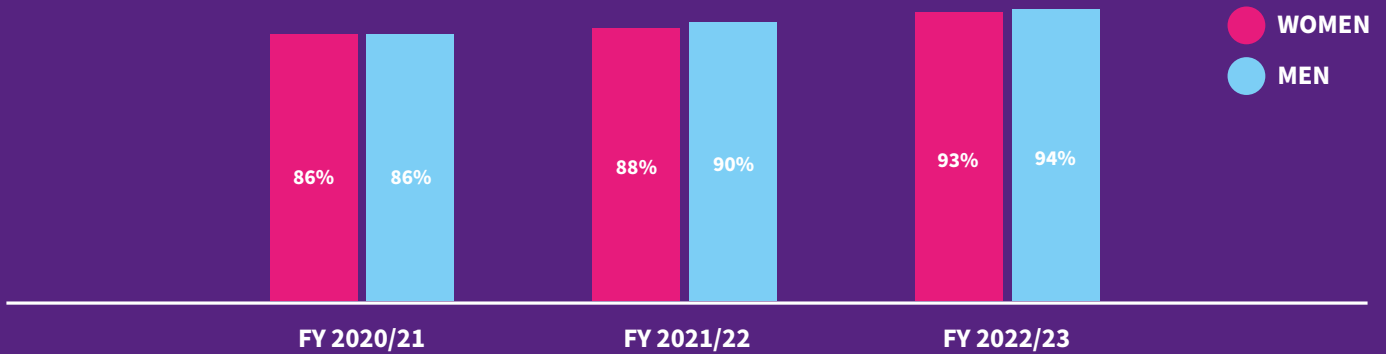
In addition to the “70-20-10” scheme, Fater’s People First strategy includes specific and structured moments of dialog and transparency on individual performance review and future development: the **Performance Review** and **Talent Development Review**, respectively.

The **Performance Review** is the moment when we the individual’s contribution to the business and the organization is verified, analyze what we have experienced and share feedbacks on our achievements as well as a formal review of work performance. During the interview, we highlight the strengths and work-on areas, and also set and discuss the goals for the next year. The review is done based on the goals set and on the three key values that serve as the compass to guide the organization:

- **Openness:** The ability to cooperate with others and to embrace challenges, to broaden your perspective;
- **Simplicity:** The focus on getting things done, because “done is better than perfect”;
- **Customer First:** The gratitude to customers and consumers is at the core of what we do daily.

Below are the percentages of employees who received a Performance Review.

PERCENTAGE OF EMPLOYEES WHO RECEIVED PERFORMANCE REVIEW, BY GENDER



The **Talent Development Review** instead, it concerns the development of each person's talent, it is a dialog between different levels of responsibility where motivations of people are exposed, the potential to cover future higher responsibility positions. The assessment of growth potential is conducted based on the observation of three main behavioral aptitudes-the "Potential Statements" (Passion for winning, Ability to learn, Leadership).

Downstream the Talent Development Review, the **Succession Planning** kicks in, as a program aimed at identifying, for all the roles from Middle Managers upwards:

- Potential internal successors;
- The roles with no internal successors, which would require recruiting people from the outside in case of vacancy.

Currently, 95% of Middle Managers and Executives has at least one successor identified within Fater.

Performance and talent review data are the basic information on which compensation policies are built.

In June 2023, moreover, Fater integrated an additional tool, **360° Feedback**, into the development path. This survey makes it possible to ask for feedback from those with whom one collaborates, with a view to acting on oneself to improve the work experience, including from a relational point of view.

Finally, Fater fosters the protection and training of those who are about to leave the company as well, through a Social Plan that provides incentives for early retirement. We are also partners with major Outplacement firms that enable employees who are not eligible for retirement to get reskilled and transitioned to new jobs.



“

When you truly make employees feel that “people come first,” they feel appreciated and valued.

This perspective helps me to be more motivated, happier, and to work in an environment where I feel safe and free to express myself.

When you make people feel that you believe in them, they will work with more passion and more smiles. And I believe that a genuine smile makes every situation simpler.

”

Stakeholders’ Voice

Elif Acar,
Purchasing Specialist
at Gebze plant



COMPENSATION POLICIES



GRI 2-18, 2-19, 2-20, 2-21

We set
TARGETS IN OUR MBO
SYSTEM RELATED TO ESG
FACTORS, WHICH WILL
BE ASSESSED STARTING
FROM NEXT FY



AT FATER, COMPENSATION AND GROWTH POLICIES ARE BASED ON THE
RECOGNITION OF MERIT FOR ALL EMPLOYEES.

When defining compensation policies, on the one hand Fater aims to ensure **external competitiveness**, and on the other hand **internal equity**. Each employee's fixed pay and career are defined based on several elements:

- Market pay curves
- Weight of the role covered in the company
- Yearly individual performance.

Regarding external competitiveness, market pay curves are based on benchmarking against a sample of FMCG companies. The business role's weight is assessed by a consulting firm, based on official company documents and interviews with function directors to collect quantitative and qualitative data.

In order to ensure internal equity, **fixed pay** is calculated based on the responsibility covered and individual contribution. Individual performance is derived from the annual performance index (IPA) – determined by achievement of individual and team goals on both the business and the organization.

Compensation policies are a strategic lever for achieving **gender equality**, which is one of Fater's major Sustainability Goals and Targets. This is being pursued through actions that start with compensation of new talents, where there is no gender gap, and aim to reduce the historical gap at managers level as well.

Variable pay is determined by company results and individual performance. There are a number of pay incentives applied all across the organization:

- **LTI (Long-Term Incentives)**, based on qualitative and quantitative business indexes related to the three-year performance of the business, which for Italy include clawback clauses¹⁷;
- **MBO (Management By Objectives)**, based on yearly business results – as determined by economic and financial indicators with relevant multiplier – and on annual individual performance. From the next fiscal year, they are going to be **determined** also based on criteria related to ESG factors;
- **Welfare Bonus**, based on yearly business results, as determined by economic and financial indicators with their relevant multiplier;
- **Sales Incentives**, based on periodical quantitative sales goals;
- **Profit-sharing scheme**, based on the achievement of quantitative business results.

Business quantitative indicators of the incentive systems above do not overlap, so all the different rewards are assigned separately. The compensation offer upon hiring does not include any sign-on bonuses and the severance indemnity complies with current legislation and company procedures.

17. Clawbacks are contractual clauses that allow companies to reclaim all or part of the funds previously paid to employees as variable pay component. Clawback is a system used to offset corporate bonuses to recoup them when undeserved.

As far as fixed pay, compensation review is approved by the shareholders (Angelini Industries, P&G), who are responsible for deciding the General Manager’s and the Leadership Team’s compensation plan and business goals. In relation to variable pay, the calculation of business indicators is carried out by the Finance & Administration Department, and then approved by the Executive Committee.

The tables below show data on the average pay of Fater Italia employees. Total annual pay means the gross annual pay (fixed pay components), while total annual compensation includes both fixed and variable pay components based on merit (incentive plans).

PAY AND COMPENSATION OF ALL EMPLOYEES (EXCLUDING THE HIGHEST-PAID PERSON)¹⁸	FY 2020/21	FY 2021/22	FY 2022/23
Average total annual pay	45,000	45,800	47,400
Median of total annual pay	37,200	38,300	39,400
Average total annual compensation ¹⁹	51,300	51,400	53,100
Median of total annual compensation	39,500	40,400	41,900

Overall, **Fater pays are positioned at the high end of the market, if we consider FMCG.**

Fater is striving to improve full understanding about the company’s compensation scheme through:

- **Compensation Workshops**, training sessions addressed to the entire Group’s population;
- **Total Rewards Statement**, a document recapping the whole yearly compensation package – both monetary and non-monetary – for Fater Italia employees.

18. Figures reported in Sustainability Report 2022 are now specified correctly as average, not median. In addition, data on pay and compensation of the highest-paid person are not reported, as these would violate the personal data privacy law, as they can be referred to one identifiable person only.

19. Total gross annual compensation includes variable components and performance-based components (incentive plans), excluding contractual allowances (overtime, travel, shifts).

DIVERSITY, EQUALITY AND INCLUSION

GRI 405-1



22%
FEMALE
EMPLOYEES

2.9%
GENDER PAY GAP,
IMPROVEMENT OVER
THE PREVIOUS FY

36%
WOMEN WITH
MANAGERIAL ROLES,
IN LINE WITH THE
PREVIOUS FY

WE CONTRIBUTE EVERY DAY TO BUILDING A WORK ENVIRONMENT WHERE EVERYONE CAN EXPRESS THEMSELVES FREELY AND HAVE EQUAL OPPORTUNITIES. WE BELIEVE IN THE VALUE OF EACH PERSON AND THE RICHNESS OF DIVERSITY THAT DRIVES CREATIVITY AND GENERATES INNOVATION.

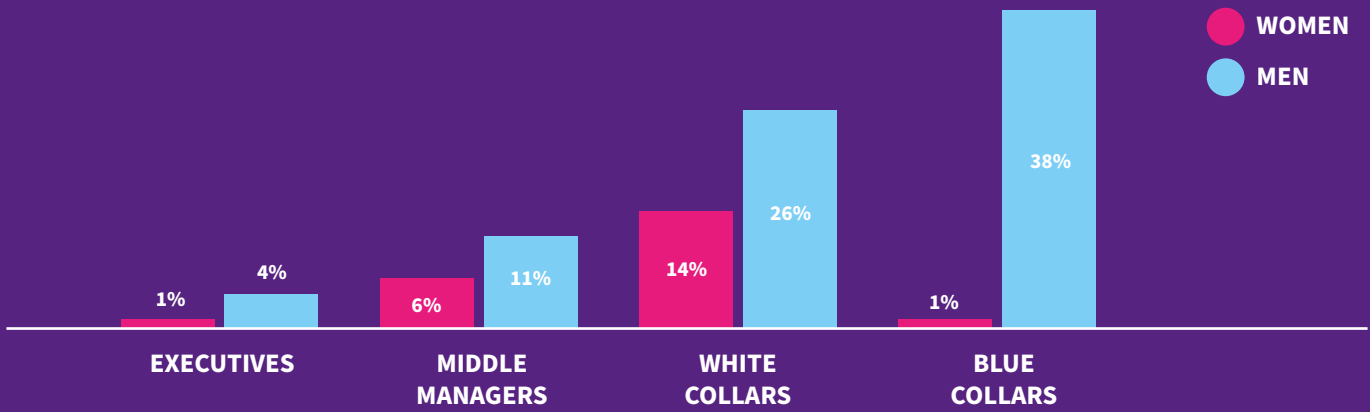
Diversity, Equity & Inclusion are extremely relevant to Fater, as demonstrated by the commitment on the Include pillar of the People First strategy and Lines, Pampers and Ace brand purpose.

Women make up 22% of employees (FY 2020/21: 20.3%). As part of its sustainability strategy, **Fater has set the goal of zeroing the gender pay gap by 2030 and reaching 50 percent women in management positions by 2040**, through the adoption of gender balance policies that guarantee equal opportunities for everyone to grow.

The great attention devoted to the gender pay gap issue has made it possible in the past year to **reduce the gap** (from 3.8% to 2.9%), but there is still work to be done to reach the parity target. We believe this is an unavoidable commitment for Fater and intend to honor it with increasingly targeted plans.

With regard of gender balance issue at the managerial level, Fater’s goal is to make progress toward equality, respecting the principle of the People First strategy that it is meritocracy that determines people’s opportunities for growth. For this reason, and because of a relevant historical legacy, progress toward the goal will be gradual. In relation to the figure recorded in the reported fiscal year (36 percent), there are two distinct dynamics: on the one hand, promotions from managerial employees to middle managers have involved more women than men as well as parity in new hires between men and women in these categories; on the other hand, promotions from clerical to managerial employees still see a slight prevalence of men due to a large majority of men in the clerical classification. This situation stems from a historical legacy that is being reversed in recent years and whose effects will be most visible in the near future.

PERCENTAGE OF EMPLOYEES BY PROFESSIONAL PROFILE AND GENDER



Fater also takes part in initiatives promoted by third parties to inspire and be inspired on Diversity & Inclusion. The **4Weeks4inclusion** event is one worth mentioning, with more than 200 companies participating and a packed schedule of online events aimed at raising awareness and sharing experiences as well as best practices to enhance diversity as an enriching element for companies.

Also, in 2022 Fater commissioned a specific survey on Inclusion to the Diversity Lab association – which specializes on Diversity, Equity & Inclusion – to have a better grasp on the topic.

In May 2023, a UXel Academy meeting was held with the Parks Association on the importance of talking about **LGBTQ+ issues** within organizations. The parenthood policy – which provides 100% paid time off work for three months – was extended to same-sex families too. As a proof of how important this is to us, one month after returning to work and until the child’s first year of life, we offer a monthly coaching session to improve work-life balance management for new parents, to those who wish to receive it. Finally, a specific Talent Development Review is conducted, focusing on expectations upon returning from maternity leave. Also, **Family Days** were held at all company locations, where employees got the chance to give their families a tour of the company and get them to know their workplace.

Fater4inclusion

We want every person to feel protected at Fater.

The **Fater4inclusion** program is always available to report non-inclusive behavior and actions, and to help the company identify episodes of discrimination of any kind, such as related to parenting or non-parenting, race, culture, sexual orientation. **Reports go directly - and only - to Fater’s HR Director**, who provides the necessary responses to foster inclusion and value diversity.

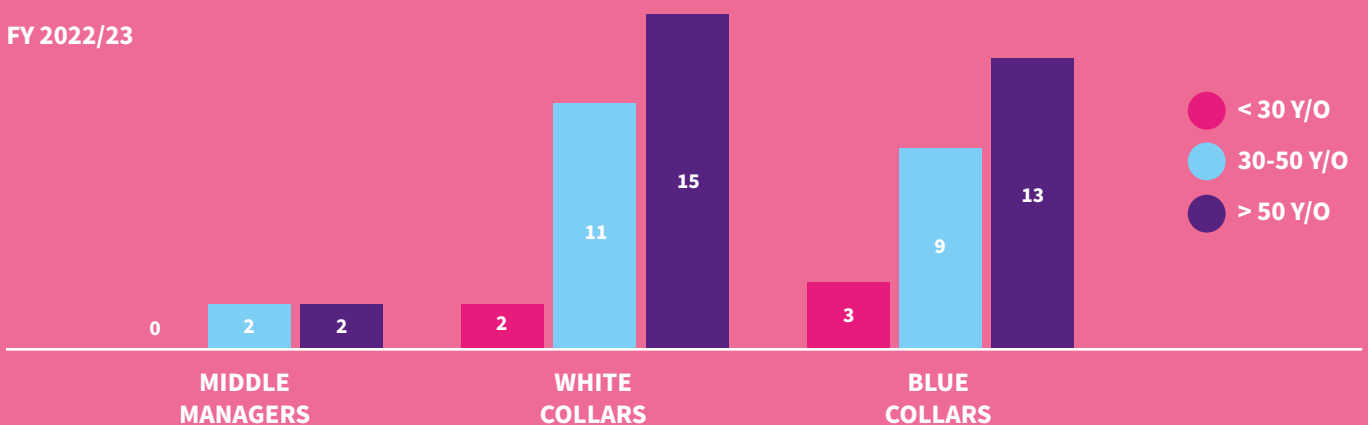
Fater has employed 57 people belonging to one of the protected categories as defined by regulations.²⁰

These are 45 men and 12 women, who hold blue collar, white collar and middle management positions. 53% of employees in these categories are aged over 50, while 39% are aged between 30 and 50, and 9% are aged under 30.

Compared with previous years, the **trend is up sharply**: in the previous fiscal year, less than half of the employees belonging to protected categories were employed (23), while the figure for 2020/21 was 31.

PROTECTED CATEGORIES BY PROFESSIONAL PROFILE FY 2022/23

FY 2022/23



Additionally, a project was started at Pescara locations – Campus and production plant – where **people with physical or mental disabilities were hosted in the cafeteria premises** and had the opportunity to interact with Fater people and experiment with activities aimed at developing their autonomy.

20. Law no. 68 of 1999.

“

Fater cares so much about Diversity & Inclusion and the leadership took a clear and strong stance about it.

Much is being done, but there is still a long way to go for the number of women in top positions to grow. I believe that asking ourselves every day “what can each of us do?” is the right approach to contribute to this process.

While having new young female engineers joining production is now commonplace – I am proud to have contributed to this change – there is still a huge gap among line workers.

And this is where I can play my role: change the rules of engagement, help raise awareness of Fater’s production and break prejudice by stimulating curiosity in girls who are entering the world of work.

”

Stakeholders’ Voice

Lucia Monaco,
Operation Director of Lines department
at Pescara plant



HEALTH AND SAFETY

GRI 403-1, 403-2, 403-3, 403-4



HEALTH AND SAFETY ISSUES ARE MORE THAN JUST COMPLIANCE FOR US; THEY ARE THE MAIN CORPORATE VALUE. CONTINUOUS IMPROVEMENT AND SAFETY CULTURE ARE AMONG OUR MAIN GOALS. BECAUSE *“NOTHING YOU DO IS WORTH YOUR INJURY”*

The **health, safety and environment (HS&E)** policy adopted by Fater aims to protect the health of employees, third service providers and communities living near our sites, prevent environmental pollution, and provide quality, low-impact and valuable products to improve the lives of consumers, while complying with relevant laws on these matters.

To enable all workers to work safely and safeguard their health, Fater adopts a series of **measures and policies** aimed to:

- Take and support all actions necessary to protect the health and safety of its employees;
- Identify, assess and classify risks for employee’s health and safety, the environment and product quality;
- Minimize the possibility for incidents, injuries and occupational diseases to occur;
- Train and educate staff to make them aware of and able to keep proper behaviors in the field of health and safety, environmental and quality protection;
- Educate and train contractors and visitors on proper behaviors in work areas;
- Set annual goals for continuous improvement in health, safety, environment and quality.

An Occupational Health and Safety Management System was implemented in Campochiaro (CB) and Pescara (PE) plants and the HQ in Spoltore (PE), according to the ISO 45001:2018 standard. Management systems are applicable to all activities carried out at certified facilities and to staff working there (employees and non-employees), under ordinary and emergency operating conditions, according to the tasks specified in the Risk Assessment Document (RAD) approved by the Executive Committee (employers). Yearly checks are conducted on security systems through internal and external audits. As for foreign production sites, both the Porto and Gebze plants (as of the last fiscal year) are ISO 45001 certified.

The Campochiaro plant falls under **Seveso regulations**²¹, which aims to minimize the risk of major accidents within facilities.

The Group also has formal **Committees** that include managers and workers, such as:

- **REVIEWS WITH MANAGERS:** Here topics such as RAD, ISO 14001, 45001, the Improvement Plan, Seveso regulations, training, health protocol are discussed at least on a yearly basis²² or as needed. These meetings involve the Company Physician, Representatives for Job Safety (RLS), the relevant Plant Manager, Prevention and Protection Service Officers (ASPP) and the Prevention and Protection Service Manager (RSPP);
- **SAFETY MEETING:** The HS&E (Health, Safety and Environment) group meets monthly with the site leaders to review the plant's health and safety measures.

Risk assessment is done through the Job Safety Analysis (JSA) and in the RAD (Risk Assessment Document), which also specifies the actions to take to reduce any residual risks and the improvement plan required. The main hazards and risks that workers may encounter while doing their job can be generally summarized into three categories:

- Health risks from exposure to chemicals or physical agents;
- Safety risks from traumatic contact with a tool or moving equipment in the company (mechanical hazards, hot surface, etc.);
- Organizational risks (risk of work-related stress).

Workers may use specific forms as independently adopted by each site to freely report any deviations from **behaviors** not in line with the safety rules:

- **OFSS** (Ongoing Feedback Systems), anonymous procedures available to workers to provide positive and negative feedback;
- **BOSS** (Behavior Ongoing Systems), observations related to one's department of belonging checked against a checklist to report any critical behaviors spotted, which should then be monitored;
- **VONs** (Online Surveillance), a tool to provide surveillance on both firms and workers by appointed figures (eg. people managers, officers, project leaders, reference people, and more).

There is also another tool called QRP (Quick Risk Prediction) which workers can use to identify and report any **work practice that fails to meet procedures** and poses health and safety risks.

Finally, the **Near Miss** review analyzes non-harmful events to identify any actions that may solve the root cause of a problem, with injury prevention in mind. For each event a "Why-Why Analysis" form is filled in, describing the relevant investigation conducted and the Action Plan. Near Miss and QRPs are fundamental tools of prevention: they allow a problem to be intercepted before it can occur. They also help the worker to keep the procedures in place alive, including through positive reports (as in the case of QRPs). The greater the number of these reports, the lower the chance of an incident occurring. Fater encourages this approach through information, training, and reward mechanisms based on the identification and resolution of hazardous situations.

21. As required by Law 105/2015.

22. According to article 35 of D. Lgs. 81/08, for Italian locations.

Occupational Safety and Prevention Network

Fater is affiliated with **AIAS** (Italian Association of Environmental and Safety Officers) and **Assidal** (Italian Trade Association of Employers). Fater is actively engaged in the former association's activities in the region, while in the latter it sits in the Technical and Scientific Committee.

Prevention and safety at work is top priority for the Company, and within these associations Fater plans events to share best practices and takes part as a speaker in meetings in other companies in the area, having nationally recognized experts come over and talk about this subject. These events are intended for professionals in the field of prevention and safety at work, employers and public agencies and institutions.

In addition, the Company shares the health, safety and environment rules in place with the suppliers operating in its premises and requires a declaration that suppliers' workers have been informed, educated and trained, as a condition for operating.

Well-being Project

Fater launched a **well-being project**, which in the reporting year included:

- Seminars on sleep and nutrition
- Increase and sponsor blood chemistry testing as a corporate benefit
- Agreements with external professionals for specific consulting (sports medicine, nutritionist, skin doctor, and more)
- Low sugar and cholesterol menus for workers at plant cafeterias.

HEALTH AND SAFETY TRAINING



GRI 403-5

Health, Safety and Environment training delivered by Fater to all its employees is paramount to make sure all procedures are followed, thus keeping all its workers safe. Precisely for this reason, Fater has chosen to deliver all training – mandatory by law and essential **to perform safely** – the first days of contract start-up, as part of the **“Onboarding”** process and always before starting a new task. **This choice anticipates the legally mandated** 60-day implementation period. All workers are equal in the face of safety.

Health, Safety and Environment training **is delivered in Italy to all workers** - regardless of the form of contract applied- including workers with internship, leased staff, apprenticeship contracts, etc. - within the days after hiring, based on the class of risk and the requirements of current regulations²³. In particular:

- Office workers receive general training (4 hours), specific low-risk training (4 hours) and training on internal safety rules and procedures (4 hours);

+9%
H&E TRAINING HOURS
VS PREVIOUS FY

ALL PLANTS
INVOLVED IN THE SAFE
START PROGRAM TO
PROMOTE SAFETY EVEN
OUTSIDE THE WORKPLACE

23. D. Lgs. 81/08 and Italian State-Regions Agreement dated 21 December 2011.

- Engineering or Lab workers receive general training (4 hours), specific high-risk training (12 hours), training on safety rules, internal and lab procedures (8 hours), and on-the-job training on installed machinery;
- Workers with special assignments or tasks, such as forklift driving and first responders, get appropriate training and refresher training;
- Workers with defined roles in the safety organizational chart (Training as Manager, Supervisor, RSPP, ASPP) receive appropriate training and refresher training;
- The entire corporate population receive refresher training every 5 years.

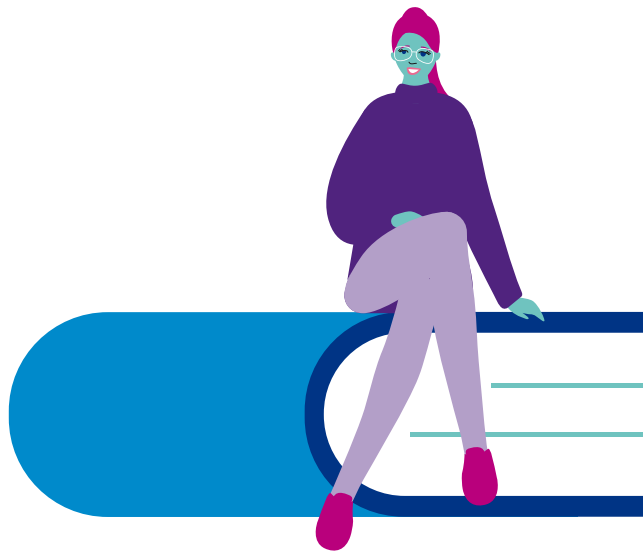
Starting from fiscal year 2020/21, training in Italy has been managed on the **EasyTraining** online portal, that allows accurate monitoring of the courses attended by each worker.

In order to make training effective and an opportunity for discussion, Onboarding training days are organized in-person by both accredited lecturers and qualified in-house trainers and trainers, with care taken to gather feedback for **continuous improvement**.

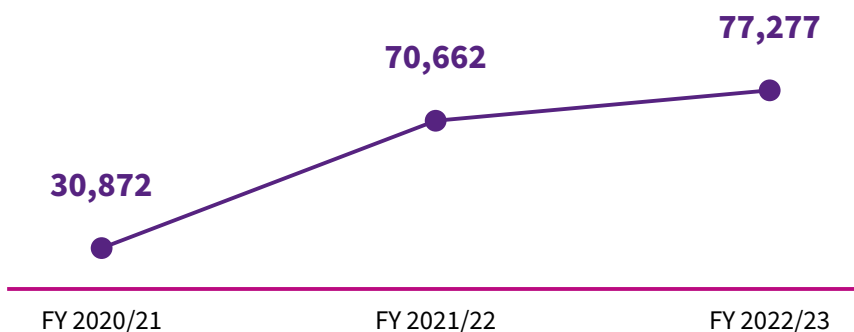
The same care is given to workers with greater seniority, who often hold the role of Supervisors or Managers, for whom training is appropriately calibrated as needed and not just to programs required by law.

At the **Gebze** plant, all employees (white collars, interns, blue collars) attend a mandatory 12-hour course on occupational safety delivered by a legal expert on the subject. They also receive a mandatory 4-hour health training course delivered by an occupational health physician. Training is valid for 1 year, to be renewed annually.

Workers are also required to read Fater’s Integrated 45001:2018 -14001:2015 - 9001:2015 Policy Document.

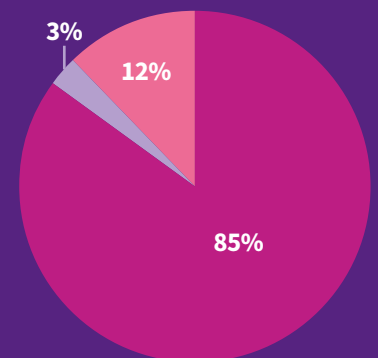


HS&E TRAINING HOURS*



HS&E TRAINING BY TYPE

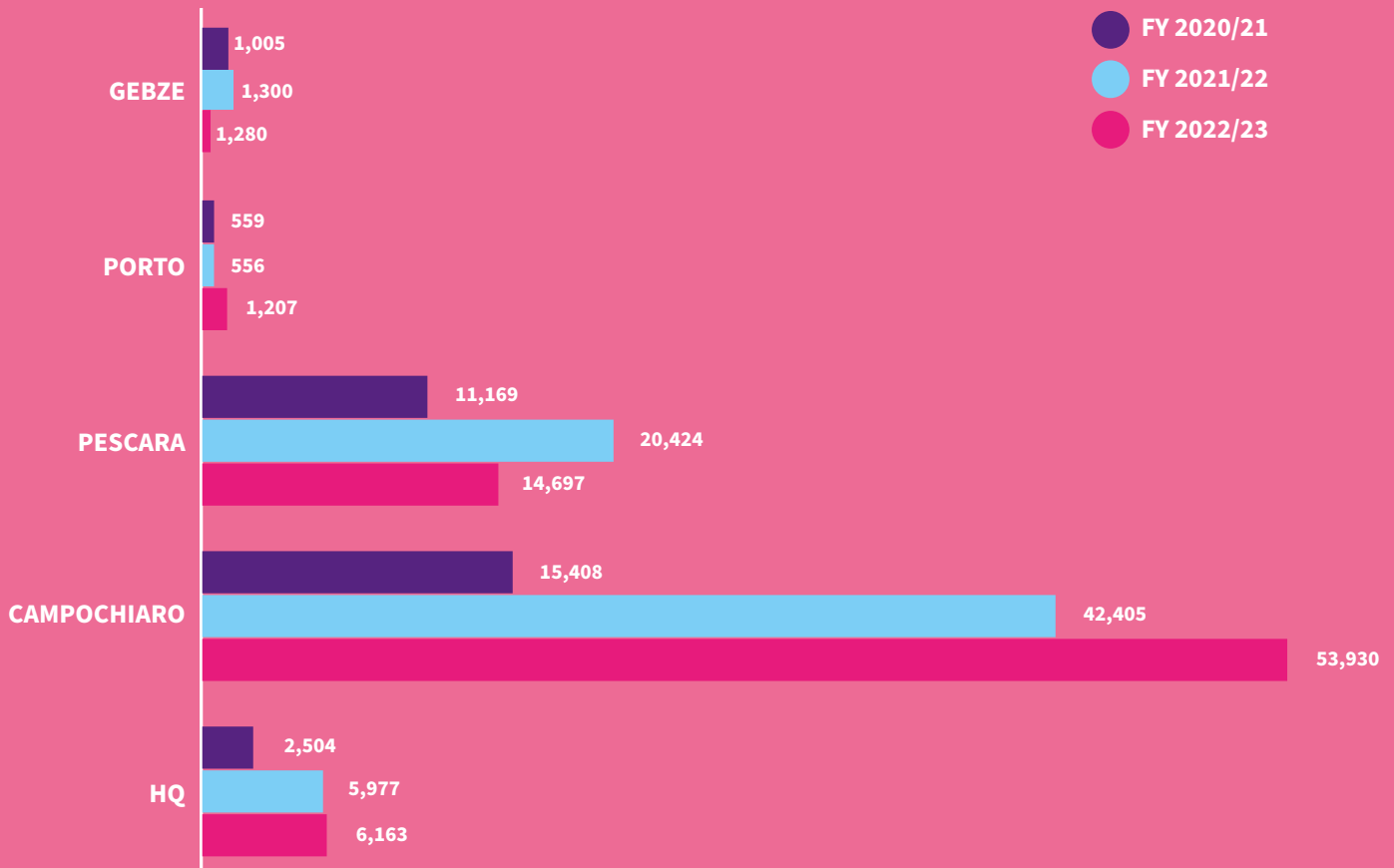
FY 2022/23



- GENERAL TRAINING
- SPECIFIC TRAINING
- OTHER

*Figures were adjusted from those in the Sustainability Report 2022.

HS&E TRAINING HOURS FOR LOCATION



In fiscal year 2022/23, Fater delivered a total of **77,277 hours** of Health and Safety **training** to its workers, a number that has been increasing over the three years and is **up by 9%** from the previous fiscal year.

The “specific training” category includes courses required by law under the Italian State-Regions agreement, while the “other” category includes courses pertaining to internal procedures and regulations, but not mandatory. For example: all the courses that enable people to work safely, including those on departmental rules, rules for employees’ assignments, environmental training, training on general plant rules. It also includes courses on procedures, on-the-job training, emergency team training, additional training for supervisors, courses for contract work reference people, use of PPE, policies and workers’ expectations, as well as remote working.

Safe Start Program

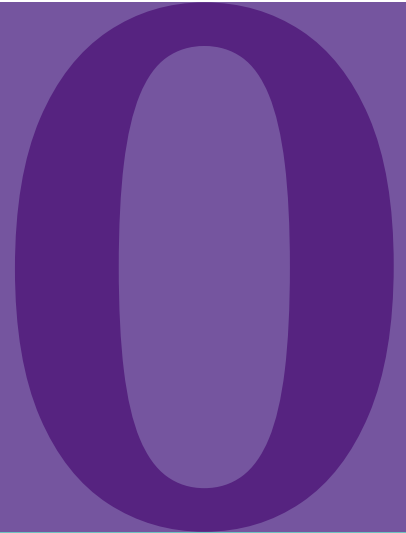
Fater continued the **Safe Start** program to promote a safety-oriented attitude and make it a priority, even outside the work environment and in personal life. At the Pescara plant **this event is held once a year**, and in the latest fiscal year 186 people were involved for a total of 408 training hours. At Campochiaro, the program was embedded within the Onboarding program for new employees: in the last fiscal year **all new hires received Safe Start training**. At the **Porto** plant, the program involved 22 employees in fiscal year 2022/23, totaling 220 hours of training. In **Gebze**, on the other hand, Safe Start training was conducted **in May and June 2022**.

INJURIES AND OCCUPATIONAL DISEASES

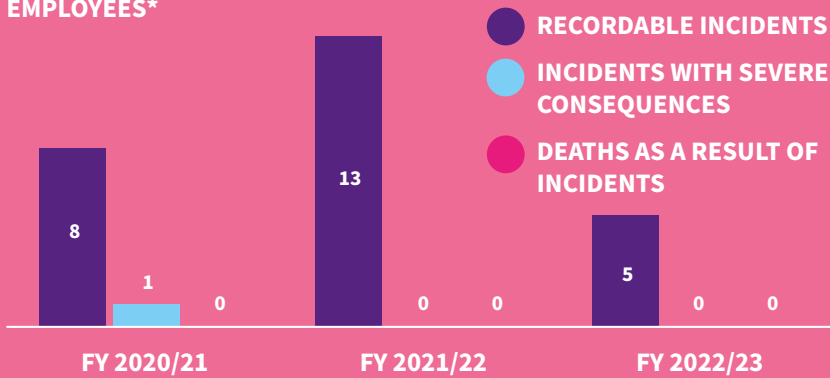
GRI 403-9, 403-10

Zero
SEVERE INJURIES FOR
EMPLOYEES AND NON-
EMPLOYEES IN FY 2022/23

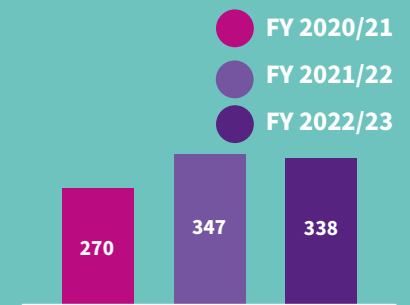
Zero
OCCUPATIONAL
DISEASES OVER
THE THREE YEARS



**NUMBER OF WORKPLACE INCIDENTS
EMPLOYEES***



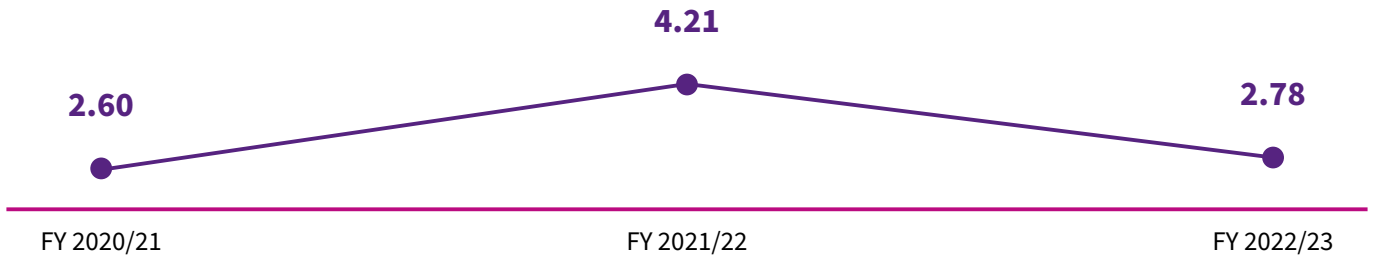
**NEAR MISS TREND
EMPLOYEES**



The tables below show aggregate data for all Fater’s production plants on workplace injuries, broken down by employees (including “in itinere” injuries) non-employees (including “job on call” workers).

*Figures were adjusted from those in the Sustainability Report 2022.

RECORDABLE WORKPLACE INCIDENT RATE EMPLOYEES**



**In the last FY we fine-tuned the worked hour calculation method, switching from an estimate to an accurate measurement. Additionally, figures were adjusted from those in the Sustainability Report 2022.

WORKPLACE INCIDENTS- NON-EMPLOYEES***

	FY 2020/21	FY 2021/22	FY 2022/23
Deaths as a result of incidents	0	0	0
Incidents with severe consequences	0	0	0
Recordable incidents	1	2	0
Number of near misses	60	66	31

*** Figures were adjusted from those in the Sustainability Report 2022.

During fiscal year 2022/23, there were **no occupational incidents with severe consequences**. The recordable incident rate for employees has decreased from 4.2 in fiscal year 2021/22 to 2.78, as calculated per 1 million worked hours, which is still a sign of Fater’s strong focus on safety.

Recorded injuries were mainly caused by the use of machinery and lifting loads, as well as distractions and failure to follow procedures. Other types of injuries we found include: cutting, tripping and contact with chemical agents.

The ultimate goal of **Fater’s risk mitigation strategy** is eliminating any risks to employees’ health and, when this is not possible, preventing and reducing hazards. In cases where the hazard cannot be reduced, the organization takes action in order to establish operating procedures to make sure employees work safely, such as considering the use of collective and personal protective equipment.

The hazard analysis of employees’ risk of injuries is reported in the company’s Risk Assessment Document (RAD - DVR), which assesses the specific probability of occurrence and the harm severity of a certain event. After the assessment, an **action plan** is designed containing the measures to adopt in order to remove or reduce the current hazard.

Like incidents, the analysis of hazards related to the risk of **occupational disease** is also incorporated within the company’s RAD: these hazards may include physical agents, chemical agents, video terminals, manual handling of loads, and mechanical vibration. It should be underlined that **no occupational diseases were found** during the three years of reporting.

“

At Fater, employees' health comes first, even at the expense of profit.

From production to order processing, the first thing Fater expects from us as employees is respect for safety, in everything we do.

I've always been encouraged to report situations that could result in a potential danger to me or one of my colleagues.

”

Stakeholders' Voice

Emiliano Chiovitti,
Maintenance Team in MMO Department,
Campochiaro plant



CORPORATE WELFARE



100%
EMPLOYEES WHO BENEFITED FROM AT LEAST ONE WELFARE SERVICE

52
TYPES OF BENEFITS OFFERED. HERE SOME OF THE MOST USED: DIAPERS, PARENTAL LEAVES, HEALTH CARE, FUEL VOUCHERS AND SHOPPING VOUCHERS

5 on 5 days
ALLOWED TO WORK FROM HOME. FATER IS ONE OF ITALY'S FIRST COMPANIES TO HAVE ADOPTED 100% HYBRID WORK MODEL

THE PEOPLE FIRST STRATEGY ALSO TRANSLATES INTO WELFARE INITIATIVES INTENDED FOR OUR EMPLOYEES. THE GOAL IS TO CONTRIBUTE TO INCREASE PEOPLE'S WELL-BEING THROUGH WORK-LIFE BALANCE AND HELP DEVELOP A SUPPORTIVE CULTURE IN THE COMPANY.

Fater makes available to its employees a competitive benefits package, customized by Country and continuously expanding, especially for Middle Managers²⁴. In Italy, the welfare package includes **52 benefit items, with a usage rate close to 100% of employees.**

24. Welfare packages will increase from 2 (Blue Collars and Executives) to 3 (Blue Collars, Middle Managers and Executives).



LIFE INSURANCE



HEALTHCARE

In addition to insurance coverage, we also offer on-site medical check-ups at different intervals, and a wellness week dedicated to well-being.



DISABILITY AND INCAPACITY COVERAGE



SUPPLEMENTARY PENSION FUNDS



EXTENSION OF PARENTAL LEAVE FOR DADS AND SAME-SEX FAMILIES

Provided to Fater Italia employees. Also, extended bereavement leaves are provided beyond what is required by law, leaves to testify in court and for corporate volunteering.



SUPPORT TO FAMILIES

Free diapers are given to all employees who have had a child. In October 2023 the Kindergarten bonus was introduced, retroactive from January 2023.

Babysitting services are available for the children of employees, who preferred this initiative over the creation of a special company childcare center. Actually, hybrid work allows more flexible time management with no need to use a facility inside the Company.



COMPANY SHOPPING AND AIDS

In addition to diapers, employees get a discount on all Fater and affiliate company products. Employees can also enjoy discounted fees for services with contracted companies, such as life insurance, car rental, etc.



GYM CONTRIBUTION AND FIT PRIME SUBSCRIPTION

Employees have access to thousands of partner fitness centers through a platform that also provides online workouts and customized diet plans. Benefits can also be extended to the employee's family.



PSYCHOLOGICAL SUPPORT

It is provided by a third company with qualified professionals to all those who may ask for it, ensuring full confidentiality.



OTHER CONTRIBUTIONS

Shopping vouchers, fuel vouchers, scholarships, house rent allowance for new hires from out of town.

Fater was one of the first companies in Italy to use hybrid work giving the opportunity to work from home even 5 days out of 5. This is possible because of the trust that underlies our relationship with people, as a result of a paradigm shift from any form of control.

From October 2021, the new work model was incorporated in the collective bargaining agreement and cascaded into individual agreements. This formula is applicable to all company positions compatible with remote work. Employees have maximum flexibility to work from home or any location they may **consider comfortable to meet their personal needs and increase their well-being.**

Fater is convinced of the value of having a physical place to strengthen connections and exchange experiences, so the Campus is always open to welcome employees and allow them to choose the right mix of in-person and remote work.

Special attention is given to jobs that cannot be performed remotely. For those workers, Fater agreed to two additional holidays, while for blue-collar employees over 50 years old three additional holidays were given to mitigate the impact of night shifts.

Finally, welfare policies value the concept of solidarity among employees with some ad hoc initiatives:

- **Solidarity holiday fund**, which allows every employee to donate part of their holidays to their colleagues, depending on the needs and the situation;
- **Solidarity expense fund**, to help those employees who may have to face some unexpected expenses they cannot afford. The fund is available to all those who may be going through hardships, and no repayment whatsoever is required of them.

Angelini4You

The **#Angelini4You** service was created to **promote the well-being** of all Angelini people, including Fater employees.

This is **a qualified service that provides highly specialized psychologists** who respond to questions asked through a dedicated platform and with 5 free sessions per employee. We wish this service to become a valuable tool to foster mental health, prevention and maintain a state of well-being. The scientific basis that lies at its foundation ensures top quality of experts and constant update of their skills. Also, we upload articles and newsletters on current issues related to wellness and mental health and deliver quarterly webinars held by experts.

Dogs @work

Fater Campus has become **Dog Friendly**, so those who wish to do so can bring their dogs to work. There are designated areas and marked routes to get there, as well as a clear etiquette to respect your pets and coworkers. **There are 6 dog-designated areas** that can be reserved on a day-by-day basis. Also, those who love dogs can reserve nearby desks designated for “dog lovers”.

PARENTHOOD



3 months
EXTENSION OF
PATERNITY LEAVE IN
ADDITION TO THE 10
DAYS MANDATED BY THE
LAW, ELIGIBLE FOR SAME-
SEX FAMILIES TOO

Up to **3,000€**
THE MAXIMUM VALUE
OF THE KINDERGARTEN
BONUS INTRODUCED IN
OCTOBER, EFFECTIVE
FROM JANUARY 2023

2,510
PARTICIPANTS
IN OPEN DAYS
AT THE CAMPUS
AND PESCARA,
CAMPOCHIARO AND
PORTO PLANTS




Fater is committed to helping employees and their families also through support for new parents. Starting in fiscal year 2022/23, the company policy **guarantees a 3-month paternity leave for all employees who become fathers**, longer than the 2 months offered in previous reporting years. The 100% paid paternity period helps families deal with the new needs that come with a baby, and **this initiative was extended to same-sex families too**.

PARENTAL LEAVE (FY 2022/23)	WOMEN	MEN	TOTAL
Employees who were entitled to parental leave	10	20	30
Employees who used mandatory parental leave	10	20	30
Employees who used optional parental leave	6	20	26

RETURN TO WORK (FY 2022/23)	WOMEN	MEN	TOTAL
Number of employees who were supposed to return from mandatory leave in the FY	6	14	20
Number of employees who actually returned	2	14	16
Number of employees who have not returned yet	8	6	14
of which resigned	0	0	0
of which dismissed	0	0	0
Return to work rate	33%	100%	80%

Since January 2023, the welfare package was supplemented with the **kindergarten bonus for up to 3,000 € a year**. This bonus is intended for Fater Italia employees with permanent or traineeship contracts to cover enrollment, tuition and cafeteria fees.

Fater has **set up a process to help employees:**

-  One month before the maternity leave begins, a meeting is held to arrange the handover with the reference People Manager, who will remain available to provide support throughout the leave period.
-  Upon return, an update meeting will be held on processes and the organization that may have changed during the period of absence. In addition, one month after returning to work and until the child's first year of life, we offer a monthly coaching session to improve work-life balance management for new parents, to those who wish to receive it.
-  Finally, a specific Talent Development Review is conducted, focusing on expectations upon returning from maternity leave.

Fater Open Day

Fater kicked off a series of **Company Open days for the families of our employees**, opening up the doors of the Pescara Campus, auditorium and Technology Innovation Laboratories with tours and events that could show the organizational culture to our guests. The initiative also involved Campochiaro and Porto plants, with a tour dedicated to the manufacture of Fater products to illustrate the entire production cycle. In particular, thanks to the cooperation of process engineers, chemistry became a game of experiments for younger guests. Below are the attendance numbers in our Open Days: **1,600 people at Pescara plant, 600 people in Campochiaro, 250 at the Campus in Spoltore and 60 at Porto plant.**

“

The Family Open Day was truly an amazing idea, which gave us the chance to show our families the place we work in and what we do every day.

Also, it is an opportunity for us, our colleagues and families to socialize and meet in a friendly setting, with activities and games that foster commitment among people.

”

Stakeholders' Voice

Filipa Silva,
HS&E Leader at the Porto plant



MARKETS AND CUSTOMERS

81%

SALES REVENUES
FROM THE
MASS-MARKET
CHANNEL

Ranked 1st

ON PARTNERSHIP AND
EXECUTION OUT OF 21
INDUSTRY COMPANIES IN THE
SURVEY THAT INVOLVED 64
DISTRIBUTORS

As already mentioned, Fater brings its products to 3 out of 4 families in Italy. A network that is so extensive and close to people's needs proves the trust that consumers place in Fater's products daily, enabled by large target markets and strong collaboration with distribution customers.

The main markets Fater operates in belong to the **Packaged Consumer Goods**, especially product categories of **home, fabric and personal care**.

- The **diaper** market is one of the most relevant ones in the realm of Personal Care, worth about 460 million euros.²⁵ In recent years, despite the declining birth rate in Italy (-1.5% on average every year for the past 4 years), the market has grown in value (+1.6% CAGR²⁶ in the last 3 years), pushed by the innovation brought by Pampers, with the high value-added Pants (diaper pants). It adds the wipes market, which is worth about 106 million euros.
- The **feminine hygiene product** market is worth 425 million euros a year and reaches 10.7 million of Italian families. External absorbent products are the main segment (283 million euros, 67%), they are purchased by 10.3 million menstrual-age women, meaning aged 12 to 54. This is followed by internal tampons, which are worth 38 million euros, with relatively low penetration, but growing strongly. Finally, panty liners, with a total consumer base of 10 million women. It is a growing market worth 104 million euros.

25. Nielsen regarding sell-out, Istat for demographic information; Gfk for penetration data and number of household buyers.

26. Compound annual growth rate.

- **Adult incontinence absorbent products** are one of key pillars of Fater’s growth. This is a market worth about 380 million euros (Mass Market Channel 275 million euros, Pharma Channel 105 million euros), growing steadily in recent years, driven mainly by the demographic growth trend of people aged over 55, with light incontinence and the pants segment being the major growth drivers.
- **Fabric and home care** is the other big product division the company operates in. Fater’s core business in this market is bleaches, as split into two segments: classic bleach (161 million euros) and gentle bleach (84 million euro). Both these segments are growing in value, especially gentle bleach. Alongside its core bleach business, Fater is operating in new segments that it entered after the acquisition of the Ace brand (2013), the most important of which are spray cleaners for small surfaces and washing machine detergents.

Additionally, since 2020 Fater has been the distributor of Hero Solo-branded **Baby Toddler Food** products in Italy. Because of an extensive sales network and our focus on points of sale, the brand’s presence is constantly increasing.

Active listening to distribution partners is part of the “**Customer First**” strategy, which considers distribution customers as a key driver for mutual development to satisfy end consumers.

The pillars of Fater’s “Customer First” strategy are:

- **Value creation**, based on constant innovation to provide superior quality products;
- **Active listening to customer’s needs** with a collaborative approach;
- **Focus on points of sale and stores**, through widespread support from Fater’s Sales Operator network;
- **Quick, responsive and adaptive** execution of the sales strategy, depending on the specific features of distribution channels and customers;
- **Excellent** service provided to distribution customers, in terms of on-time product delivery.

Fater’s constant attention to these pillars is reflected in **positive feedback from mass retail customers**. In fact, for several years Fater has been participating in the survey conducted by the company Advantage about the perception of supplier companies. This survey, which involved 64 distributors, considers 4 macro-variables:

- **Partnership**: Working methods and the ability to receive and provide support;
- **Execution**: Operating effectiveness and the ability to achieve results;
- **Reputation**: The ability to be a long-term partner;
- **Vision**: The ability to spot opportunities for growth in an evolving scenario.

In 2023 research, Fater ranked first on Partnership and Execution, second on Vision, and third on Reputation, among the 21 companies belonging to the home and personal care industry.

“

We have noticed a growing demand for information from consumers on sustainability issues.

Our staff receiving more and more questions about the sustainability of the products we sell, and even on the social networks, we have seen discussions increase.

Our goal is cooperate on ESG issues with our partners better and better, because they become a driver in supply chain choices and collaboration, especially with large companies and multinational corporations.

Thanks to the increasing attention we pay to them, we are achieving important efficiency gains, including from a logistical point of view.

”

Stakeholders' Voice

Nando Barbarossa,
Sales and marketing director Bubbles BidCo,
Group that manages majority members
of Acqua&Sapone company



DIALOG WITH OUR CONSUMERS



Dialog with our consumers is 100% part of the Company's approach toward continuous improvement of both the products and services we deliver.

Fater's **Consumer Service** plays a crucial role in dealing with consumers, especially on sales as they handle reports on product usage and inquiries about products and promotions. Consumer reports are collected by an external company through operators over communication channels (e-mail, phone, app).

Specific figures within the organization are in charge of dealing with the external company providing the call center service, sharing the information needed to respond to every possible query and providing training and support materials. This process is always implemented for new product launches and Fater promotional initiatives.

Call center operators work on a **digital platform²⁷ that monitors and keeps track of every interaction between consumers and the company for effective handling.** In case of reports resulting from the use of products (performance, product structure, health-related cases), the system allows Fater managers to promptly inform those business functions that can help clarify it based on their expertise, depending on the nature of complaints (e.g. R&D, Regulatory, Quality Assurance, Marketing).

The Consumer Service handles grievance mechanisms by following structured procedures, which may result in picking up the product at the Consumer's Place to let Fater run the technical analysis necessary to troubleshoot the case. Regular reports of Consumer Service activities are constantly analyzed by the company with a view to continuous improvement.

Fater has implemented a **system for measuring and monitoring the level of consumer satisfaction.** The assessment is done through a voluntary and anonymous survey after the interaction with the Consumer Service. Consumer satisfaction is also one of the annual assessment goals for Fater's Consumer Service staff. In fiscal year 2022/23, we scored an average 4.5 of 5 (over-the-phone survey) and 4.1 of 5 (e-mail survey)²⁸. As far as Pampers brand, the ratings about the Coccole Pampers app scored an average of 4.7 on App Store and 4.8 on Google Play.

27. The following platforms are used for Consumer Service data: wasabi-DVR Italy (Ace), Salesforce (absorbent products), App Store rating data (Pampers).

28. For Fabric & Home Care, there is a system in place to collect consumer feedback using after-call surveys following the phone call. However, the survey consumer response rate is very low and does not give a reliable picture.

“

In every project we do together with Fater, sustainability has always played a key role.

We teamed up to develop Pampers Village and Lines APP by gathering information on the behaviors of new families and young women, also involving people with mobility or visual impairments in the research to **increase the inclusiveness of Fater's digital services.**

”

Stakeholders' Voice

Alberto Bergesio,
Founder and CEO of DSCOV



PRODUCT QUALITY AND SAFETY


GRI 417-1





OUR PRODUCTS HAVE ALWAYS BEEN PART OF EVERY ITALIAN’S DAILY LIFE, AS A SYMBOL FOR CARE, PROTECTION AND TRUST. A “HERITAGE” GAINED OVER TIME, THAT TELLS OF OUR DEEP UNDERSTANDING OF THE EVOLVING NEEDS OF PEOPLE: A CONSTANT COMMUNICATION THAT HAS ENABLED FATER TO BECOME A RELIABLE INTERLOCUTOR WITH PARTNERS, INSTITUTIONS AND CITIZENS IN EVERY AREA OF ITS BUSINESS.

Fater’s focus on product quality and safety in all operations covers all stages, from design to engineering, from procurement of raw materials and packaging materials to production, as well as after-sales surveillance.

FATER'S COMMITMENT

- 

Ensure their processes and **products comply with all applicable laws and regulations**, both mandatory and voluntary.
- 

Support the engagement of its own people and third partners to achieve quality and safety targets by constantly providing procedures and training, while ensuring compliance with rules and regulations throughout the whole value chain.
- 

Use a **risk-based approach** when making strategic decisions about safety and quality.

Product performance and quality are guaranteed **from as early as research and development**, which define the technical specifications that describe finished product properties, the process conditions needed to obtain them and the analytical methods to check them. Research and development are managed at a central level using in-house specialists who work on multiple categories, as well as with the constant communication with Procter & Gamble for feminine absorbent and baby care product categories.

As far as **production**, all Fater plants – in Italy (Campochiaro and Pescara) and abroad (Porto and Gebze) – adopt a responsible production approach aimed at ensuring product quality, protection of the environment and safety of workers and consumers. The four production plants are ISO 9001-, 14001- and 45001- certified. Additionally, the Pescara plant is ISO 13485-certified.

All Fater products undergo checks to ensure operations are performed properly and production lots are safely released to the market. These checks seek to:

- Identify the critical parameters to monitor and check the performance of Management Systems, either monthly, quarterly or annually, and discuss with workers about the results and areas of improvement;
- Verify risks related to operations, along with the corrective and preventive plan, and verify the efficiency of installations;
- Reduce the use of substances hazardous for the environment, the health and safety of staff and third-party companies;
- Ensure specific maintenance of facilities, inform, educate and train people to prevent any accidents that may cause consequences to property and people;
- Analyze accidents and injuries, identify root causes, implement countermeasures, and make sure these are effective.

In-line checks (statistical sampling) **and continuous checks** (automated checks on 100% of production) **are conducted in the two Italian plants** using vision systems, metal detectors (Pescara only), software-guided lasers and automatic reject systems, software and hardware interlocks and automated scales **that detect any nonconformity** against the company's quality and safety requirements. Checks are conducted not only on the production line, but regularly **even at warehouses and stores**. Also, **other tools are used to collect complaints from customers** (stores/warehouses) **and consumers**, (see Customer service under "Dialog with our consumers").

The Campochiaro plant is working on upgrading its in-line quality control recording tools to make them increasingly complete, accurate and usable. There are also plans to implement additional health and safety systems and controls.

As for Pescara, the plant has embarked on a path of further improvement of its quality management system, **moving closer and closer to the BRCGS Consumer Products standard** in order to guarantee consumers higher and higher standards in terms of product quality and safety.



We also ensure product safety for consumers through the information provided on product **labels**. Fater products fall under four main categories, governed by the relevant regulations:



COSMETIC PRODUCTS

With regard to the production of wipes: Regulation (EC) No. 1223/2009 of the European Parliament and of the Council of 30 November 2009 on cosmetic products.



MEDICAL DEVICES

As regards incontinence products: Regulation (EU) No. 745/2017 of the European Parliament and of the Council of 5 April 2017 on medical devices.



MEDICAL SURGICAL DEVICES

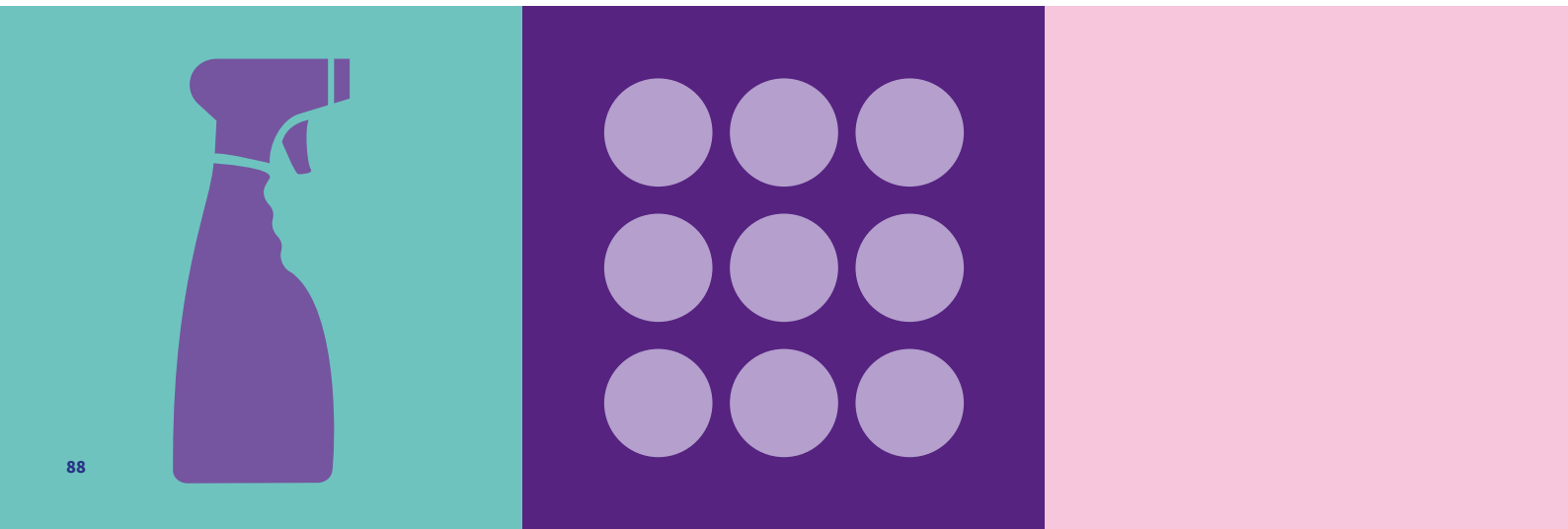
Within the ACE brand, products authorized as Medical Surgical Devices comply with D.P.R. No. 392 of 6 October 1998 and Decision dated 5 February 1999. There are three of these, broken down as follows: floor detergent, laundry detergent and toilet gel.



DETERGENTS

With reference to Home Care products: Regulation (EC) 648/2004 on detergents, Regulation (EC) 1272/2008 CLP on classification, labelling and packaging of substances and mixtures, Law no. 690 dated 25 October 1978, Metrology regulations (Incorporation into national legislation of the Directive of the Council of the European Communities no. 76/211/EEC relating to the making-up by weight or by volume of certain prepackaged products, Legislative Decree no. 206 of 6 September 2005 applicable for the general approach to claims, and finally Regulation (EC) 1907/2006 (REACH regulations, as specified under *Chemicals* in the "Every Day Climate Protection" section).

Every piece of regulation specifies the mandatory information to be put on product labels about **product type, use, lot number, instructions for use, list of ingredients** (where applicable), **any instructions on specific storage and/or handling conditions, warnings or precautions** to be taken that should be brought to the immediate attention of the user and any other person. In addition to regulations is Legislative Decree No. 152 of 3 April 2006 concerning "Environmental Regulations", which requires the **nature of packaging materials** used to be specified regardless of the type of product.



TRANSPARENT PRODUCTS AND MARKETING



We developed

AN INTERNAL PROCEDURE
TO CREATE APPROPRIATE
COMMERCIAL
COMMUNICATIONS

We adopted

GUIDELINES TO GOVERN
COMMUNICATION ON
DIGITAL PLATFORMS AND
SOCIAL MEDIA

BASED ON OUR VALUES, WE DO NOT ALLOW OR CONDONE ANY FORM OF MISLEADING ADVERTISEMENT OR ANY PROMOTIONAL ACTIVITIES THAT ARE LEGALLY OR ETHICALLY QUESTIONABLE, REGARDLESS OF ANY SHORT-TERM GAINS OR BENEFITS. WE ARE PARTICULARLY ATTENTIVE TO PROTECTING MINORS INVOLVED IN ANY WAY IN OUR ADVERTISING MESSAGES.

Fater's marketing policy seeks to develop **advertisements and promotional activities** which should not only be effective on customers but also **truthful, in line with the values included in the Code of Ethics and in harmony with all regulations in force**.

This principle is a **cornerstone of attention to consumers** and is essential to maintaining loyalty to the Group's brands and products. The value of Integrity in advertising and promotional activities is fundamental and must never be jeopardized. Therefore, Fater does not admit or justify any form of misleading advertising or promotional activities that are legally or ethically questionable.

Ad campaigns are based on a key principle: **claims about our products must always be supported by sound scientific principles.**

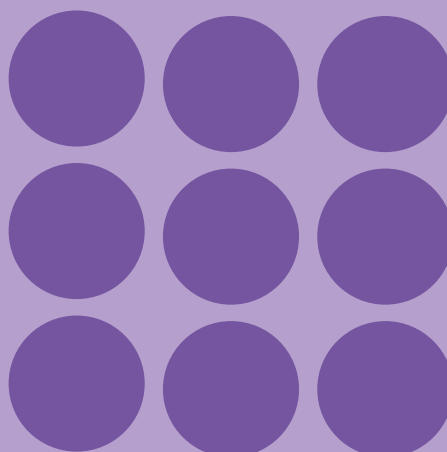
The communication with stakeholders, including through the media, characterized by **respect for the right to information** and the **prohibition of disseminating false or biased news or comments**. For this reason, guidelines related to Social Media Communication are followed in the use of digital platforms or other social channels.

The communication with stakeholders, including through the media, characterized by respect for the right to information and the prohibition of disseminating false or biased news or comments. For this reason, guidelines related to Social Media Communication are followed in the use of digital platforms or other social channels.

This issue is so relevant for the Group that **we have developed an internal procedure for the proper creation of commercial communications**. It composed of simple and clear rules to protect the reputation of brands and ensure that commercial communications are in line with Fater's values and in compliance with current regulations.

This procedure involves several corporate functions, including, for example, the Marketing function, the Research and Development function, the Legal function, the Regulatory function, the Corporate Sustainability function, and the External Relations function.

In addition, as a support for the procedure, we released a **training course**, aimed at employees most involved in the creation of advertising communications.



COMMUNITY



LINES, LINES SPECIALIST, PAMPERS AND ACE BRANDS ARE AMONG FAMILIES IN ITALY FAVORITES. THEREFORE, THEY ARE ALSO A COMMUNICATION CHANNEL WHICH CAN GENERATE TANGIBLE ACTIONS TO THE BENEFIT OF CONSUMERS AND COMMUNITY IN WHICH WE OPERATE.

BRAND PURPOSE

For Fater, being a company also means contributing positively for the benefit of the communities in which we operate, together with citizens and institutions. Each Fater brand has embraced a **social purpose** that can truly help the communities, starting with Fater people. Below are the brand purposes and their projects.





ACE - THE CLEAN THAT UNITES

We stand by all those who think that the front yard, the neighborhood square, and every public space deserves the same care and respect we give our homes. We want to make our contribution in promoting a new culture of clean, where we can all team up and take care of our common spaces. Because if our neighborhood is cleaner and cared for, it will be nicer to meet and experience it together. Ace, the clean that unites.



Retake Project

Ace, the expert in home and fabric cleaning, **wants to transfer its care for the environment into the protection of public spaces** as well and wants to promote a proactive movement of people on this matter. In early 2022, Ace partnered with Retake, which has been raising public awareness on the importance of caring for and recovering urban spaces for more than a decade.

Together with this association we have promoted the **“Scendiamo in Piazza”** (Let’s Take to the Streets), which in 2021/22 involved 5 Italian cities and towns to promote restoration of urban spaces such as squares, public gardens, and parks. The project continued even in fiscal year 2022/23, with 6 more cities joining in.

Building up on the experiences gained, in early 2023 we pushed more on the educational side of the project by **bringing in lower primary and secondary schools in 4 Italian cities**: Rome, Pescara, Milan and Palermo. Five hundred schools were involved, about 50 of which took active part in the contest launched by Ace – and the educational agency La Fabbrica – to suggest their own “beloved places” to restore and come up with tangible ideas to improve them.

The 4 best ideas will be put into practice, one for each location, during public-engaging events. The beloved places selected will be restored and returned to citizens as new places for socializing and sharing. The reason why we brought schools onboard was to create a bond with the territory and the communities, so that these places can be cared for over time.



6

ITALIAN CITIES INVOLVED IN THE “SCENDIAMO IN PIAZZA” (LET’S TAKE TO THE STREETS) PROJECT IN FY 2022/23 to promote restoration of urban spaces such as squares, public gardens, and parks

500

SCHOOLS INVOLVED IN 4 CITIES AND 50 SCHOOLS PARTAKING the ACE contest to suggest the beloved places to rehabilitate

“

Retake is a spontaneous movement of citizens who come together to rehabilitate public spaces and common assets. With simple actions, Retake leads people to feel accountable for what is around them and to feel part of positive change.

What struck me about our collaboration with Fater is **how people strongly believed in Retake mission from the get-go, the willingness to set the focus on younger generations** from all over Italy and their ideas for improving their everyday places **and creativity** in designing solutions to the challenging propositions from volunteers, putting Fater's technical expertise to good use.

”

Stakeholders' Voice

Francesca Leonelli,
President of Retake





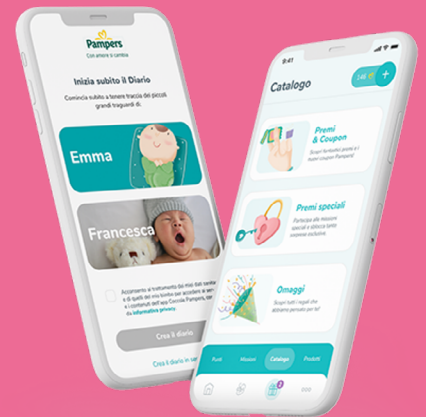
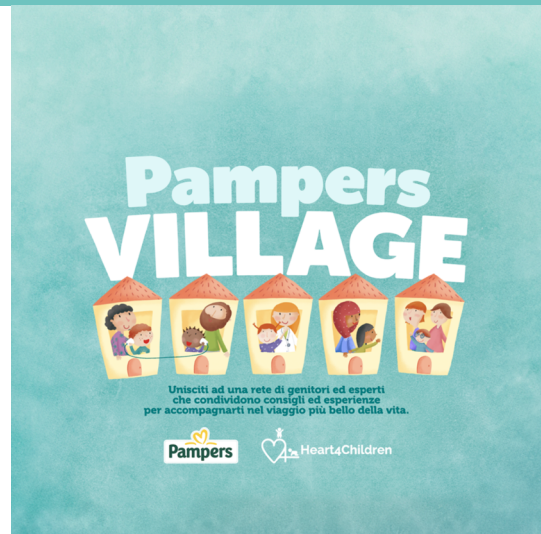
PAMPERS – CLOSE TO FAMILIES

When a child comes into your life, everything changes. And no parent is truly prepared: we feel so imperfect, full of doubts. But babies do not need perfect families, they just need love: a place where they feel cared for, welcome, understood. This is our idea of family: growing together, while assisting you along the best journey of your life. Because with love comes change.

The “Pampers Village” Project

In 2021, Pampers partnered with Heart4Children, an association committed to promoting and organizing activities locally that serve as tangible help for the growth of young people.

With this association we developed the “**Pampers Village**” project, which is the digital platform within the Coccole Pampers app that provides services to **support parents** who are facing everyday difficulties in managing their babies. The app features podcasts where experts give their advice and personal experiences of other parents are shared, and a number of topics are explored, including adoption and integration, the importance of playing with kids and creating a strong relationship between parents and their children, as well as practical tips for everyday life. Also, Pampers and Heart4Children provide new moms and dads with a free psychological support and counseling desk.



Counseling service
INDIVIDUAL FOR MOMS AND DADS

Podcast
PROVIDING SUPPORT TO NEW PARENTS

App
COCCOLE PAMPERS

“

Right from the start Fater has believed in the importance of investing in the care and well-being of parents and families, even before their babies.

Thanks to this and the resources provided by the company, we were able to initiate **a parenting support project** of the highest quality, **based on scientific evidence and multidisciplinary expertise**. Pampers Village was hosted within the Pampers Coccole app precisely because the company chose to give relevance to the project by making it accessible to everyone. All parents can thus benefit from enriching discussions with experts and other families, and receive customized support tailored to their needs.

”

Stakeholders' Voice

Chiara Curiale,
Heart4Children





A WORLD FREE OF GENDER STEREOTYPES AND DISCRIMINATION

Lines is committed to helping build a world free of gender stereotypes and discrimination, where every woman can be herself.

Il social purpose di Lines si sviluppa su due pilastri: sensibilizzazione e progetti concreti a favore delle donne.

Raising awareness

With the **Domande scomode @School** (Uncomfortable Questions @School) initiative, Lines wants to share with younger generations the values and behaviors that counteract gender inequalities. Overall, since the project began **Lines has engaged 155 thousand students from 212 middle and high schools, of which 55 thousand students from 122 schools in fiscal year 2022/23 only**. This initiative is about an educational program that promotes respect between genders, with experts and professionals covering topics such as affect, gender stereotypes and discrimination, consent, and more. Thanks to the Uncomfortable Questions project, **Lines made the Top 10 of the Diversity Brand Index 2023**, an Italian piece of research aimed at measuring the level of inclusion of brands from a customer-based perspective, verifying the actual commitment of companies on Diversity & Inclusion. Several Fater's female and men managers joined the project as 'Ambassadors' in schools.

The WeWorld Project

Lines has been working with the WeWorld ONG for more than 50 years to protect the rights of women and children in over 25 countries all over the world. Fater contributed to opening the **"Spazio Donna WeWorld" (WeWorld Women's Space) in Bologna** in 2021 **and in Pescara** in November 2022. What WeWorld specialists do revolves around women's empowerment, prevention of gender violence and support to women in need. In fact, in fiscal year 2022/23 the Bologna and Pescara premises, supported by Lines, **welcomed and helped more than 300 women in need**.

**The Spazio
Donna
WeWorld**
(WEWORLD WOMEN'S SPACE)
IN PESCARA OPENS
IN NOVEMBER 2022

55,000

STUDENTS FROM 122 SCHOOLS
ENGAGED TO PROMOTE
RESPECT BETWEEN GENDERS

**Lines makes the
TOP 10**

OF THE DIVERSITY BRAND INDEX
2023 WITH THE UNCOMFORTABLE
QUESTIONS PROJECT

300 women

WELCOMED AND HELPED
IN BOLOGNA AND
PESCARA IN FY 2022/23

“

Our partnership with Fater makes us so proud. It started about 3 years ago, and from the very first moment we found **great connection on values and principles, but also felt the commitment** from the company and all its people.

This sharing spirit **translates into actions within the company for its own employees, and outside the company by supporting the national WeWorld Women's Space program** that enables us to help all the women that society leaves behind every year.

”

Stakeholders' Voice

Marco Chiesara,
President of WeWorld



LINES SPECIALIST

LINES SPECIALIST - “-PAUSA +TE”

Every day, Lines Specialist strives to **normalize incontinence**, helping women live this issue to the fullest.

Many incontinent women are not comfortable with their condition and need to be supported in feeling at ease and live their life in a normal way, the use of specific and innovative products that provide them with discretion and maximum protection, can help them in dealing with their problem.

Therefore Lines Specialist has always been in search of the best absorbent protections for those who suffer from urinary incontinence, and it is now more committed than ever to helping normalize and accept this issue through information and awareness campaigns, who tell how it is possible to live a normal life, managing the problem of leakage with products that provide protection and massin discretion, and avoid the embarrassment that incontinence might generate in some social situations.

Also women entering menopause are overwhelmed with negative stereotypes that lead them to believe that, one's life after menopause is bound to be one of renunciation and deprivation.

This is precisely the goal of the **new “-PAUSA +TE” (“-PAUSE +YOU”) campaign**, where Lines Specialist emphasizes all the positive aspects of menopause and portrays it as a time of increased awareness, freedom and confidence for all women. A time to express their truest self, breaking free from the burden of that “less”, still too often experienced as a taboo, while instead rediscovering how much “more” this stage can bring.

For this reason, Lines Specialist decided to partner with the **Onda Foundation - National Observatory for Women's and Gender Health** and its specialists to create a dedicated website that can give women the right support to experience menopause in a positive way.

On **menopause.lines-specialist.it** website every woman can, in fact, find a series of insights that deal with different aspects of this phase of life in a simple but comprehensive way, as well as a lot of practical advice (how to cope with hot flashes, insomnia and mood swings, etc.) and a free and **personalized counseling** service by a team of specialists, including a sexologist, psychologist, sleep and nutrition medicine experts, and even a physical therapist specializing in pelvic floor rehabilitation.



“

Our collaboration with Fater is evolving and I hope it will continue to flourish over time.

Both of us are working to ensure accessible information on topics that we believe are very important and relevant, with a focus on prevention and healthy lifestyles using a gender-specific approach.

Conveying quality information is one of the key goals of both of us to **increase people's awareness.**

”

Stakeholders' Voice

Francesca Merzagora,
Founder and President of the Onda Foundation



RELATIONSHIP WITH THE LOCAL COMMUNITY

▶ **GRI 413-1**



151,463
FATER DIAPERS, ABSORBENT
PRODUCTS AND FABRIC AND
HOME DETERGENTS GIFTED
TO THE FOOD BANK

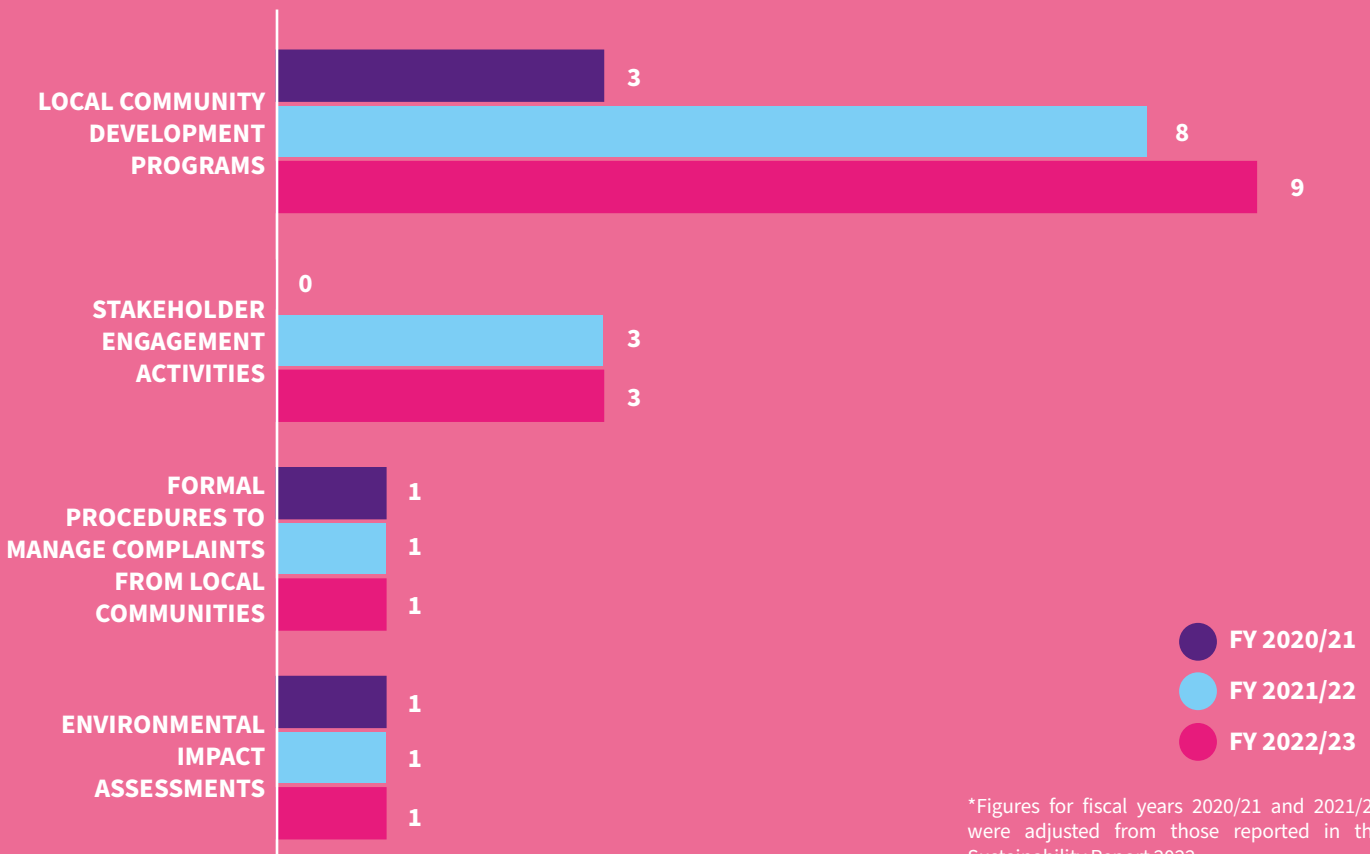
We fostered
CORPORATE VOLUNTEERING AS A
BENEFIT, WITH 8 HOURS OF PAID
LEAVE

WE ARE AN INTEGRAL PART OF LOCAL COMMUNITIES IN WHICH WE OPERATE AND RESPONSIBLY RUN OUR BUSINESS TO GENERATE VALUE, HELP FIGHT INEQUALITY, AND MINIMIZE IMPACTS FROM OUR OPERATIONS.

Over the past two years, Fater has expanded its footprint in local communities in which we operate to extend its **social responsibility** activities to other regions of Italy, in addition to those where we are located. Fater's goal is to enhance dialog with communities and institutions, both environmental and social issues.



OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS*

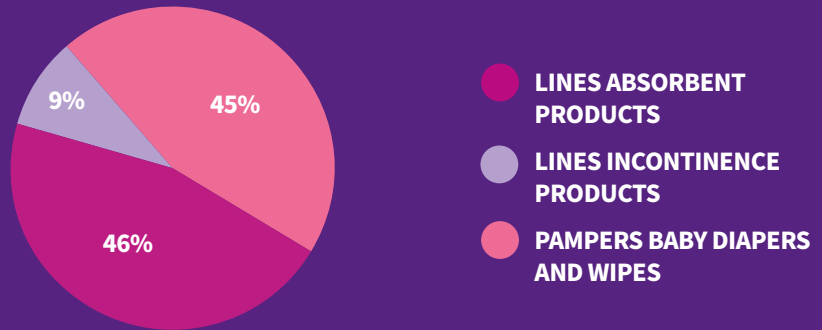


Fater continued major local community development programs in FY 2022/23 as well, including initiatives aimed at valuing and enjoying the territory and cultural heritage.

FOOD BANK

Fater has been working with the Food Bank in Abruzzo and Molise for many years to redistribute quantities of phased-out products (sanitary napkins, diapers and fabric and home detergents). Just with Fater products, Banco Alimentare helps meet the needs of **78 third sector associations** in the two regions. During fiscal year 2022/23, a **total of 151,463 product units were donated**.

PRODUCTS DONATED TO FOOD BANK IN FY 2022/23



BEACH RECOVERY AND CREATION OF A DUNE GARDEN

Following up on a similar initiative from 2021, in July 2022 a second free beach on Pescara’s southern shoreline was recovered and restored by Fater. The guiding principles for this recovery were inclusion and protection of the environment. We created walkways and tensile structures to make it **easier for the frailest and mobility-impaired people and families with children and strollers to access and be accommodated**. Also this second experience revolved around restoring native flora by creating a dune garden. Additionally, we used low environmental impact materials.

These actions add to those deployed in previous fiscal years, such as promoting an awareness campaign in schools on safeguarding and protecting the sea, in collaboration with **Legambiente Abruzzo**, and sponsoring the cultural event **Pescara Jazz**.

Corporate Volunteering

Fater encourages corporate volunteering by turning it into a benefit: **8 paid hours** are given to employees who want to volunteer in local associations endorsed by the employees themselves and which we met at events at our locations. In particular, Fater held the Community Months in December and January, two months dedicated to talking about community projects and finding out how to contribute firsthand.

ASSOCIATIONS

GRI 2-28



17
ASSOCIATIONS FATER
IS A MEMBER OF



In addition to the organizations that collaborate with brands, Fater is affiliated to a number of associations from a wide range of industries that ensure a **strong network of collaborations** in different areas of the company's business.

TRADE ASSOCIATIONS

ASSOCASA

It represents manufacturers of cleaning, maintenance and hygiene products: detergents for homes, communities and industries, laundry soaps, detergent boosters, disinfectants and pesticides (biocides), and more.

CENTROMARCA

Italian Association of Branded Industry, it promotes the culture and values of brands in the market and society. Founded in 1965, it groups about 200 among the major consumer industries. Overall, member industries make a turnover of 58 billion euros, bring an added value of 11 billion euros and directly employ nearly 100 thousand people.

CONFINDUSTRIA

It groups 149,288 companies of all sizes on a voluntary basis, for a total of 5,516,975 workers. It represents the confederation before international, EU, national and local bodies.



CONFINDUSTRIA DISPOSITIVI MEDICI

It is Confindustria's Federation that gathers together, represents and develops medical device companies operating in Italy.



EDANA

It is Confindustria's Federation that gathers together, represents and develops medical device companies operating in Italy.



FEDERCHIMICA

It is the national federation of chemical industry, a member of Confindustria and whose primary goals are coordination and protection of the role of the Italian chemical industry and its development. It gathers more than 1,450 member companies, totaling over 94,000 employees.

HUMAN RESOURCE, HEALTH AND SAFETY MANAGEMENT



AIAS

It was established in 1975 to disseminate and entrench the culture of safety in all work and living places. Since then, it has been focusing on Safety integrated with Health and Sustainability and the management of all "physical" risks within organizations.



AIDP

Italian Association for People Management, the network of HR managers and professionals.



ASSIDAL

Italian Trade Union Association of Employers that supports occupational safety professionals and provides training counseling and assistance.

LOGISTICS, SUPPLY CHAIN MANAGEMENT AND PACKAGING



AILOG

Italian Association of Logistics and Supply Chain Management, it has been the cultural and professional reference point in Italy about logistics and Supply Chain management.



ASSOLOGISTICA

It is the association of logistics companies, general and refrigerated warehouses, port, freight terminal and airport terminal operators, which provides all-round logistics integration.



CONAI

National Packaging Consortium, it is a private non-profit consortium. It is a system that is the response of private companies to a collective problem such as the environment. Approximately 750,000 companies which produce or use packaging have joined the Consortium System.



GS1

is a non-profit association that develops the world's most widely used standards for business-to-business communication. In Italy, there are as many as 40 thousand enterprises under GS1 Italy.

MARKET RESEARCH, COMMUNICATION AND OMNICHANNEL MARKETING



ASSIRM

Founded in 1991, it unites Italian companies that conduct Market Research, Opinion Surveys and Social Research, serving as the benchmark for market research in Italy.



NETCOMM

Italian Digital Commerce Consortium, it is the benchmark for e-commerce and digital retail at national and international level.



UPA

It is the Association that brings together the major industrial, commercial and service companies that invest in advertising and communication in Italy.

SUSTAINABILITY



SUSTAINABILITY MAKERS

Set up in 2006, it is the Italian association of professionals who specialize in planning and implementing sustainability strategies and projects in companies and other organizations. They qualify and empower those professionals to grow their skills and influence through training and networking, studies and research, conventions, workshops and webinars.

“

The “Beloved Places” project implemented with Fater engaged our school in a special mission: choose a place and rehabilitate it as a space to be shared and cared for.

Partaking in projects with companies is meaningful as long as projects are innovative and experiential.

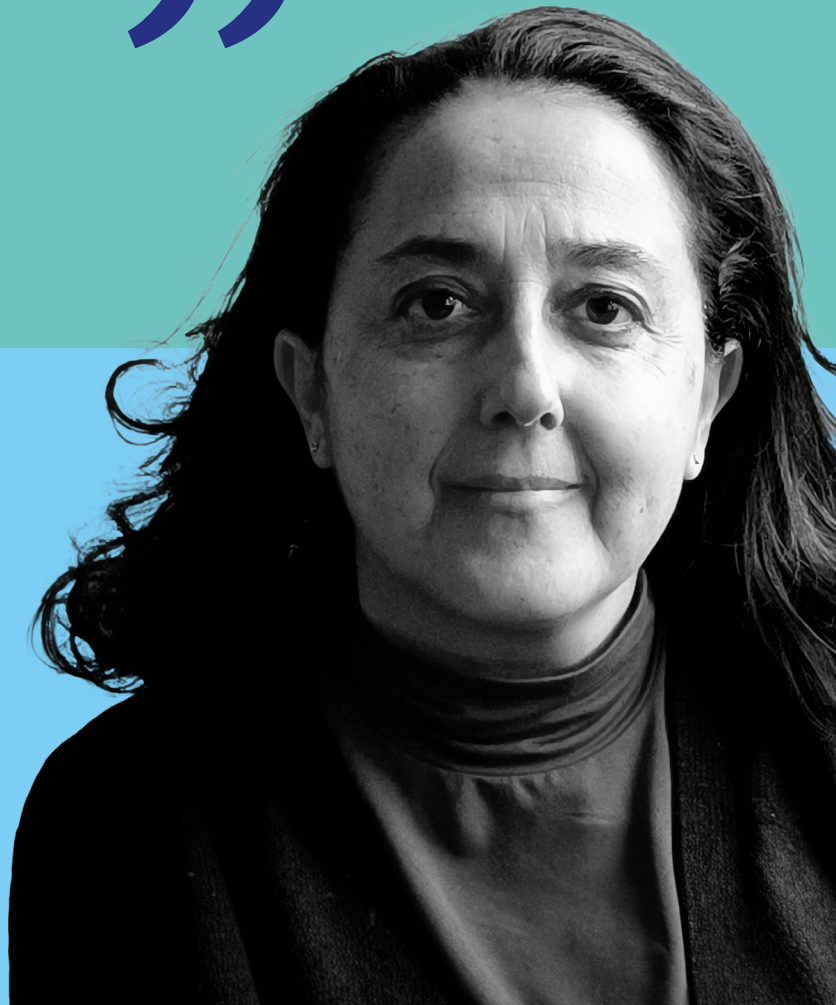
Fater gave kids the opportunity to embark on a journey with high educational value on current and significant issues related to the environment and active citizenship.

Our kids put what was planned into practice through workshops on good environmental practices and recycling.

”

Stakeholders’ Voice

Mariagrazia Santilli,
Head of School District Pescara 2



“

I have always been impressed by Fater’s broad vision and focus on always finding new solutions aimed at generating a positive impact on new generations.

Vision, drive for innovation, and the team’s ability to listen caused the project to grow from what began as an affect education program, setting more and more relevant and challenging goals: fight gender stereotypes, promote equality, and educate on respect and inclusion.

”

Stakeholders’ Voice

Angela Mencarelli,
Chief Executive Officer of
La Fabbrica Benefit Corporation



3 GOOD HEALTH AND WELL-BEING



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY





EVERY DAY CLIMATE PROTECTION

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



13 CLIMATE
ACTION



HIGHLIGHTS 2022/23

600 ktCO₂eq
SCOPE 1, 2 AND 3 EMISSIONS
IN THE ATMOSPHERE
(-3% FY 2021/22)

-4%
EMISSION INTENSITY OF
PRODUCTION VS PREVIOUS
FY, IN CO₂EQ

46%
SELF-GENERATED
ELECTRICITY ON THE TOTAL
ELECTRICITY CONSUMED

-8%
ELECTRICITY CONSUMPTION
PER PRODUCTION UNIT VS
PREVIOUS FY

780 megaliters
TOTAL WATER WITHDRAWAL

-6%
ELECTRICITY CONSUMPTION
COMPARED WITH THE
PREVIOUS FY



-5.7%

REDUCTION OF VIRGIN
PLASTIC USED IN PACKAGING
FOR UNIT PRODUCTION
VOLUME VS FY 2020/21

Target

CUT CO₂ EMISSIONS ON ALL
PRODUCTION LINES

We set

ENVIRONMENTAL IMPACT
ASSESSMENT KPIS DURING
THE APPROVAL STAGE OF
EACH PROJECT

98%

OF PRIMARY PACKAGING OF
ALL FATER PRODUCTS IS
RECYCLABLE

0%

WASTE SENT DIRECTLY
TO LANDFILL

GOALS: WHERE ARE WE NOW?

CLIMATE PROTECTION							
SUSTAINABILITY TOPICS	KPI	BASELINE 2020/21	FY 2021/22	FY 2022/23	TARGET 2024/25	TARGET 2029/30	TARGET 2039/40
OPPOSE CLIMATE CHANGE - SBTI²⁹	Reduction of Scope 1 and 2 emissions	31 ktCO ₂ eq	49 ktCO ₂ eq	34 ktCO₂eq	-	18 ktCO ₂ eq -42%	
	Reduction of Scope 3 emissions (Target Categories ³⁰)	403 ktCO ₂ eq	395 ktCO ₂ eq	391 ktCO₂eq	-	302 ktCO ₂ eq -25%	
	Net Zero 2040 (Target Categories ³¹)	567 ktCO ₂ eq	581 ktCO ₂ eq	572 ktCO₂eq	-	-	57 ktCO ₂ eq -90%
SUSTAINABLE BY DESIGN	Lower carbon impact products	-	Process under construction	Process activated	100% New operations with ≤CO ₂		
SUSTAINABLE PACKAGING AND RESPONSIBLE PROCUREMENT	Virgin plastic reduction in packaging	-	-5.2%	-5.7%	-50%	-75%	
	Suppliers following ESG policies	-	ESG Policy under definition	Engagement on climate strategy On track	80% Weighted suppliers commitments with Fater ESG targets	100% Suppliers ESG policy compliant	

29. The percentage of emission reduction in target columns was calculated against the baseline of FY 2020/21. See the "Climate Protection" section for details.

30. Target Categories: 3.1 Purchased Goods and Services; 3.3 Fuel-related Activities; 3.4 Upstream Logistics.

31. Target Categories: Scope 1; Scope 2; Scope 3.1 Purchased Goods and Services; 3.3 Fuel-related Activities; 3.4 Upstream Logistics; 3.12 End-of-life Treatment of Sold Products.

ENVIRONMENTAL STRATEGY

RESPECT FOR THE ENVIRONMENT IS OUR PRIORITY AND A KEY FACTOR IN CONTRIBUTING TO PROTECT THE PLANET. WE ARE THEREFORE COMMITTED TO APPLYING THE HIGHEST ENVIRONMENTAL PROTECTION STANDARDS.

Fater considers **respect for the environment as an important factor in making decisions, planning and in business processes** and is committed to **monitoring and reducing the environmental impacts resulting from its operations**, combining care for the environment with innovative and safe products developed to respond to new market needs.

OUR COMMITMENT FOR ENVIRONMENTAL PROTECTION

Implement, maintain and constantly improve our **Environmental Management Systems** against ISO 14001:2015 and ISO 50001:2011³² standards and the **EMAS** (Eco-Management and Audit Scheme)³³, developed by the European Community to assess and improve the environmental performance of a business.

Constant focus on **reducing waste generated by business operations** and cutting emissions in the atmosphere.

Design a monitoring and control plan **aimed at an increasingly efficient use of energy, material and water resources** needed to run production processes.

32. In place at Pescara plant only.

33. In place at Campochiaro and Pescara plants.

A number of considerations led the Group toward these choices, first and foremost the relevance of climate change, its importance to stakeholders, and the need for collaboration with partners.

RELEVANCE OF CLIMATE CHANGE

Climate change and adaptation to its effects is one of humanity's most important challenges. Average global temperatures have increased by about 1.2° since pre-industrial times³⁴ due to higher concentrations of carbon dioxide in the atmosphere resulting from human activities. This has already caused a significant increase in the frequency and intensity of extreme weather events, impacting the lives of millions.

IMPORTANCE FOR STAKEHOLDERS

The actions aiming to cut CO₂ emissions are a response to the most relevant issues brought up by **stakeholders** during the materiality analysis. The scientific approach to measuring the impact of Fater's business, both inside (Scope 1&2) and outside (Scope 3) of its direct scope of action allows to hit all stages of the value chain, from the use of goods (product design, materials and packaging) to product end-of-life, through production and logistics.

WORKING TOGETHER WITH SUPPLY CHAIN PLAYERS

The direct **connection between all the players along the value chain** based on the Extractor – Supplier – Fater – Customers – Consumers scheme results in multiple linkages which help cascade the benefits of lower emissions down to the players downstream. Because climate change is a global challenge embraced by business partners as well, joining it means actively engaging in a major team effort.

34. Source: IPCC.



SBTi
decarbonization
targets validated

Aiming to set scientifically calculated decarbonization goals in line with the Paris Agreement's decisions, Fater's targets have been **validated by SBTi** in fiscal year 2022/23, which proves these are **consistent** with the efforts deemed necessary to keep global temperature rise below 1.5°.

THE SCIENCE BASED TARGETS INITIATIVE

The Science Based Targets Initiative is a collaboration between Carbon Disclosure Project, UN Global Compact, the World Resources Institute and the World Wide Fund For Nature. SBTi supports companies in defining a sustainable roadmap to reduce greenhouse gas emissions. The goal is to help companies contribute to limit the rise in global warming and guide them on a **path of sustainable growth** in the future.



Fater has decided to set **quite challenging targets for Scope 1 and 2 emissions**, as these are generated in our own production processes both directly (Scope 1) and indirectly due to the use of electricity purchased from the grid (Scope 2), and Fater feels the responsibility to do even more.

Looking at the bigger picture, these mid-term targets are a key milestone on our path to becoming a **Net Zero company by 2040**. Hitting these targets requires overall reduction of the emissions of Scope 1, 2, and 3 in the target categories (3.1, 3.3, 3.4, 3.12) by 90% and compensation for unavoidable emissions by purchasing Carbon Sequestration certificates³⁵.

35. Carbon Sequestration means the capture and long-term storage of carbon dioxide (CO₂) in soil and plants. CO₂ is naturally taken from the atmosphere through biological, chemical and physical processes. These changes may be accelerated by changes in the use of soil and farming practices, or by artificial processes.

BY THE FISCAL YEAR 2029/30, FATER COMMITS TO REACH THE FOLLOWING GOALS VS FY 2020/21

Reducing Scope 1 and 2 emission by 42%

IN ORDER TO HELP KEEP GLOBAL WARMING WITHIN +1.5° C COMPARED TO PRE-INDUSTRIAL TIMES

Reducing scope 3 emissions by 25%

IN TARGET CATEGORIES TO KEEP TEMPERATURE RISE WELL UNDER 2°C

In terms of projects directed at reducing **Scope 1** emissions, the strategy defined by the Action Plan and rolled out in the plants focuses on **reducing energy consumption by optimizing self-generation of electricity and transitioning to renewable energy sources**. There are multiple activities already in place aimed at **energy efficiency**, such as the installation of LED lights in the production department and the upgrade of compressors with more innovative and efficient technologies.

As regards **Scope 3** emissions, which account for 94% of total emissions, the red flag areas due to their impact are **goods, packaging and logistics**. Given the systemic nature of these types of emissions, increasingly close **collaboration** with Fater’s supplier partners will be a necessary condition for achieving decarbonization targets.

Net-Zero Team

To achieve these ambitious targets, we established a **specific cross-functional team** named “Net-Zero Team”, with the goal to **define and implement the necessary decarbonization actions**. The Team meets on a regular basis to develop plans, share on their progress, and make decisions. Periodically, the Team briefs the Leadership Team on project progress, and then reports and integrates its input into project development. The cross-functional nature of the Team reflects the **multiple business areas involved in decarbonization**: mainly technology and product innovation, logistics, and procurement. The other functions are involved whenever useful or necessary, and always aligned.

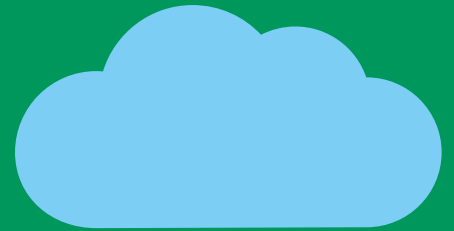
CLIMATE CHANGE



GRI 305-1, 305-2, 305-3, 305-4, 305-5

600 ktCO₂eq
SCOPE 1, 2 AND 3 EMISSIONS
IN THE ATMOSPHERE
(-3% FY 2021/22)

-4%
EMISSION INTENSITY OF
PRODUCTION VS PREVIOUS
FY, IN CO₂EQ



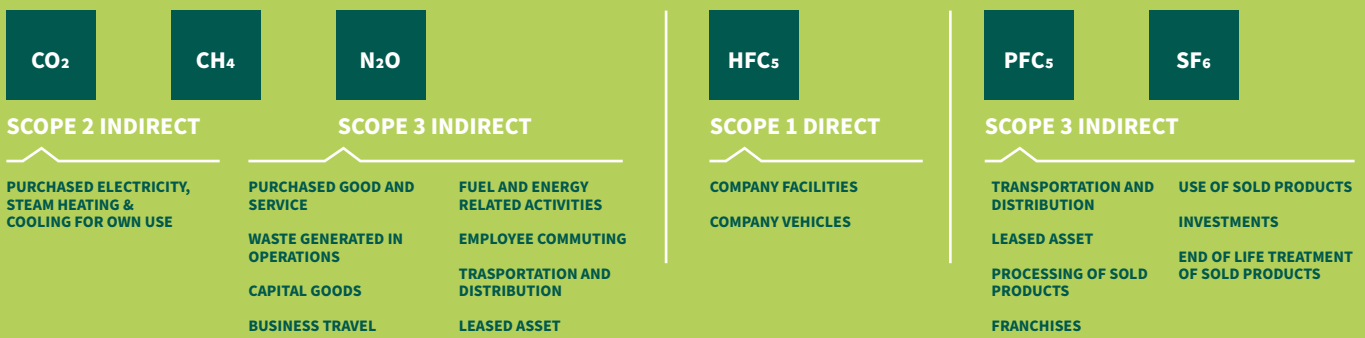
In order to define quantitative parameters, timeframes, and actions necessary to achieve the decarbonization targets communicated to Science Based Targets initiative, a **Carbon Footprint analysis based on the parameters of the Greenhouse Gas Protocol** (GHG Protocol) was initiated during FY 2020/21 to better quantify the total emission impacts generated by the Organization. This analysis gives an estimate of greenhouse gas emissions into the atmosphere, usually expressed in tons of CO₂ equivalent, calculated over the entire life cycle of the system being analyzed.

GHG (GREENHOUSE GAS) PROTOCOL - SCOPE 1, 2, 3

SCOPE 1 ▶ **Direct emissions** from fuels or natural gas

SCOPE 2 ▶ **Indirect emissions** from the electricity purchased and consumed by the Company

SCOPE 3 ▶ **Other indirect emissions** generated by sources not directly under the Company control

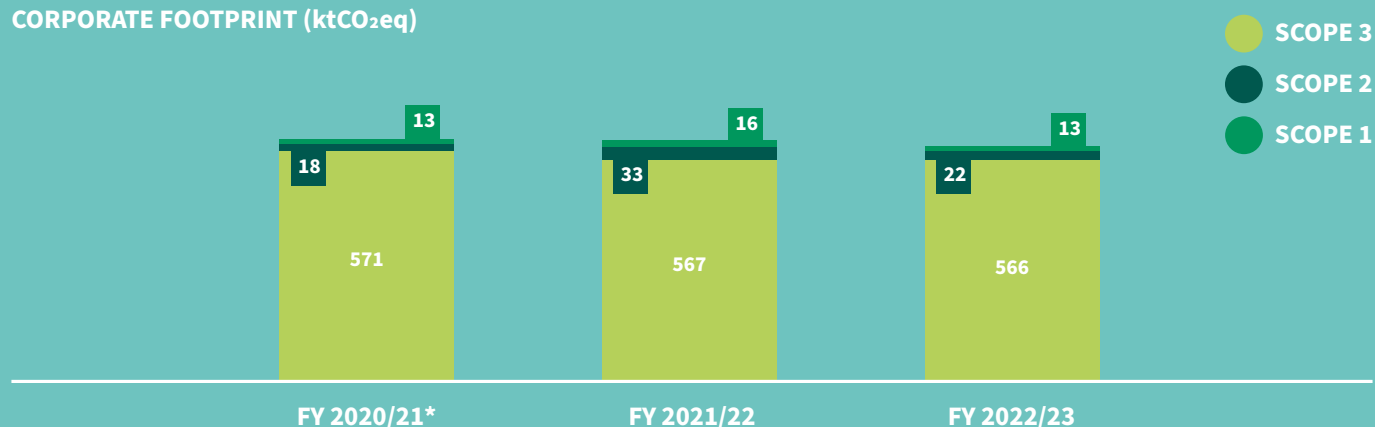


So, to report its emissions Fater considers **all the emissions of CO₂ equivalent generated throughout the supply chain**, from production processes and their energy consumption to goods purchased from suppliers, from investments in capital goods to employees commuting to work, etc. All four Fater production plants were included in the analysis.

Based on this analysis, Fater’s total carbon footprint for fiscal year 2022/23 is 600 thousand tons of CO₂ equivalent.³⁶ Fater does not sell products that cause direct emissions when used. Consequently, according to SBTi guidelines, indirect emissions during use were not included in the calculation.

GENERATED EMISSIONS (ktCO ₂ eq)	BASE FY 2020/21	FY 2021/22	FY 2022/23	SBTi TARGET FY 2029/30 (REDUCTION VS BASELINE)	SBTi NET ZERO TARGET FY 2039/40 (REDUCTION VS BASELINE)
Scope 1&2	31	49	34	18 (-42%)	3 (-90%)
Scope 3 Total	571	567	566	NA	NA
Total	602³⁷	616	600	NA	NA
Scope 3 – Target Categories 2029/30 ³⁸	403	395	391	302 (-25%)	NA
Scope 3 Net Zero Target Categories 2039/40 ³⁹	536	531	538	NA	54 (-90%)
Scope 1, 2, 3 – Net Zero Target Categories 2039/40 ⁴⁰	567	581	572	NA	57 (-90%)

CORPORATE FOOTPRINT (ktCO₂eq)



*Data on emissions generated in fiscal year 2020/21, especially Carbon Footprint data from July to December 2020, were estimated considering the volume of sales, as they were originally calculated on calendar year 2020.

36. The reference database for the emission factors used is Ecoinvent v3.9, released in December 2022.

37. The baseline was reviewed when validating decarbonization targets by SBTi: because of this methodology refinement, the total went from 600 (as in Sustainability Report 2022) to 602 ktCO₂eq.

38. Target Categories: 3.1 Purchased Goods and Services; 3.3 Fuel-related Activities; 3.4 Upstream Logistics.

39. Target Categories: Scope 3.1 Purchased Goods and Services; 3.3 Fuel-related Activities; 3.4 Upstream Logistics; 3.12 End-of-life Treatment of Sold Products.

40. Target Categories: Scope 1; Scope 2; Scope 3.1 Purchased Goods and Services; 3.3 Fuel-related Activities; 3.4 Upstream Logistics; 3.12 End-of-life Treatment of Sold Products.

Compared with the previous fiscal year, overall emissions **went down by 3%**, despite an increase in production. This improvement is shown by **4% reduction in CO₂ emissions per each MSU⁴¹ produced**.

PRODUCTION VOLUME (MSU)

EMISSIONS PER MSU PRODUCED (ktCO₂eq/MSU)

- FY 2020/21
- FY 2021/22
- FY 2022/23



More specifically, Scope 1&2 emissions decreased due to a **reduction in electricity purchase**, offset by an increase in the use of palm oil, whose emissions are included in Category 3.3. Despite this, total Scope 3 emissions decreased by 0.2%, mainly due to a decline in emissions related to the purchase of goods.

The detailed analysis of Scope 1 emissions highlights an **increase in natural gas consumption** (+11% FY 2021/22). This is also due to the increased use of the Campochiaro plant's cogenerator for self-generation of electricity, which has reduced the amount purchased from the grid and, consequently, reduced Scope 2 emissions.

41. Unit of measurement used at Fater to normalize the number of products sold.

SCOPE 1 EMISSIONS (tCO₂eq)	FY 2020/21	FY 2021/22	FY 2022/23
Natural Gas	10,147	15,539	12,520
Diesel for power generator	11	10	5
Automotive fuel/fleet fuel	441	557	258
Diesel	440	554	258
Petrol	1	3	0
GPL	0	0	0
Fuel oil for emergency pumps	1	2	0
F-GAS leaks	2,056	93*	174
Total	10,310	16,201	12,957

* The figure has been adjusted from what was in the Sustainability Report 2022.

Consistent with DEFRA guidelines, data regarding direct CO₂ emissions from biologically sequestered carbon (e.g. CO₂ from biomass/biofuel combustion) are reported separately from the areas covered by Scope 1. The values refer to the emissions of CO₂ equivalent. However, as indicated by DEFRA and the GHG Protocol, **net CO₂ emissions are to be considered as zero.**

BIOFUEL (tCO₂eq)	FY 2020/21	FY 2021/22	FY 2022/23
Biomass (palm oil)	0	0	0
Biodiesel	5	0.3	19.8

For full compliance with GRI Standards, emissions under **Scope 2 related to electricity purchase and consumption** were calculated using two approaches, one based on the location and one on the market. While the location-based method considers the average GHG emission intensity of the grids where energy is consumed using mainly data on the grid's average emission factor, the **market-based method** considers emissions from electricity that the organization has intentionally chosen under a contract. For the purposes of SBTi targets, the market-based methodology was used.

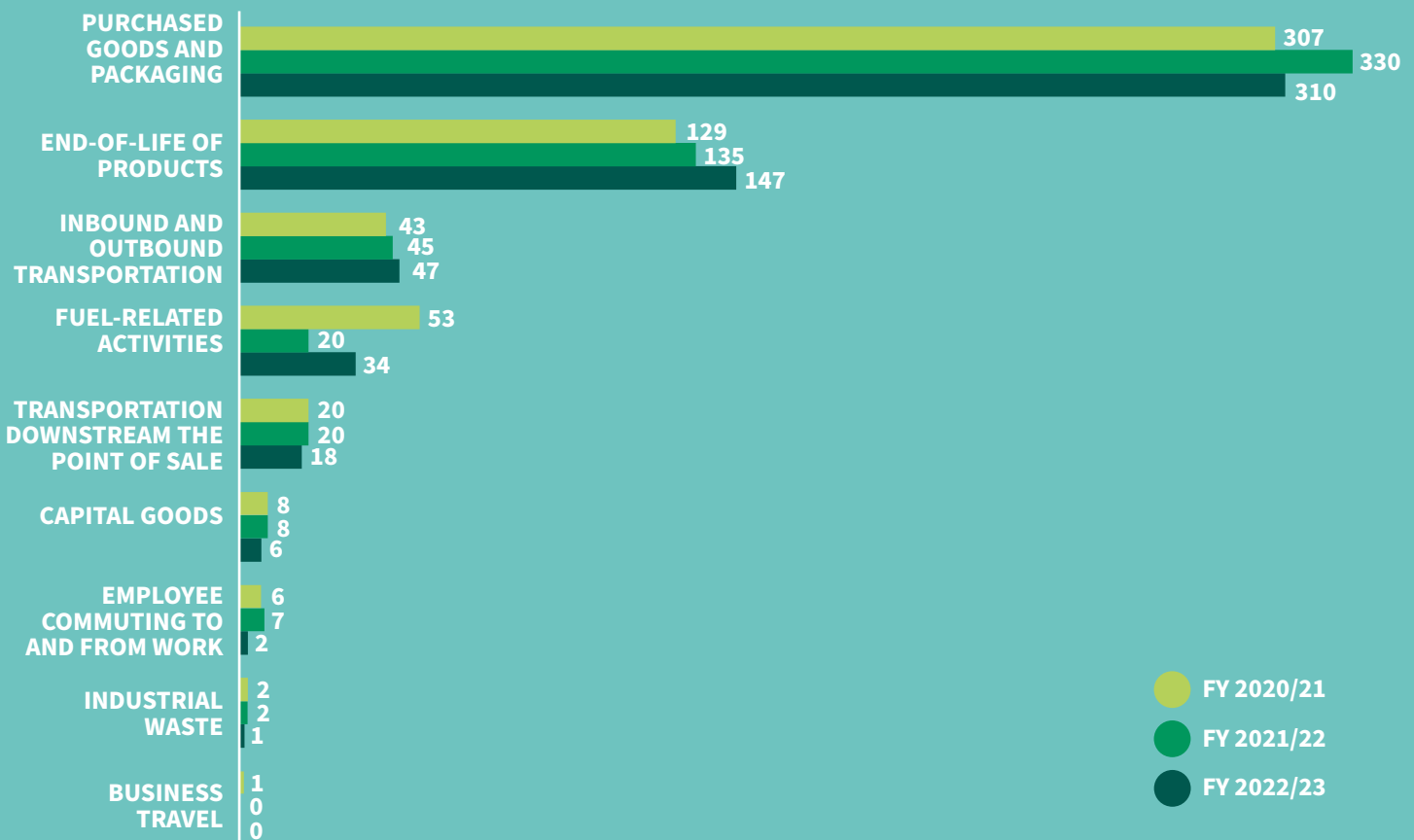
SCOPE 2 EMISSIONS (tCO₂eq)	FY 2020/21	FY 2021/22	FY 2022/23
Electricity – Location-based	13,675	21,308	14,295
Electricity – Market-based	18,376	33,131	21,598

The strong variability in Scope 2 emissions over the three years is caused by changes in the use of **cogenerators for self-generation of electricity** at the Campochiaro and Pescara plants, which are powered by natural gas and palm oil, respectively.

Regarding Scope 1 and 2 emissions, Fater is implementing a number of initiatives to **reduce emissions through energy efficiency projects**, which include replacing outdated compressors with new and technologically better performing models, and incandescent light bulbs with LED units.

Finally, **Scope 3** emissions account for the **biggest share (94%) of total emissions** in line with the FMCG industry and with a total of 566 thousand tons of CO₂ in fiscal year 2022/23, a stable value compared to previous fiscal year (567 thousand tons). This was due to **lower emissions related to purchased products and goods**, which offset the increased use of palm oil in the cogenerator at the Pescara plant and increased emissions related to product end-of-life. While production increased by 1%, purchased volumes of goods decreased by 5% and related emissions were reduced by 7%.

SCOPE 3 EMISSIONS BY CATEGORY (ktCO₂eq)



The relevance of goods and packaging purchasing (55% of total Scope 3 emissions in the last fiscal year) has led – and will increasingly lead – Fater to **place sustainability as a core element in its relationships with partner suppliers**. The ambitious SBTi target of reducing CO₂ equivalent emissions can only be hit through an increasing-virtuous **collaboration** between suppliers and customers within the same value chain.

In particular, Fater is working on a **CO₂ emission analysis for the raw materials used**. This is instrumental to identifying hotspots and defining decarbonization programs, with a view to **replacing** high-impact materials with ones with lower impact, or purchasing them from suppliers that can ensure lower emission profiles. To date, all new product launch initiatives have been accurately planned.

SUSTAINABLE LOGISTICS

Logistics makes up 11% of Fater's Carbon Footprint. 72% of that is due to **upstream logistics**, meaning the flows of goods and finished products coming from suppliers (inbound flow) and of finished products delivered to warehouses of our customers in distribution (outbound flow).

The remainder is caused by **downstream logistics**, last-mile emissions in the supply chain associated with consumer trips from and to the store and their homes. Fater's main contribution in mitigating this impact lies in making products in more efficient sizes. Outbound logistics of finished products has historically been virtuous on our path to sustainability. In fact, the **reduction of circulating vehicles**, which has always been a condition in the search for cost efficiencies, was possible as Fater implemented numerous plans aimed at loading trucks as much as possible. The results we have already achieved in this area (maximum saturation of volumes of absorbent products and of weight on fabric and home care products) call for a new way of thinking for the future.

With an eye to 2030, Fater has defined 3 main strategies:

DEVELOPING INTERMODAL TRANSPORT

In a country such as Italy where the railway system is still to be fully developed, especially in the Regions where Fater plants are located, the Group has already adopted **intermodal railway-road transport** to transfer our finished products from the Pescara plant to some distribution customers in Piedmont and Lombardy along the Pescara-Novara route, the only one currently available. The company is prepared to leverage the new opportunities being discussed about the upgrade of commercial railway network in terms of routes served and train frequencies.

TECHNOLOGY TRANSITION OF CIRCULATING VEHICLES

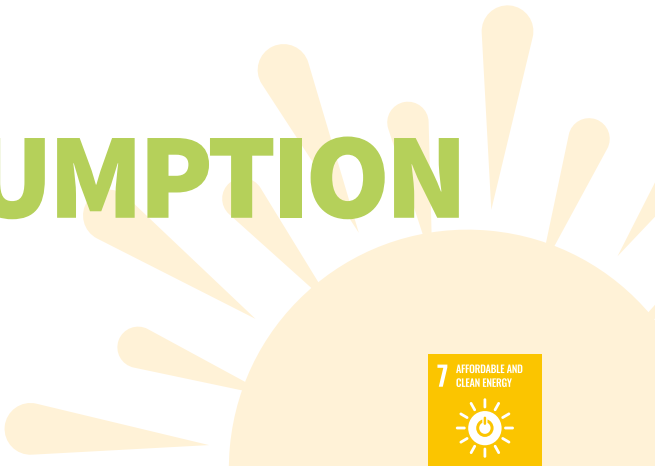
Fater sensitizes **continuous upgrade of the fleet** used by its partners, also by adopting transition technologies before electric vehicles which, for road transport, does not provide a solid base on which to design a medium-term plan yet. In fact, Fater was among the first Italian companies to introduce **Bio Methane** to replace traditional fossil-based methane to power LNG trucks. Financial support policies for fleet conversion, combined with Fater sensitizes, will be crucial to accelerate transition.

DESIGNING INITIATIVES ABLE TO MODIFY PACKAGING AND PRODUCT EFFICIENCY

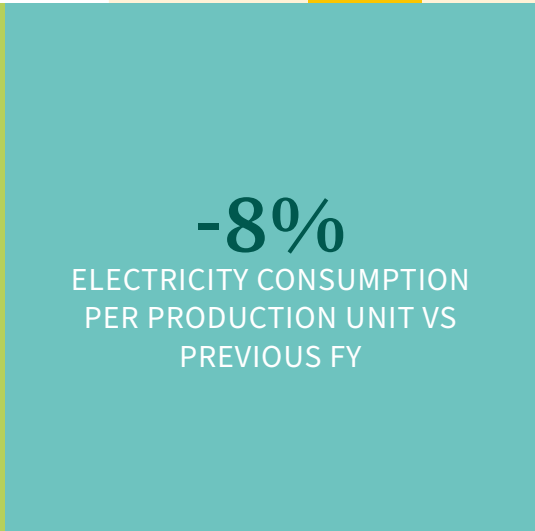
Fater strives to **optimize secondary and tertiary packaging** in order to improve efficiency of logistics. The Group is also working on **product design** to make it more efficient volume-wise.

As regards inbound logistics, which is predominantly related to purchase flows of goods directed to plants, the equation between cost and logistics sustainability appears to have limited validity. Indeed, although loading efficiency is optimized in vehicles, suppliers are chosen based on broader considerations, which cause the geography of supply flows to be determined not necessarily by shorter distance as the main criteria. So, even in this area Fater will use a different approach: **partnering with suppliers** on the overall sustainability of materials.

ENERGY CONSUMPTION



GRI 302-1, 302-3, 302-4



FATER'S MAIN ENERGY CONSUMPTIONS



ELECTRICITY used in production plants and for office lighting.



NATURAL GAS used in cogeneration plants in Campochiaro and for heating and the production process in plants.



FUEL for company fleet.

All four Fater plants are committed to **decarbonization** and working on **energy efficiency**. In order to achieve these goals, we took shared strategic actions, including replacing obsolete equipment and machinery with high-efficiency systems to maximize energy recovery and savings. Efforts are being made to modify existing processes and optimize line operating hours, including through automation of production cycles.

In particular, each plant implements different actions, also based on their own specific features and production processes. The Pescara plant stands out for holding **ISO 50001 energy management system certification**, meaning in-depth analyses are conducted on consumption and areas of improvement. At Campochiaro we are currently applying a **continuous monitoring** system in order to achieve that certification, in addition to the installation of 2 new cogenerators and the refurbishment of the internal district heating network.

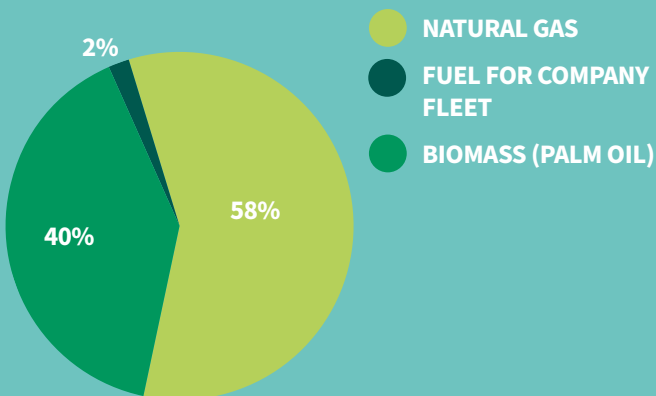
All plants have switched from incandescent to **LED** lighting. In Pescara, this replacement has led to about 75% **decrease in consumption**, better lighting comfort, and less maintenance.

Both the Campochiaro and Pescara plants use fuel for **co-generation systems used for electricity self-generation**, the former **natural gas** and the latter **palm oil**.

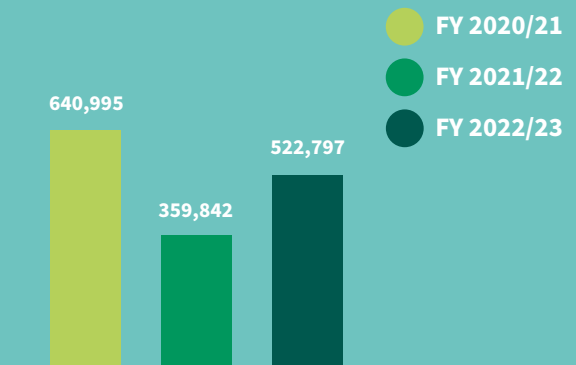
Regarding the corporate fleet and employee mobility, Fater is installing **electric vehicle charging stations**. In Pescara, both the campus and plant are equipped with charging stations. Specifically, there are 2 columns with 2 charging points each on the campus and 2 wallboxes in the basement, which have been active since the occupation of the building, to which 5 more columns with 2 charging points each were added in the last fiscal year. These 16 charging points are **for the exclusive and free use of employees**. On the other hand, the plant is equipped with 4 charging stations with a total of 8 free access 22-kW sockets.

In the last fiscal year, Fater Group consumed 522,797 GJ of fuels, of which **natural gas accounted for 58%** and **palm oil for 40%**. The remainder was made up of fuel for the corporate fleet for about 2%, plus almost 0% of diesel fuel for engine-generators, fuel oil for emergency pumps, and biodiesel. Total fuel consumption has decreased from fiscal year 2020/21, but went up from fiscal year 2021/22. This **strong variability** is a consequence of changes in the amounts of **self-generated energy in Campochiaro and Pescara**, which is why fuel consumption does not reflect total energy consumption.

FUELS USED IN FY 2022/23



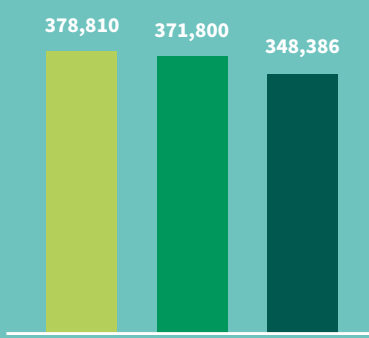
FUEL CONSUMPTION (GJ)



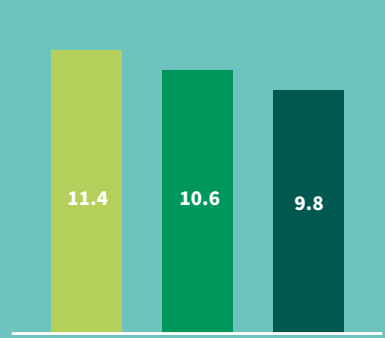
The Group’s **electricity consumption** – both self-generated and consumed, and purchased – is declining: in the last fiscal year it totaled 348,386 GJ, down by 6% from 2021/22 and 8% from 2020/21. When compared to production data, these figures show a **decrease in electricity consumption per MSU produced by 8% from the previous fiscal year and 13% over the three years.**

SELF-GENERATED ELECTRICITY AND PURCHASED ELECTRICITY (GJ) ⁴²	FY 2020/21	FY 2021/22	FY 2022/23
Electricity purchased	164,199	265,382	189,077
From non-renewable sources	164,199	265,382	189,077
From renewable sources	0	0	0
Self-generated electricity	257,236	124,255	192,980
of which consumed	214,612	106,418	159,310
of which sold	42,624	17,837	33,670
Total electricity consumed	378,810	371,800	348,386

ELECTRICITY CONSUMED (GJ)



ELECTRICITY CONSUMED PER MSU PRODUCED (GJ/MSU)



- FY 2020/21
- FY 2021/22
- FY 2022/23

42. Figures were adjusted from those in the Sustainability Report 2022.

Additionally, in the last fiscal year **46% of consumed electricity was self-generated**. We generated over 53 million kWh through cogeneration plants in Pescara and Campochiaro, 17% of which was sold to third-party companies.

Self-generated electricity from palm oil alone accounted for 43% of self-generated electricity consumption: this percentage has changed sharply over the three years, reaching 80% in fiscal year 2020/21 and dropping to 26% in 2021/22. In particular, the decline was caused by the need to ensure business continuity despite **supply chain difficulties** that followed global economic turmoil. The return to normal carried with it a **sharp reduction in purchased electricity**, down by 29% from the previous fiscal year.

Considering both fuel consumption and purchased electricity consumption, minus the electricity sold, the total **net energy consumption for the Group was 678,203 GJ** in the last fiscal year. Despite the increase from the previous fiscal year, consumption is still lower than in 2020/21, standing at 19.2 GJ per MSU produced.

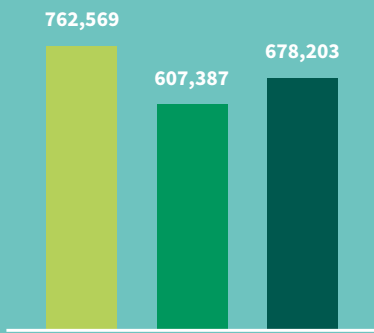
NET ENERGY CONSUMPTION (GJ)*	FY 2020/21	FY 2021/22	FY 2022/23
Natural Gas ⁴³	137,698	274,234	304,416
For heating	22,984	41,805	16,536
For cogenerator and other	114,714	232,429	287,881
Biomass (palm oil)	496,134	77,942	208,361
Fuel for vehicles/corporate fleet	5,897	7,450	9,539
Diesel ⁴⁴	5,884	7,412	9,539
Gasoline	13	38	0
LPG	0	0	0
Biodiesel	1,111	59	344
Diesel for engine-generators	141	133	113
Fuel oil for emergency pumps	12	23	23
Electricity purchased	164,199	265,382	189,077
Electricity sold	- 42,624	- 17,837	- 33,670
Total overall	762,569	607,387	678,203

* Figures were adjusted from those in the Sustainability Report 2022.

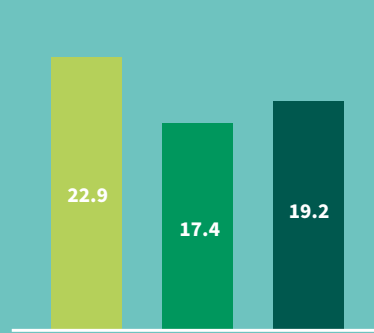
43. Figures about natural gas consumption were adjusted from those in the Sustainability Report 2022.

44. The figure about diesel consumed by the Campochiaro and Pescara corporate business fleets was equally divided between the two plants, because the exact consumption could not be calculated.

TOTAL NET ENERGY CONSUMPTION IN THE THREE YEARS (GJ)



NET ENERGY CONSUMPTION PER MSU PRODUCED (GJ/MSU)



- FY 2020/21
- FY 2021/22
- FY 2022/23

Finally, **refrigerant gas** consumed by Fater Group stood at a total 2,426 kg, of which 80% is hydrofluorocarbon 134-a, mainly used as a refrigerant in compression refrigeration systems.

F-GAS CONSUMPTION (KG)*



- FY 2020/21
- FY 2021/22
- FY 2022/23

*Figures were adjusted from those published on the Sustainability Report 2022.

WATER RESOURCES

▶ GRI 303-1, 303-3, 303-4, 303-5



ALL FATER GROUP PRODUCTION PLANTS AIM TO REDUCE THE AMOUNT OF WATER USED, BY AVOIDING WASTE AND INEFFICIENCY.



780 megaliters
TOTAL WATER WITHDRAWAL

Each site introduces policies and actions that enable to achieve these goals, considering the products made and production processes, geographical location, and the plant's specific characteristics.

CAMPOCHIARO PLANT

Fater pulls industrial water from wells owned by the Campobasso-Bojano Industrial Development Consortium (*Consorzio per lo Sviluppo Industriale Campobasso-Bojano*). The extra water coming from the production process is delivered to the wastewater system of the Consortium for treatment in their own sewage treatment plant. Both the water pumped from the wells and wastewater undergo **chemical analysis** according to the Monitoring

and Control Plan (MCP) defined in agreement with the competent authorities and in compliance with the Integrated Environmental Authorization (AIA)⁴⁵ and the Environmental Impact Assessment (VIA). We also designed projects to lower water consumption by **developing more concentrated formulas** and using **ingredients that reduce the amount of water that goes into the finished product**.

PESCARA PLANT

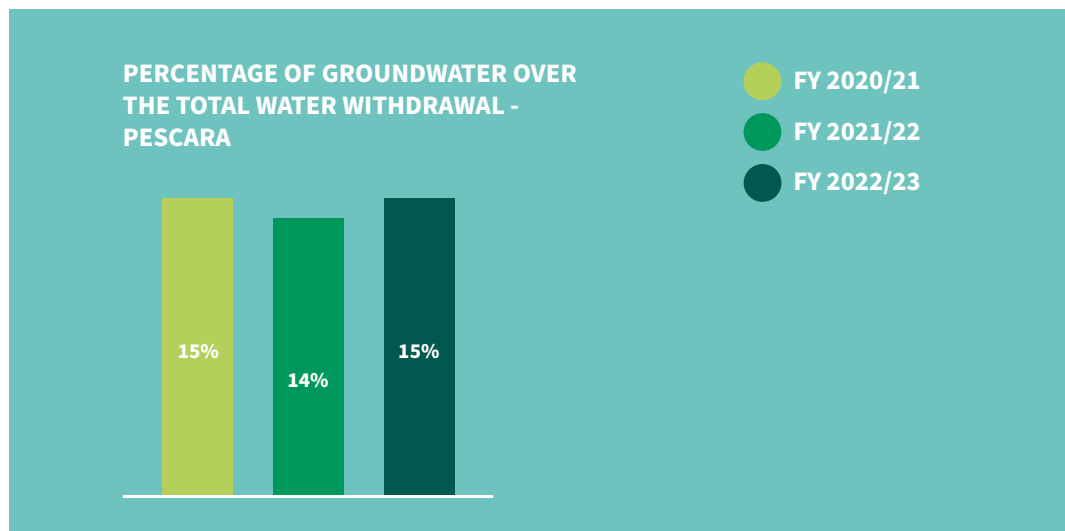
The Pescara plant stands out for drawing most of the water used (85% in the last fiscal year) from artesian wells in order to **minimize drinking water consumption in production processes**. Specifically, the plant uses:

- **Drinking water**, drawn from the municipal grid using two points of withdrawal to supply the plant’s civil uses (sinks, showers, cafeteria, etc.);
- **Groundwater**, which is withdrawn from 3 artesian wells and then undergoes iron removal, filtration, chlorine-disinfection and purified using osmosis to supply industrial plants (cooling towers, closed circuit make-up, departmental humidification system, etc.);
- **Reclaimed water**, withdrawn from a delivery point by the Consortium and used for irrigation and fire-fighting pumping stations.

A study is underway to open a **fourth artesian well**, which would both get the plant ready for further reduction in drinking water consumption from water supply network and provide a backup supply in case of failure on one of the wells already in use.

Also, the plant features treatment tanks for first rainwater, and a new wastewater flow meter was installed.

Water withdrawal and discharge are monitored within the thresholds set in the Single Environmental Permit.

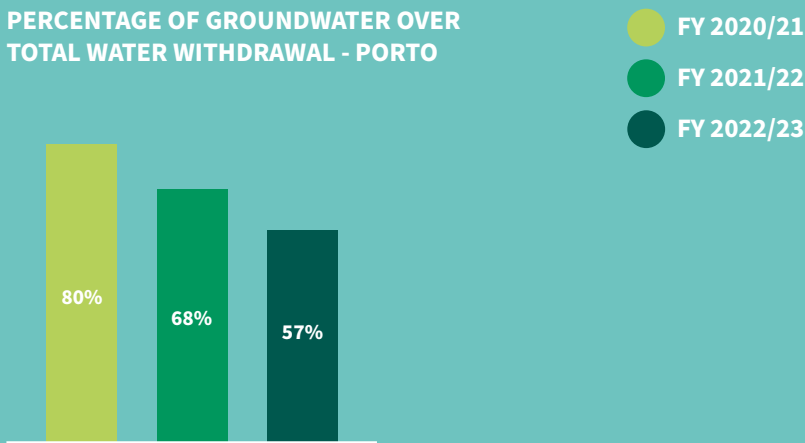


45. N. 4614 dated 29.09.2016 as amended and integrated.

PORTO PLANT (PORTUGAL)

The Porto plant uses two main water sources: groundwater, which is used in the production process, and the public water supply grid, which is used for toilets in the social areas. In particular, the **construction of a new well** enabled a further **reduction in the use of potable water from the public water supply system**. The plant also has an Environmental Impact Statement in place providing an annual report on the results of hydrogeological analyses conducted on all water withdrawn and discharged to verify its quality and compliance with the limits required by law.

PERCENTAGE OF GROUNDWATER OVER TOTAL WATER WITHDRAWAL - PORTO



GEBZE PLANT (TURKEY)

Water used in the Gebze plant is supplied exclusively from the **city grid**. It generates industrial wastewater, which is treated by a contractor and is not discharged directly by the Gebze plant. While domestic wastewater is discharged directly into the sewage system of the industrial area.

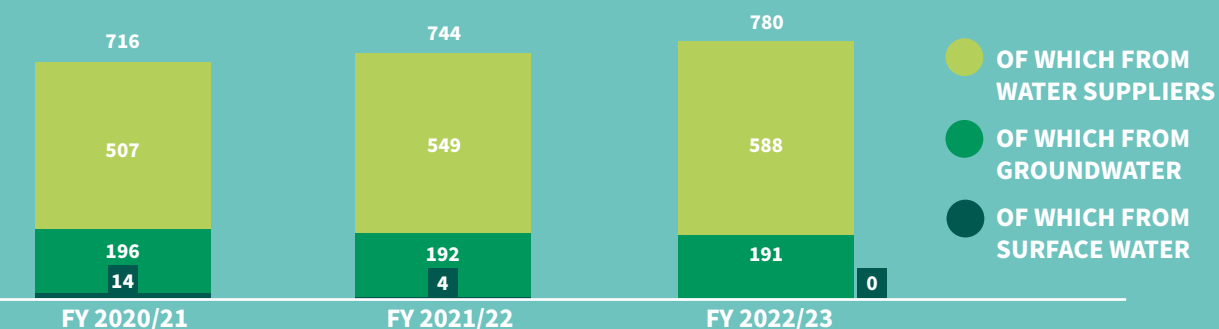
GROUP'S WITHDRAWAL AND CONSUMPTION

In the last fiscal year, **75% of water withdrawn by Fater Group comes from third-party water networks and the remainder 25% from groundwater**. Values have remained stable during the three years: the main difference is the percentage of water withdrawn from surface water, declining from 1.9 percent to an amount close to 0 percent of total withdrawal between fiscal years 2020/21 and 2022/23. Total water withdrawal stands at 780 megaliters⁴⁶ and discharge at 231 megaliters⁴⁷.

46. The figures for the withdrawal in Campochiaro of industrial water from the network in November 2022 and well water are estimates.

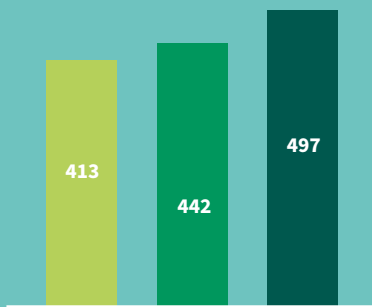
47. The data for water discharge from Campochiaro in November 2022 of Pescara in July 2023 are estimates.

TOTAL WATER WITHDRAWAL (MEGALITERS)



TOTAL WATER CONSUMPTION (MEGALITERS)

- FY 2020/21
- FY 2021/22
- FY 2022/23



Water consumption, calculated as the difference between the amount of water withdrawn and water discharged, is 497 megaliters in FY 2022/23. This number has been going up in absolute terms, especially due to the **increased production volumes of home and fabric care products** having “liquid formulas” (namely bleach and laundry detergent). Due to the same effect, water consumption per unit of production also increases.

WATER CONSUMPTION PER MSU PRODUCED (M³/MSU) – HOME AND FABRIC CARE PRODUCTS

- FY 2020/21
- FY 2021/22
- FY 2022/23



WASTE



▶ GRI 306-2, 306-3, 306-4, 306-5

FATER HAS ALWAYS BEEN COMMITTED TO ENSURING VIRTUOUS WASTE MANAGEMENT, EXPANDING ITS AREA OF RESPONSIBILITY OVER TIME TO INCLUDE THE ENTIRE WASTE MANAGEMENT CHAIN.

+9%
WASTE GENERATED PER
PRODUCTION UNIT VS
PREVIOUS FY

0%
WASTE DIRECTLY
SENT TO LANDFILL

We started
A PROJECT TO REUSE
LIQUID WASTE FROM
THE ACE LINE

All waste produced in the plants is disposed of and/or recycled at external facilities. As a result of the effort to ensure that the contractor in charge of primary waste treatment does not send it to landfills, over the three years reported the **percentage of waste directly sent to landfills was close to 0%**.

In the last fiscal year, Fater generated **12,442 tons of waste**, 79% of which is not hazardous (stable value over the three years).

WASTED GENERATED (ton)

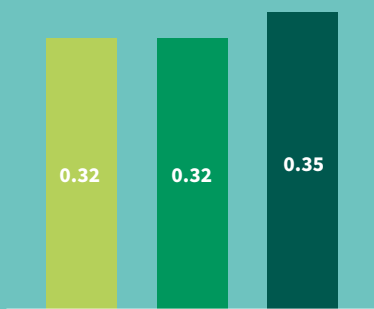
- FY 2020/21
- FY 2021/22
- FY 2022/23



The total amount of waste went up by 10% vs previous fiscal year, with a growth in MSUs generated of about 1%, thus showing an increase in the amount of waste generated per MSU produced of 9%.

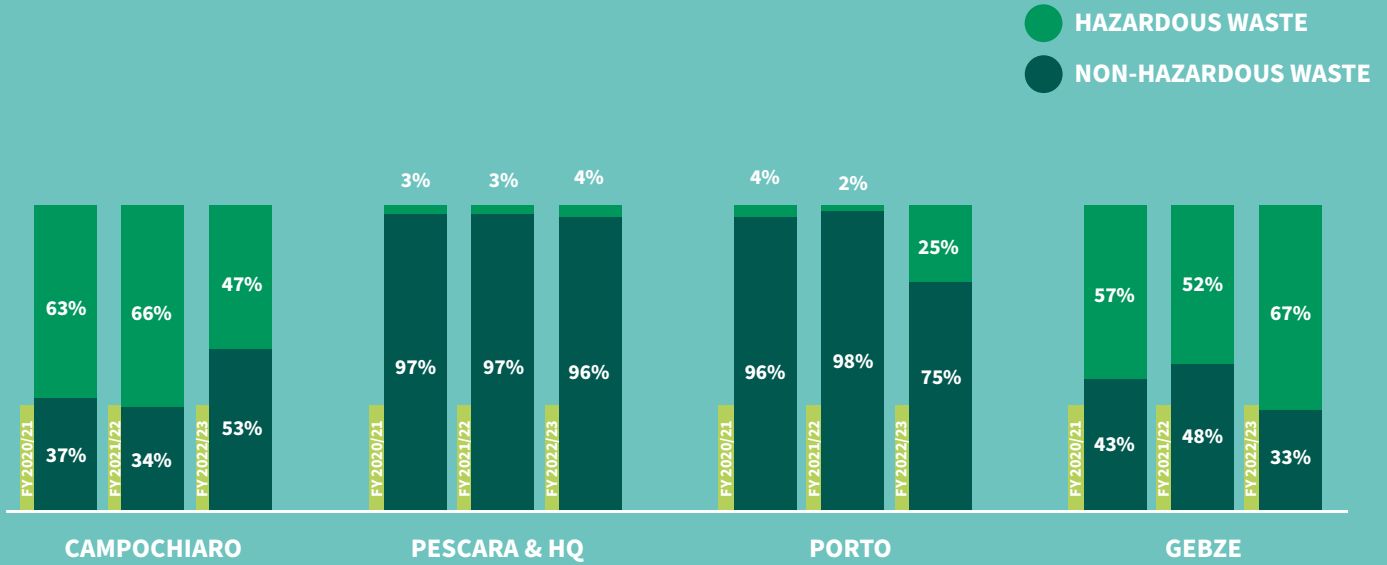
WASTE GENERATED PER MSU PRODUCED (ton/MSU)

- FY 2020/21
- FY 2021/22
- FY 2022/23



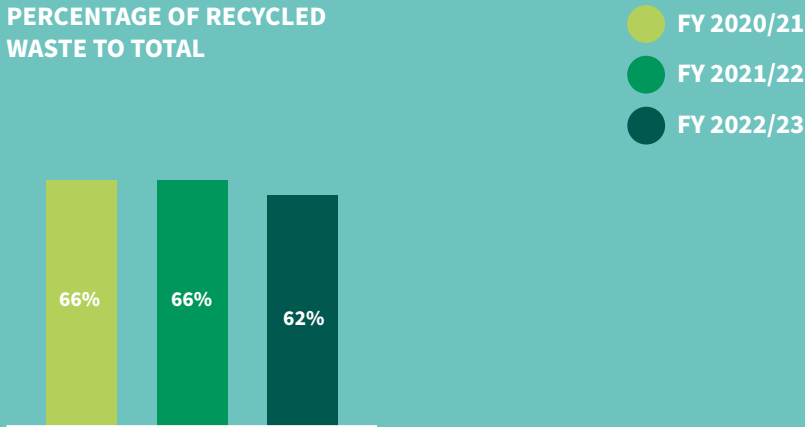
Because of the specific production operations conducted at the Campochiaro and Gebze plants, these are confirmed to have the highest percentage of hazardous waste generation.

PERCENTAGE OF NON-HAZARDOUS AND HAZARDOUS WASTE BY PLANT



In the last fiscal year, the Group has directed **75% of its waste to recycling or recovery operations**, and the remainder to disposal. Specifically, 62% of waste generated in the last fiscal year went for recycling.

PERCENTAGE OF RECYCLED WASTE TO TOTAL



Reuse of ACE liquid waste

In the last fiscal year, Fater initiated a major project at the Campochiaro plant to reuse liquid waste generated by the production of the ACE line.

The project, which will be finalized in fiscal year 2023/24, aims to enhance finished products in terms of the materials that go into making them. Indeed, new products were created to optimize waste generation during production, while at the same time **facilitating waste circularity** to give waste a second life after use.

The **Gebze** plant is the only one to use incineration processes to dispose of its hazardous waste – specifically, for 8% of total waste generated in the last fiscal year – **recovering energy** from almost all of the waste incinerated (99.97% over the three years). While the increase in hazardous waste at the **Porto** plant is caused by the growing volume of waste from the production of fabric and home care products.

WASTE GENERATED (ton)	FY 2020/21	FY 2021/22	FY 2022/23
Non-hazardous waste	8,469	8,684⁴⁸	9,880
Directed to disposal	108	86	1,052
of which: incineration with energy recovery	0	0	0
of which: incineration without energy recovery	0	0	0
of which: landfilling	0	0	0
of which: other disposal operations	108	86	1,052
Diverted from disposal	8,361	8,598	8,828
of which: preparation for reuse	0	0	0
of which: recycling	7,051	7,307	7,596
of which: other recovery operations	1,309	1,290	1,232
Hazardous waste	2,284	2,476	2,562
Directed to disposal	1,824	2,055	2,049
of which: incineration with energy recovery	24	61	37
of which: incineration without energy recovery	0	0	0
of which: landfilling	0	0	0
of which: other disposal operations	1,800	1,994	2,012
Diverted from disposal	459	421	513
of which: preparation for reuse	0	0	0
of which: recycling	47	51	127
of which: other recovery operations	412	370	386
Total	10,752	11,160	12,442

As far as Italy's **Campochiaro** and **Pescara** plants are concerned, waste is monitored and tracked by means of an electronic Load/Unload record which allows to keep control over the quantities produced and costs. Before giving their waste to a carrier, plants verify the technical and professional qualification of the carrier based on Article 26 of D.lgs. 81/08 and make sure they hold valid transport authorizations. The same check for a valid authorization is carried out for the receiving plant, whose technical and professional health, safety, and environmental requirements are checked on documents and, occasionally, with on-site inspections.

48. Figures about the breakdown of non-hazardous waste directed and not directed to disposal in FY 2021/22 were adjusted from those in the Sustainability Report 2022.

INNOVATION AND CARBON REDUCTION



Target
CUT CO₂ EMISSIONS ON ALL
PRODUCTION LINES

We set
ENVIRONMENTAL IMPACT
ASSESSMENT KPIS DURING
THE APPROVAL STAGE OF
EACH PROJECT



OUR PHILOSOPHY IS ROOTED IN COMBINING PRODUCT AND INNOVATION WITH THE AIM OF DESIGNING AND MAKING PRODUCTS THAT MEET THE EVOLVING NEEDS OF CONSUMERS BY REMOVING TRADE-OFF BETWEEN PERFORMANCE AND REDUCED ENVIRONMENTAL FOOTPRINT.

The Group's vision is inspired by constant dialog between the organization, suppliers, consumers, citizens and the other stakeholders in order to **contribute to create a sustainable model able to respond to current social and environmental challenges.**

The strategy is to **cut CO₂ emissions on all production lines and product categories**, prioritizing the main ones. To do so, Fater relies on the 4Rs that are the basis of all actions implemented, **to implement product and user experience innovations.**

THE 4Rs OF FATER'S STRATEGY



Fater's strategy is evolving within the different the product categories, with the aim of reaching an increasing number of consumers, helping to increase the positive impact of their daily consumption.

In this direction, the company's strategic choice is to focus on product and process innovations in order to design our line-ups from a CO₂ reduction perspective, reaching the entire target market. To this end, we have introduced, a sustainability section is being introduced in the approval documents of each new project. The goal is to gather information about the environmental impact of the initiative, including **CO₂ emissions** and the so-called **unique indicator**, calculated as the weighted average of environmental indicators to measure the environmental impact along the whole life cycle. **The impact of emissions is increasingly affecting the decisions to approve and deploy new projects.**

Research and Development

It is **R&D labs** at the Campus where Fater conducts design and development of new products:

- **Research with consumers** to investigate their needs and improve user experience, in the Consumer Lounge;
- **Formulation and analysis** for formulated products;
- Study and analysis of materials to be incorporated into **new formulations** and product design;
- **Packaging** development, through 3D printer prototyping and testing of package suitability, strength, and compatibility with the substances contained in it;
- **Performance tests** to check every aspect of product performance and ensure compliance with current regulations. The **Laundry Testing** lab in particular is one of Fater's gems, because of its size and adaptability to all possible laundry habits of consumers;
- Climate chambers in the **Stability Laboratory** recreate all the environmental conditions that a product may encounter, including extreme temperature and humidity;
- Engineering research in special **Pilot Plants** that allow to replicate the processing stages that will occur on industrial scale.

SUSTAINABLE PACKAGING



98%

OF PRIMARY PACKAGING
OF ALL FATER PRODUCTS
IS RECYCLABLE⁴⁹



WE WANT TO DO OUR PART USING LESS VIRGIN PLASTIC, CONTRIBUTING BOTH TO THE REDUCTION OF EMISSIONS GENERATED BY ITS PRODUCTION CYCLES AND OPPOSE PLASTIC POLLUTION.

98% of primary packaging of all Fater products is recyclable.

49. According to "Plastic Packaging List" published by CONAI.

In fiscal year 2021/22 Fater began using **more recycled plastics in the packaging of some of its best-selling products**.

To reduce virgin plastic use, Fater decided to make use of: both plastic waste generated during industrial processes (Post Industrial Recycled - PIR) that plastic derived from household waste (Post Consumer Recycled – PCR). For example, some of the product lines involved were Lines Seta Ultra and Pampers Baby Dry for the absorbency world, through the use of PIR (Post Industrial Recycled) and ACE laundry detergent and ACE WC with use of PCR (Post Consumer Recycled). In fiscal year 2022/23, the list expanded with PIR introduction in Lines Idea, Pampers Progressi and Pampers Sole&Luna.

Overall, in fiscal year 2022/23 the **reduction of virgin plastic** used for primary packaging of products was 5.7%, as calculated in relation to the baseline production volumes of fiscal year 2020/21. Specifically, the percentage of recycled plastic out of the total within primary packaging was 30 percent of PIR for personal care products and 5 percent of PCR for home and fabric care products.

Fater has continued to introduce recycled plastic into its packaging. From March 2024, all packaging of diapers, sanitary napkins and diapers will have an average of **50 percent recycled plastic (PIR)**. Also on the home care and fabric care category, the Group continued to increase the amount of recycled plastic (PCR), involving bleach-free degreaser spray product. **Due to the acceleration in recent months, we estimate that the figure for fiscal year 2023/24 will be -25% lower than the 2020/21 baseline.** Fater continues to work toward the ambitious -50% reduction target to 2024/25 with the understanding that external factors such as the availability of recycled resin with compatible characteristics with our production facilities will also be required for its achievement.

In addition, Fater strives also to **optimize secondary and tertiary packaging** in order to improve efficiency of logistics, as detailed in the "Climate Change" section.



“

Our experience tells of a **growing engagement between supplier and customer on ESG, which requires alignment on the ethical, environmental and governance standards to achieve**, as well as on short-, medium- and long-term goals.

We are interestingly partnering with Fater on a project to increase the percentage of recycled HDPE in the bottles produced in our Italian plants.

The goal is to achieve 50-70% of recycled post-use HDPE in bottles which were previously entirely made of virgin resin or with a high percentage of it.

”

Stakeholders' Voice

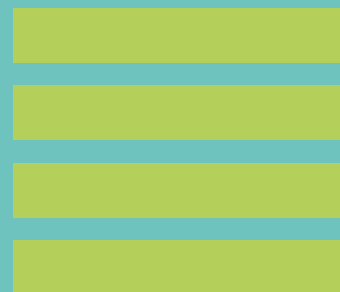
Andrea Bortolotti,
EU Sales Area Manager Serioplast



CHEMICALS



FATER STARTED
BUILDING A **database**
FOR PROFILING THE
CHEMICALS USED



The production processes inside Fater plants⁵⁰ and research activities in **Technology Innovation** labs⁵¹ use chemicals that are authorized and classified depending on the use and their safety data sheet. The main chemicals used in our processes can be split into the following categories:

- Resins (for those types of bottles and caps produced in the plant);
- Perfumes;
- Surfactant substances;
- Other types of chemicals, such as additives, preservatives and dyes.

Upstream the start of the production process, the Technology Innovation function develops and defines the **formulas of finished products**. Once the formula is designed, the safety data sheets of each material are sent out to the plants, which then assess the risk for later industrial use of those chemicals, to ensure compliance with the regulations in force.

Chemical risk assessment – using the Movarisich method – is conducted on an internal HSE portal and provides the objective cumulative risk score for each chemical, based on which the prevention and protection measures are defined. On all the chemicals whose risk is higher than irrelevant for health, additional environmental and/or personal tests are conducted.

50. Classified as “downstream users” of chemicals, in compliance with EU’s REACH Regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals).

51. The criteria applied to Fater plants are also applied to Technology Innovation labs.

To manage health and safety in relation to chemicals we have the specific “**Chemicals and Safety Data Sheet Management**” **safety procedure**, which identifies:

- Definitions of hazardous substances;
- Operating methods to manage safety data sheets and any updates;
- Distribution of safety data sheets to all the functions using them.

As a support to the safety procedure, Fater **delivers specific training on chemical risk** to all employees involved in production and research processes where chemicals are used, on a five-year basis.

A new chemical can only be introduced following specific approval and assessment. The procedure involves the **Prevention and Protection Service (SPP) and the Company Physician**, who updates the Health Protocol depending on the risks detected. Once the process is complete, as an integral part of the Risk Assessment Document the SPP team **educates and trains those workers** who are directly involved in the correct use of chemicals.

In case a **nonconformity** occurs about the handling and processing of chemicals, an **internal investigation** is conducted using the Near Miss tool of the company’s HSE portal. The investigation, aimed to find out what caused the event and the right corrective and preventive measures to prevent it from happening again, involves all levels and departments of the organization and includes a final sharing with staff.

At the end of the production process, the relevant parameters for **discharge** of the main chemical elements into wastewater and “white waters” are monitored according to the methods defined by Authorities.

In 2018, Fater also started building a **database for profiling the chemicals used**, both in terms of CO₂ emissions and lifecycle impact, also using innovative methodologies such as the so-called unique indicator. Thanks to our partnership with global players, today we can get a **complete life cycle analysis** of chemicals. This effort is part of Fater’s broader strategy to develop an analysis of CO₂ emissions of all raw materials used.

Campochiaro Plant

The Campochiaro plant **produces the ACE product line-up**: hypo bleach, peroxide bleach with ACE Gentile formula, ACE spray in multiple versions, ACE laundry detergent and ACE floor detergent with different formulas.

In consideration of the upper threshold for sodium hypochlorite storage of finished products is exceeded, the plant is subject to **Seveso regulations**. Therefore, all chemicals subject to compliance with this directive must be notified to the relevant agencies prior to their use.

The plant is also subject to **AIA (Integrated Environmental Authorization) regulations**, which require to draw up an annual **report on the quantities of raw materials used** in the production process, which is filed to relevant agencies through the IPPC (Integrated Pollution Prevention and Control).

Any **production waste** of unused chemicals is processed as waste under D.Lgs. 152/2006 as amended and integrated, with no in-house treatment at the plant.

EVERY DAY RESPONSIBILITY

8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION





16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



17 PARTNERSHIPS
FOR THE GOALS



HIGHLIGHTS 2022/23

Zero

CONFIRMED INCIDENTS OF CORRUPTION AND
LEGAL ACTIONS TAKEN FOR ANTITRUST LAWS VIOLATION

+8%

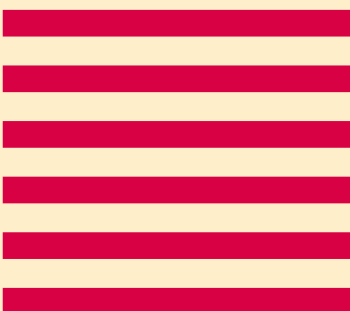
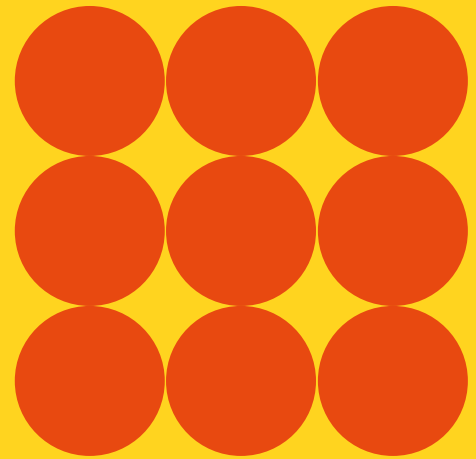
INCREASE IN REVENUES
OVER FY 2021/22

10

DIFFERENT
CERTIFICATIONS HELD

Gebze

ISO 9001, 14001 AND 45001
CERTIFICATIONS IN 2023



A11

PRODUCTION PLANTS – BOTH IN ITALY AND ABROAD,
INCLUDING OUR CAMPUS – ARE ISO 9001-, 14001- E
45001-CERTIFIED



232

SUPPLIERS FOR
PRODUCTION, 78% OF
WHICH ARE SCREENED
AGAINST SOCIAL CRITERIA
CONSIDERED FOR SA 8000
CERTIFICATION

1,020 mln €

ECONOMIC VALUE
GENERATED, 95% OF
WHICH IS DISTRIBUTED TO
STAKEHOLDERS

51%

LOCAL SUPPLIERS BASED
ON PLANT LOCATION
(PRODUCTION OPERATIONS)

353 mln €

SPEND FOR SUPPLIES
(PRODUCTION)

20 mln €

VALUE OF INVESTMENTS
FY 2022/23 (70 mln € OVER
THE THREE YEARS)

BUSINESS ETHICS AND TRANSPARENCY

▶ GRI 2-26, 205-2, 205-3, 206-1



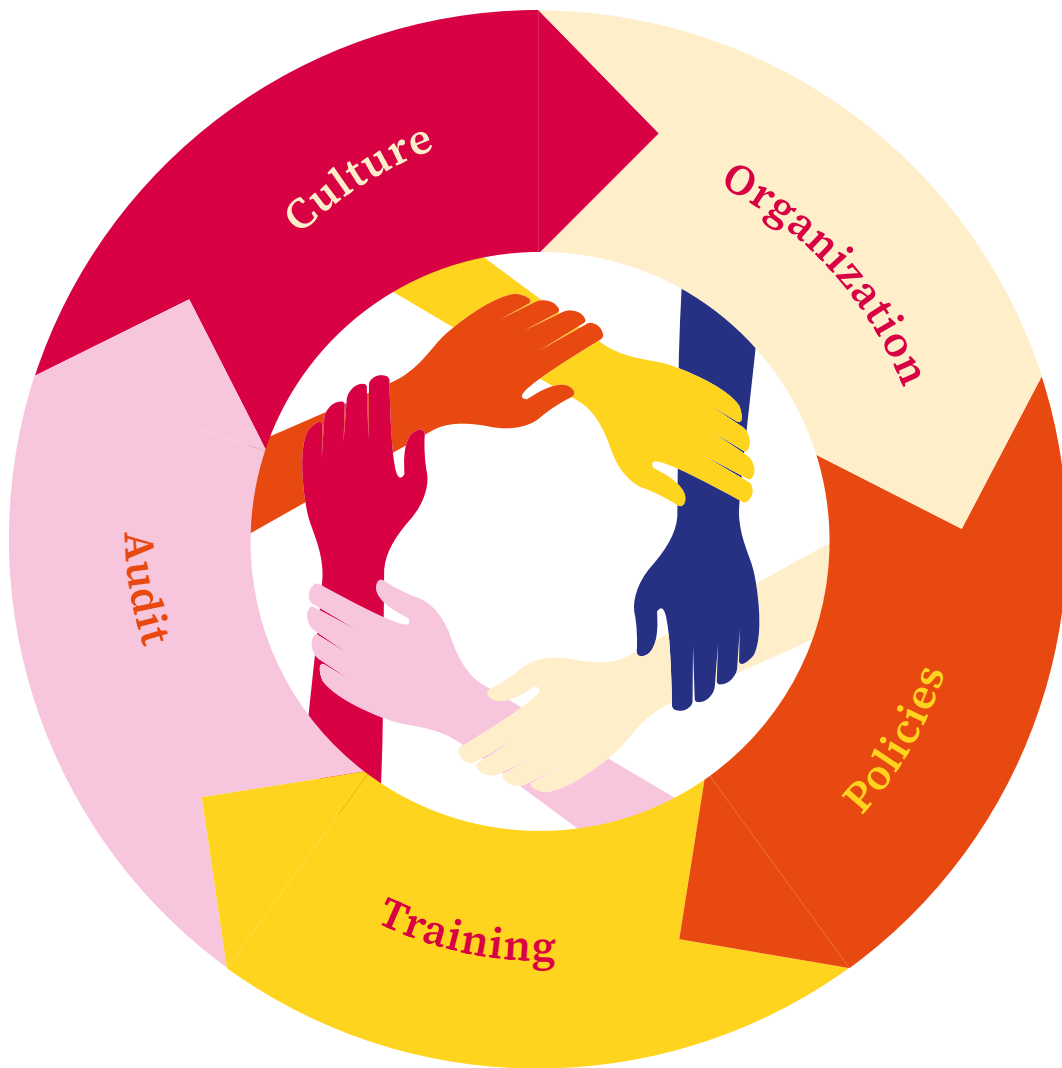
Zero

CONFIRMED INCIDENTS OF CORRUPTION
AND LEGAL ACTIONS TAKEN FOR
ANTITRUST LAWS VIOLATION

Fater has a **Governance Team** led by the CFO (Chief Financial Officer) and consisting of representatives from all business functions, which analyzes the compliance with laws and regulations and suggests any necessary interventions to the Leadership Team.



The **Governance Board** – a select committee consisting of the CFO, Legal and HR (Human Resources) – analyzes potential risks and implements the strategies set up to mitigate them, involving the departments concerned. In fiscal year 2022/23 we established a specific **compliance plan aimed at reinforcing all business areas on compliance** based on five pillars:



A distinctive and key element of Fater’s Corporate Governance is the **Internal Control System**. This is defined as the set of rules, procedures and organizational structures designed to enable the identification, measurement, management and monitoring of key business risks. This system plays a **key role in the company’s organization**, facilitating informed decision-making consistent with the company’s values and risk appetite, the protection of shareholders’ investments and the company’s assets, the efficiency and effectiveness of business processes and operations, as well as the reliability of financial reporting, compliance with relevant laws, rules and regulations, the company’s bylaws and internal regulatory instruments.

Within the **Finance & Administration Department**, we developed activities on the Internal Control System – hand in hand with institutional control bodies (Board of Auditors, Auditing Firm, Supervising Bodies) – along two lines:

- Process analysis (**risk assessment**) aimed at identifying business flows potentially generating capital and financial risks (Risk Audit Universe) to spot and measure them, and at suggesting appropriate control actions.
- Development and implementation of new internal control tools and techniques (**Control Self-Assessment**), aimed at protecting corporate assets and ensuring compliance with laws, regulations, contracts and ethical standards.

CODE OF ETHICS AND MODEL 231

Fater has adopted an Organization, Management and Control Model as required by Legislative Decree 231/01 (hereinafter “Model 231”) and has a Code of Ethics, both available at www.fatergroup.com.

At Fater, **ethics in running business is a primary value** to be pursued as a condition for the company’s success. The **Code of Ethics** highlights the general principles and rules of conduct that apply to corporate bodies, management, employees and third parties, with no exception whatsoever. The set of ethical business principles leads the activities of all those who work at – or with – Fater, taking into account the importance of the roles, the complexity of the functions and the responsibilities entrusted to each individual to pursue company objectives. The latest Code of Ethics update was approved in May 2021.

Fater’s Code of Ethics and Principles

- **Honesty, Sincerity and Fairness**
The relationships that Fater builds with stakeholders are based on honest, sincere and fair conduct, both in internal and external relations.
- **Integrity**
Fater people’s behaviors express sound personal integrity and the courage of their own ideas and beliefs, doing what they feel is right even when put under pressure by others.
- **Responsibility**
All Fater people acknowledge and accept personal responsibility for each of their actions and/or failure to act, also from an ethical point of view.
- **Equality**
Fater is committed to not discriminating in any way in hiring, pay, access to training, promotion, termination or retirement on the basis of personal characteristics that are not job-related.
- **Legality and Compliance**
In conducting its operations, Fater acts in compliance with the laws and all applicable regulations in the areas where we operate, as well as the Code of Ethics and corporate procedures.
- **Transparency**
Fater fosters clear, transparent and full communication at all levels.
- **Fighting Corruption**
Fater is committed to taking all the necessary measures to prevent and avoid corruption.
- **People First**
Fater is inspired by the protection and nurturing of the value of our human resources, and is committed to promoting respect for the physical, moral and cultural integrity of individuals and to increasing their skill set.

The Code of Ethics is an essential part of the **Model 231 – adopted by Fater in 2004** – which represents a **coherent set of principles, rules and provisions** which:

- Affect the organization's internal functioning and the methods through which it relates to the outside world;
- Govern the diligent management of a control system of sensitive activities, aimed at preventing the crimes referred to in Legislative Decree 231/01 from being committed or attempted to be committed;
- Ensure transparent and fair conditions of corporate activities in order to protect the reputation and image of the company and its subsidiaries, the shareholders' interests and the work of its employees;
- Prevent any crimes that may be committed by top managers as well as the people under them, by relieving the organization from any liability in case one of the crimes in D. Lgs. 231/01 were committed.

The Model is constantly updated following the introduction of any new predicate offenses. The latest update was approved in May 2021. To make sure the Model 231 is fully functional and effective, the Shareholders' Meeting appointed the **Supervising Body** (OdV) consisting of three members, which reports to the Board of Directors on their work on a six-monthly basis.

In order to effectively implement the Model 231, Fater ensures **proper dissemination of its content** – including anticorruption policies and procedures – inside and outside the organization. Dissemination is extended not only to employees, but to all those who work to achieve Fater's goals based on contracts in force. Communication and training are based on principles of completeness, clarity, accessibility and continuity and are diversified according to the recipients, so as to enable full **awareness of the provisions they are required to comply with and the ethical standards that must inspire their behavior**.

The **contracts signed** include a special clause informing the counterparty that Fater has adopted a Code of Ethics and an Organizational Model pursuant to D. Lgs. 231/01. The counterparty undertakes to maintain conduct in line with the principles contained in the Model, as well as to disseminate and enforce them among its employees, collaborators and anyone involved in the execution of the contract.

Training on D. Lgs. 231/01 includes anticorruption policies and procedures. This is mandatory for all employees, middle managers and executives and is delivered in asynchronous e-learning mode, with a final qualification test. The training offer on the subject was supplemented with a module dedicated to tax and customs offenses, addressed to those employees who were trained when these offenses were not yet within the scope of the decree. New hires will receive specific training.



Do the Right Thing Week

Within the homonymous pillar of the People First strategy, Fater has created the “**Do the Right Thing Week**”, where compliance functions designed a series of events open to all employees. In particular, **awareness and training** initiatives – including in the form of gamification – were proposed to cover the following topic areas:

- Model 231;
- Health and Safety;
- Anticorruption;
- Public Funding;
- Personal Data Protection;
- Cybersecurity;
- Sustainability;
- Discipline in Advertising.

Fater has put in place a **process to handle internal whistleblowing on corruption episodes** through two whistleblowing channels, respectively related to Model 231 and SA 8000 certification on Corporate Social Responsibility. The process is managed through a specific independent and autonomous platform, which adds to the company’s existing traditional channels (e.g., OdV e-mail). This guarantees the whistleblower the highest degree of transparency, clarity and confidentiality.

In the last three years **no confirmed incidents of corruption were found, nor legal actions were taken for anti-competitive behavior, violation of anti-trust laws or monopoly practices.**

DATA PROTECTION

Fater has adopted a **personal data protection organizational model**, which requires appointment of a Data Protection Officer, appointment by the Board of Directors of privacy representatives, appointment of people authorized to processing and system administrators.

Multiple **personal data processing policies** were set up and adopted, such as those to facilitate the exercise of rights by data subjects, to handle data breaches, on privacy by default and privacy by design principles, risk analysis, data retention, and management of third-party processors.

Fater has also delivered **training** on personal data protection regulations to its employees and workers in charge of data protection in their own company.

Fater also is committed to cyber security: the **ISO 27001** certification, demonstrates attention to informations security. A roadmap has been defined to implement projects to increase the level of security and a new organization has been created to manage the issue.

In the **Cyber Security Bulletin**, published annually and addressed to top management, informations are presented on cyber security scenarios, risks related to possible external attacks, strategies in place, incidents that have occurred, and actions to be taken.

Fater’s strategy includes four categories of action: data, devices, people, and governance & control. A three-year action plan has been defined for each of these pillars and is revised each year based on the various evolving scenarios related to cyber attacks.

“

Privacy and Cyber security issues are critical for Fater.
A good strategy makes it possible to protect company assets and especially its people.

Through our Plans we try to increase staff awareness of the risks associated to each person's behaviors, especially online.

In addition, **Fater has embarked on a very challenging path of Artificial Intelligence adopting**, which will improve productivity, simplifying people's work and reducing process costs.

”

Stakeholders' Voice

Giuseppe Aniceti,
Head of Digital, Automation,
Warehouse Management, GDPR,
Services and Infrastructure



PROTECTION OF HUMAN RIGHTS



GRI 2-23, 2-24



The enforcement of the **SA 8000** policy, which certifies the Corporate Social Responsibility at Fater’s Italian locations, ensures **compliance with:**

- **The Declaration of Human Rights and the ILO documents on respect of workers;**
- **State laws** on occupational safety, minimum working age, fair pay, social security contributions, minimum time between shifts.

On all these aspects, Fater is subject to annual audits by an accredited third-party organization.

SA 8000 standards are applied to Group’s employees as well as to all categories of workers who contribute to the company’s production cycle on various grounds. These include workers who collaborate with the organization and “stakeholders”, such as suppliers of goods and providers of services and their employees, nonprofit entities and associations. The **methods Fater adopts to ensure responsible business conduct** at all levels of the organization and in all its operations and business relations, include:

- Assigning roles and responsibilities (power of attorneys signed by the Employer, HSE organizational chart and job descriptions, HSE expectations signed by all workers);
- Action plans;
- Individual work goals;
- Operating procedures;
- Supplier qualification;
- Mandatory Health, Safety and Environmental education and training to all employees.

To raise awareness within the company about the policy and compliance with the standard, in addition to providing **dedicated training to all employees on SA 8000**, a section of Fater’s intranet provides information materials, including the Code of Ethics.

As regards **whistleblowing** about any crimes committed or illegal conducts under D.Lgs. 231/01, or conducts against the Code of Ethics and the Organization, Management and Control Model, the Supervising Body carries out constant monitoring to ensure compliance. In fiscal year 2022/23 **no nonconformities according to the SA 8000 standard were reported.**

In **foreign locations**, which are not covered by SA 8000 certification, respect for human rights is still guaranteed through compliance with national regulations and the application of the provisions of the local national labor contract in Portugal, and in second-level bargaining in Turkey. Additionally, corporate HR processes and the People First strategy, applied through CoEs, HRBPs and local SPOCs (Center of Expertise, HR Business Partner, Single Point Of Contact), ensure **same treatment in all countries** where the Group operates and monitoring of any reports through listening.

MANAGEMENT SYSTEMS AND CERTIFICATIONS



10
DIFFERENT
CERTIFICATIONS HELD

Gebze
ISO 9001, 14001 AND 45001
CERTIFICATIONS IN 2023



A11
PRODUCTION PLANTS – BOTH IN ITALY AND ABROAD,
INCLUDING OUR CAMPUS – ARE ISO 9001- 14001- E 45001-CERTIFIED

Continuous improvement pursued by Fater in running the business – following quality and safety rules and standards – is supported by **a structured management system and a number of certifications**. In order to ascertain that formal procedures and practices in place are correct, periodic audits are conducted through **regular audits certified** by external organizations.

The policies and certifications adopted by Fater – available for reference in the **Transparency** section on the website <https://www.fatergroup.com/it/trasparenza-politiche-e-certificazioni> – are listed below, for each location.

CERTIFICATION	HQ (SPOLTORE)	PESCARA	CAMPOCHIARO	PORTO (PORTUGAL)	GEBZE (TURKEY)
ISO 9001:2015 Quality Management System	✓	✓	✓	✓	✓
ISO 14001:2015 Environmental Management System	✓	✓	✓	✓	✓
ISO 45001:2018 Occupational Health and Safety Management System	✓	✓	✓	✓	✓
ISO 13485:2016 Medical Device Quality Management System	✓	✓			
ISO 27001:2013 Information Security Management System	✓	✓			
ISO 50001:2011 Energy Management System		✓			
SA 8000:2014 Corporate Social Responsibility	✓	✓	✓		
PEFC ST 2002:2013 Forestry Product Chain of Custody Certification	✓	✓			
EMAS Environmental Management System		✓	✓		
EPD Environmental Product Declaration	✓				

In 2023 the Gebze production plant achieved ISO 9001, ISO 14001 and ISO 45001 certifications. This is a great achievement on the way to **expanding and reinforcing the Group’s management systems**.

ECONOMIC GROWTH AND FINANCIAL PERFORMANCE



+8%
INCREASE IN REVENUES
OVER FY 2021/22

20 mln €
VALUE OF INVESTMENTS
FY 2022/23 (70 MLN € OVER
THE THREE YEARS)

1,020 mln €
ECONOMIC VALUE GENERATED,
95% OF WHICH IS DISTRIBUTED
TO STAKEHOLDERS

BUSINESS PERFORMANCE

During fiscal year 2022/23 many of the markets where Fater Group operates were affected by **demographic factors**. Dropping birth rates, in particular, have caused a decline in the **baby diaper** market. The aging population has reduced the number of childbearing-aged women, causing a negative impact on the **feminine absorbent product** markets, yet producing a positive effect on the **incontinence product** market.

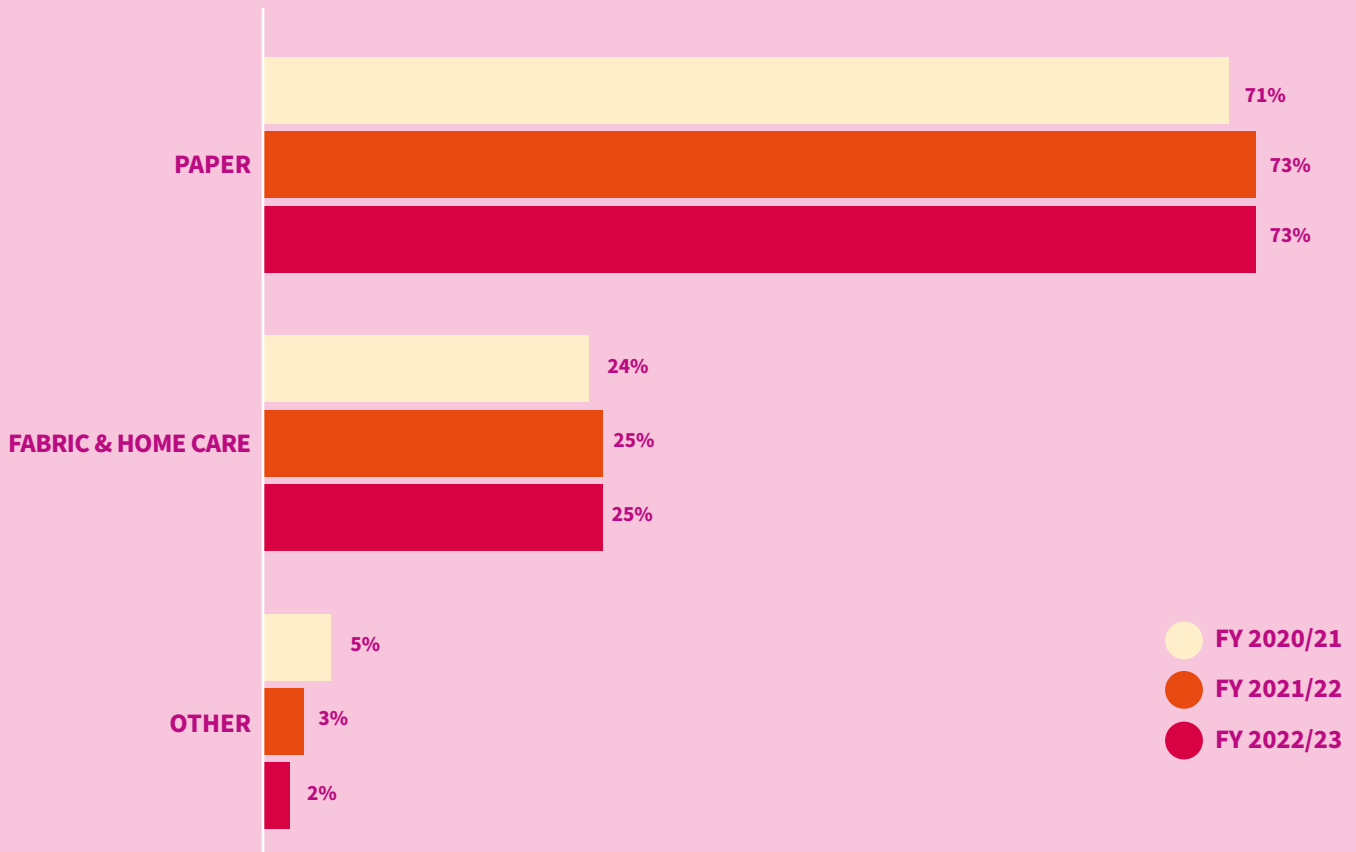
As far as **home and fabric care detergent products**, the post-Covid negative trend of the classic bleach market was partly compensated by the growth in the gentle bleach segment.

Despite the not easy socioeconomic environment, **Fater has served more consumers, therefore improving its market share in almost all the industries it operates in**. This was made possible by the successful **product innovations** and the **business strategy** oriented toward collaboration with distribution partners, including through innovative tools and co-marketing plans.

In fiscal year 2022/23, Fater had to deal with an **overall increase in costs**, mainly due to the price development of energy, cellulose and chemicals.

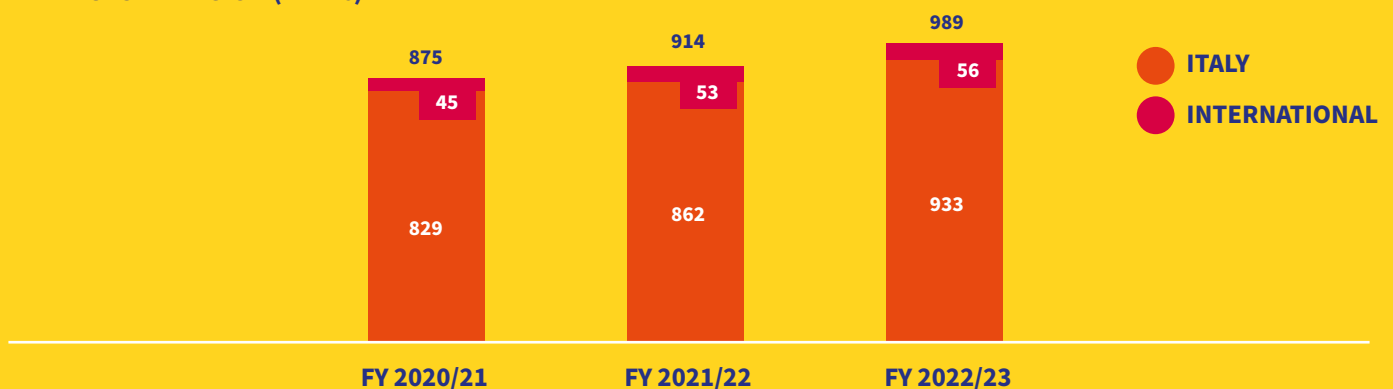
Despite the tough socio-economic environment, **Fater's revenues in the last three fiscal years have grown (+8% FY 2021/22)**.

REVENUES BY PRODUCT CATEGORY



Most revenues steadily come from **Paper** products: 73% in the last fiscal year, slightly increasing over the three years (71% in fiscal year 2020/21). In terms of geographical distribution, **94% of Fater's revenues are concentrated in the Italian market**, with a stable trend over the three years. In absolute value, the foreign market turnover is about 56 million euros, a 5% increase vs previous fiscal year.

REVENUES BY REGION (MLN €)



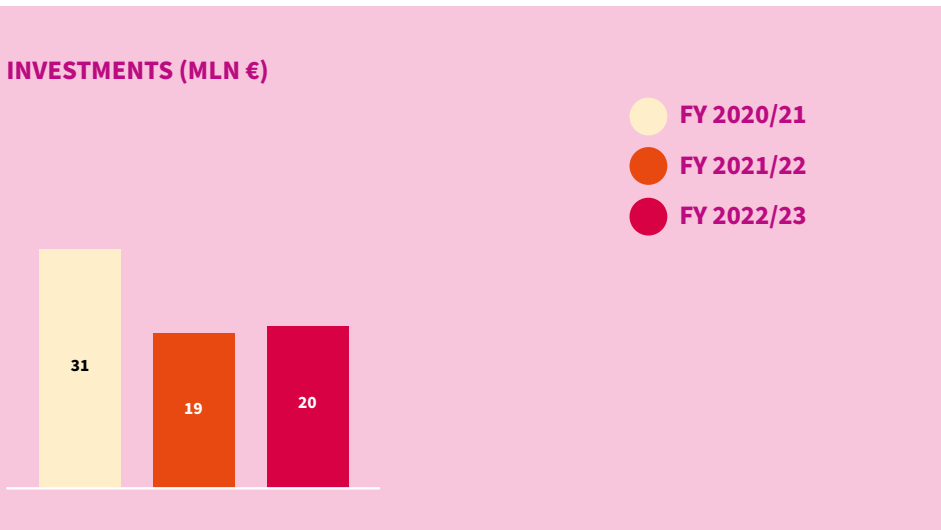


INVESTMENTS

GRI 203-1

In order to grow its market share and thus maintain a competitive position in its target sectors, Fater **has invested more than 70 million euros over the three years**. The main investments made on sites, plants and processes involve **machinery, systems and facilities, technology upgrades and modernization of production premises**.

Also, we have strengthened our **research and development activities to back product innovation**, conducted by the Technology Innovation Department with the cooperation of researchers and consultants and the use of appropriate instruments and equipment.



When assessing the economic and financial aspects of the investments to be made, Fater takes sustainability impacts into strong consideration as part of the broader analysis of the value creation of each project. The **environmental impact** – expressed by LCA indicators and the reduction in CO₂ emissions – **is indeed a decisive element for business decisions**.

ECONOMIC VALUE GENERATED AND DISTRIBUTED



THE ECONOMIC VALUE GENERATED AND DISTRIBUTED IS A COMPANY'S ABILITY TO CREATE WEALTH AND DISTRIBUTE IT AMONG ITS STAKEHOLDERS. MOST OF THE ECONOMIC VALUE GENERATED BY FATER IS DISTRIBUTED TO THE STAKEHOLDERS WE INTERACT WITH IN RUNNING OUR BUSINESS, IN ORDER TO ENSURE ECONOMIC STABILITY ON THE MEDIUM AND LONG RUN AND MEET STAKEHOLDERS' EXPECTATIONS FROM US.

Thus, the **economic value distributed** is the portion of the economic value generated that Fater distributes to its stakeholder categories, such as:

- **SUPPLIERS:** All the costs for the purchase of resources, materials, goods and services that Fater pays to its suppliers;
- **STAFF:** Salaries, wages, social security and welfare charges of Fater employees;
- **PROVIDERS OF CAPITAL:** Interests and other financial charges that Fater is paying to its providers of capital;
- **SHAREHOLDERS:** The share of dividends from the profit for the year that Fater distributes to its shareholders;
- **GOVERNMENT:** All current taxes⁵² paid by Fater, in compliance with tax regulations of the Countries it operates in, net of public contributions received;
- **COMMUNITY:** The share of economic value generated and given to the local community, including any donations, investments, sponsorships and collaborations.

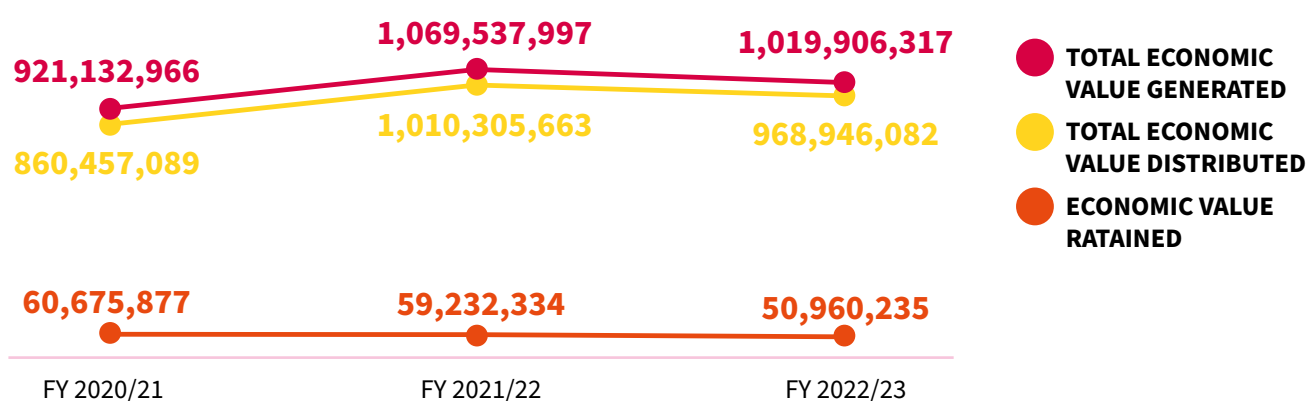
The **economic value retained** resulting from the difference between the economic value generated and the economic value distributed, is the set of financial resources used to ensure economic growth and asset stability of the Group, as well as to create new wealth for the benefit of stakeholders.

52. Only current taxes are reported, not deferred taxes or advance tax payments, in compliance with the accrual-based principle required by the GRI standard.

VALUE ADDED (€)	FY 2020/21	FY 2021/22	FY 2022/23
Production value ⁵³	883,535,006	912,260,636	990,768,944
Other revenues and income	26,518,000	23,117,478	25,745,054
Financial income ⁵⁴	11,079,960	134,159,883	3,392,319
Economic value generated	921,132,966	1,069,537,997	1,019,906,317
Operating costs	645,888,410	679,737,274	767,018,295
Employee wages and benefits	119,502,774	119,527,382	129,678,500
Payments to providers of capital	743,146	565,827	2,670,250
Payments to shareholders ⁵⁴	78,204,819	199,818,108	60,929,138
Payments to government ⁵²	15,730,040	10,079,073	8,096,448
Community investments	387,900	578,000	553,451
Economic value distributed	860,457,089	1,010,305,663	968,946,082
Amortization, depreciation and adjustments	58,683,727	59,511,834	44,820,099
Provisions for risks and other provisions	1,992,149	-279,500	6,140,136
Fiscal year result allocated to reserves (Profit – distributed dividends)	-	-	-
Economic value retained	60,675,877	59,232,334	50,960,235

In fiscal year 2022/23, the economic value generated was over 1,020 million euros, while the economic value distributed was over 971 million euros. **Therefore, Fater has distributed 95% of the wealth it generated to its stakeholders.** The economic value retained in fiscal year 2022/23 was over 50 million euros.

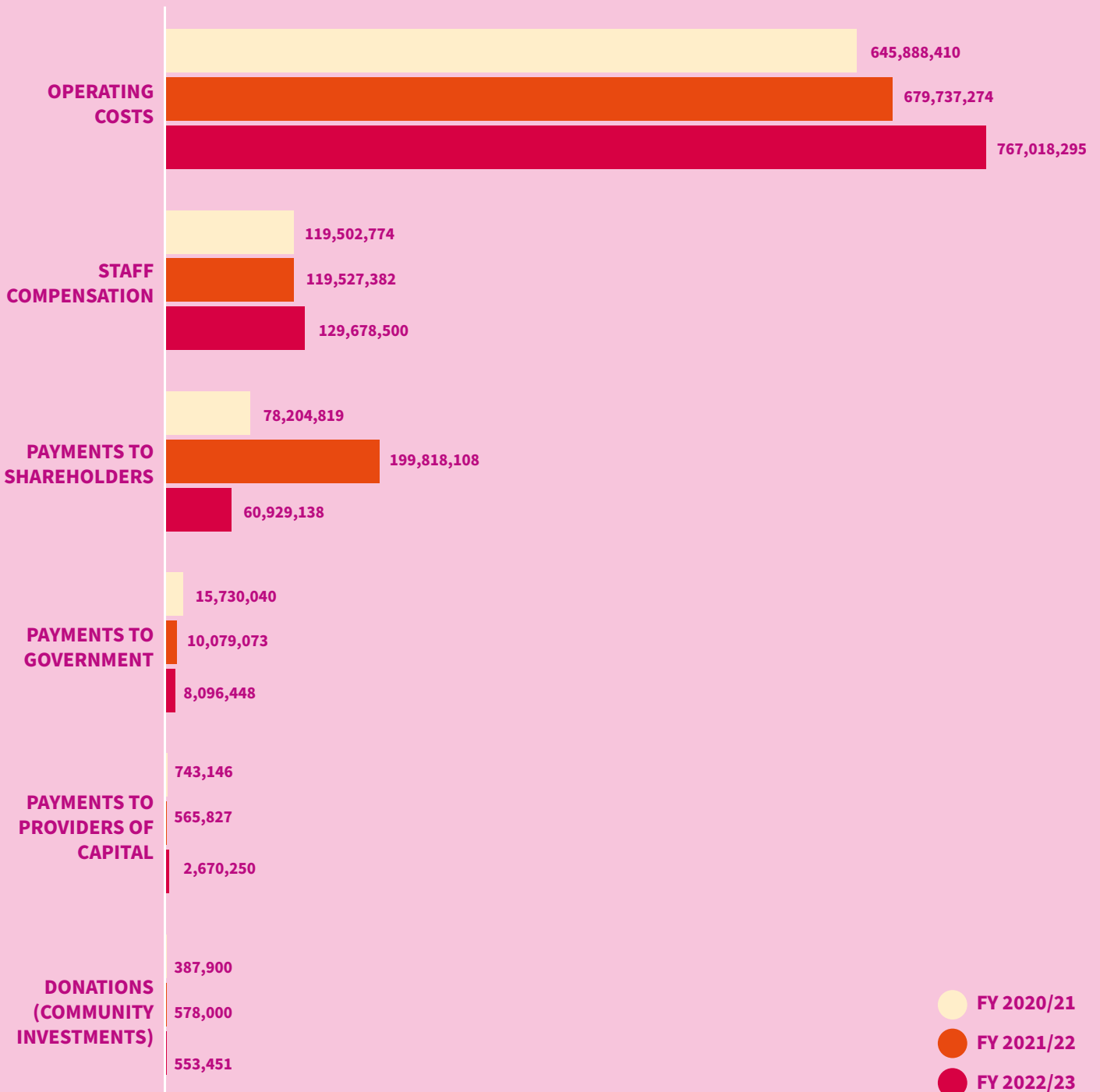
ECONOMIC VALUE GENERATED, RETAINED AND DISTRIBUTED (€)



53. The difference between the value of production shown here and the revenues displayed in the “Business Performance” section is due to changes in product inventories.

54. FY 2021/22 value includes a capital gain from the sale of equity investment of 120.2/MM Euros.

ECONOMIC VALUE DISTRIBUTED (€)



APPROACH TO TAX



GRI 207-1, 207-2, 207-3

Fater is committed to managing taxation by ensuring **full compliance with current regulations**. The approach taken is based on the principles of **prudence, accountability and transparency** toward tax authorities and all stakeholders.

More specifically, Fater's **goals** in its approach to taxation are the following:

- Keep tax risks under control and safeguard the Company's reputation;
- Properly quantify and timely fulfill tax obligations;
- Disseminate corporate culture on tax compliance;
- Train and develop the skills of people involved in business processes associated with tax risks.

At the organizational level, the tax area is led by the CFO (Chief Financial Officer), who is the organization's legal representative on tax matters. The corporate unit dealing with taxation is constantly updated on changes in the relevant regulations and, in case of doubts about the correct interpretation of relevant regulations, it is supported by leading professional firms.

The tax function is constantly involved in ordinary business operations and extraordinary business operations (M&A), both in contract negotiation and execution, in order to ensure that operations are carried out in compliance with regulations. To this end, the organization has **adequate control systems based on the principles of segregation, traceability, and execution of audits**.

The Organization, Management and Control Model was duly updated with the introduction of tax and customs offenses, following regulatory changes that have introduced the administrative liability of companies for the aforementioned offenses as well. Fater has therefore developed an accurate internal control system to prevent tax crimes relevant to the administrative liability regime under Legislative Decree 231/2001, based on its risk profile.

Fater also has **well-established operational processes** to make sure statements are always true in both form and substance and that define how to check them. A separate authorization process is in place to approve the content of tax return and payment forms, and to file them to the Tax Authority. Tax returns are pre-checked and signed by a leading auditing firm before being transmitted electronically.

As a company of remarkable size, Fater is subject to annual **tutoring and monitoring** by the Italian Revenue Agency. This instrument allows the Organization to engage in continuous and transparent communication with the Tax Authority to fully comply with tax obligations.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

▶ **GRI 204-1, 308-1, 414-1**



232

SUPPLIERS FOR PRODUCTION,
78% OF WHICH ARE SCREENED
AGAINST SOCIAL CRITERIA
CONSIDERED FOR SA 8000
CERTIFICATION

51%

LOCAL SUPPLIERS BASED
ON PLANT LOCATION
(PRODUCTION OPERATIONS)

353 mln €

SPEND FOR SUPPLIES
(PRODUCTION)

WE ARE AWARE OF THE POSSIBLE INDIRECT EFFECTS OUR CHOICES AND BUSINESS MAY HAVE THROUGHOUT THE SUPPLY CHAIN. AS A MATTER OF FACT, PRODUCT SUSTAINABILITY CANNOT BE MEASURED ONLY BY CONSIDERING THE IMPACT OF ITS PRODUCTION AND DISPOSAL. IN FACT, IT ALL STARTS WITH A RESPONSIBLE CHOICE OF MATERIALS AND RAW MATERIALS THAT MAKE UP THE PRODUCT.

Over the years, Fater Group has built **strong and transparent relationships with its suppliers** across the globe. Therefore, the sustainability journey requires also to manage the supply chain to reduce the negative impact of products along the whole value chain. **Social and environmental aspects are gaining more and more relevance** in the procurement process: when choosing new suppliers, the Group gives preference to those that are able to guarantee high **quality and reliability** standards, through a selection and qualification process that increasingly values compliance with **ESG criteria**.

There are three main projects the Group is currently working on:

- Create the **Supplier Code of Conduct**, a set of principles and behaviors which to demand awareness from main suppliers;
- Implement the **Ecovadis** platform to embed ESG criteria into the selection of suppliers, through a gradual process starting from the most relevant suppliers of raw materials for our production;
- Hold **one-to-one meetings** to share commitment and action by sharing decarbonization goals, specific targets and data on CO₂ emission levels of each supplier.

Incorporating additional environmental criteria will be one of the main pillars for Fater to achieve the ambitious **decarbonization targets** set and to reduce its environmental impacts.

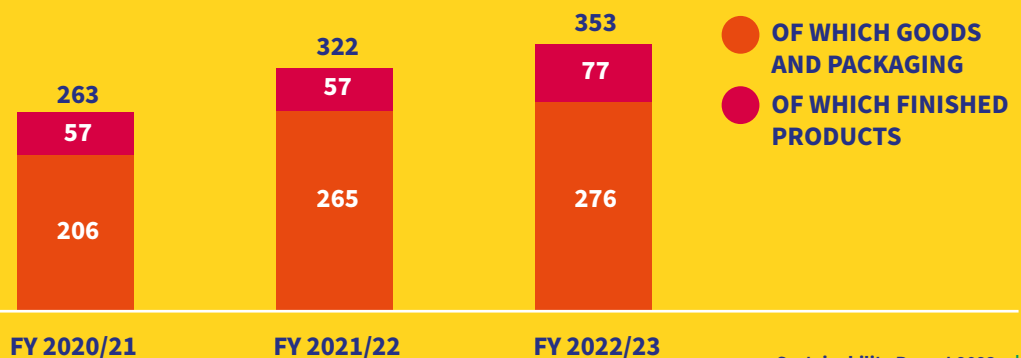
Not only the environment. We deeply care about the **protection of human rights, health and safety, and the fight against corruption**, consistently with the values and principles expressed in the Code of Ethics, which all materials suppliers are required to respect. Also, when selecting suppliers, in addition to verifying they possess the SA 8000 certification, all suppliers are given a self-assessment questionnaire about their compliance with the standard. For suppliers who do not hold that certification, a **declaration of compliance with Fater’s SA 8000 requirements** is required to be signed at the start of the relationship with the Group. Additionally, has been started in FY 2023/24, which will first involve key suppliers in terms of relevance and risk level.

SUPPLIES FOR PRODUCTION OPERATIONS

If we look at the **supply chain for production operations in plants**, in the last fiscal year Fater used 232 suppliers of raw materials, packaging and finished products (contractors and subsidiaries).

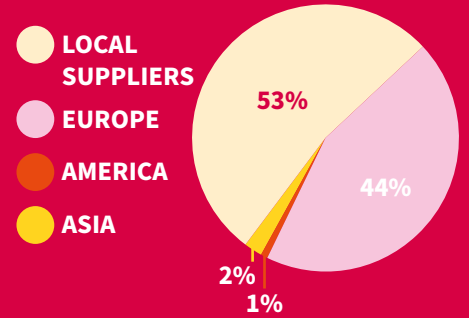
Overall, in fiscal year 2022/23 the spend on production supplies hit 353 million euros. This figure has been **strongly going up over the three years** to back a larger production (+1% FY 2021/22) and due to the general increase in prices. Purchase of raw materials and packaging amounted to 276 million euros and accounted for 78% of the total expenses considered, in line with previous fiscal years.

VALUE OF SUPPLIES FOR PRODUCTION OPERATIONS (MLN €)

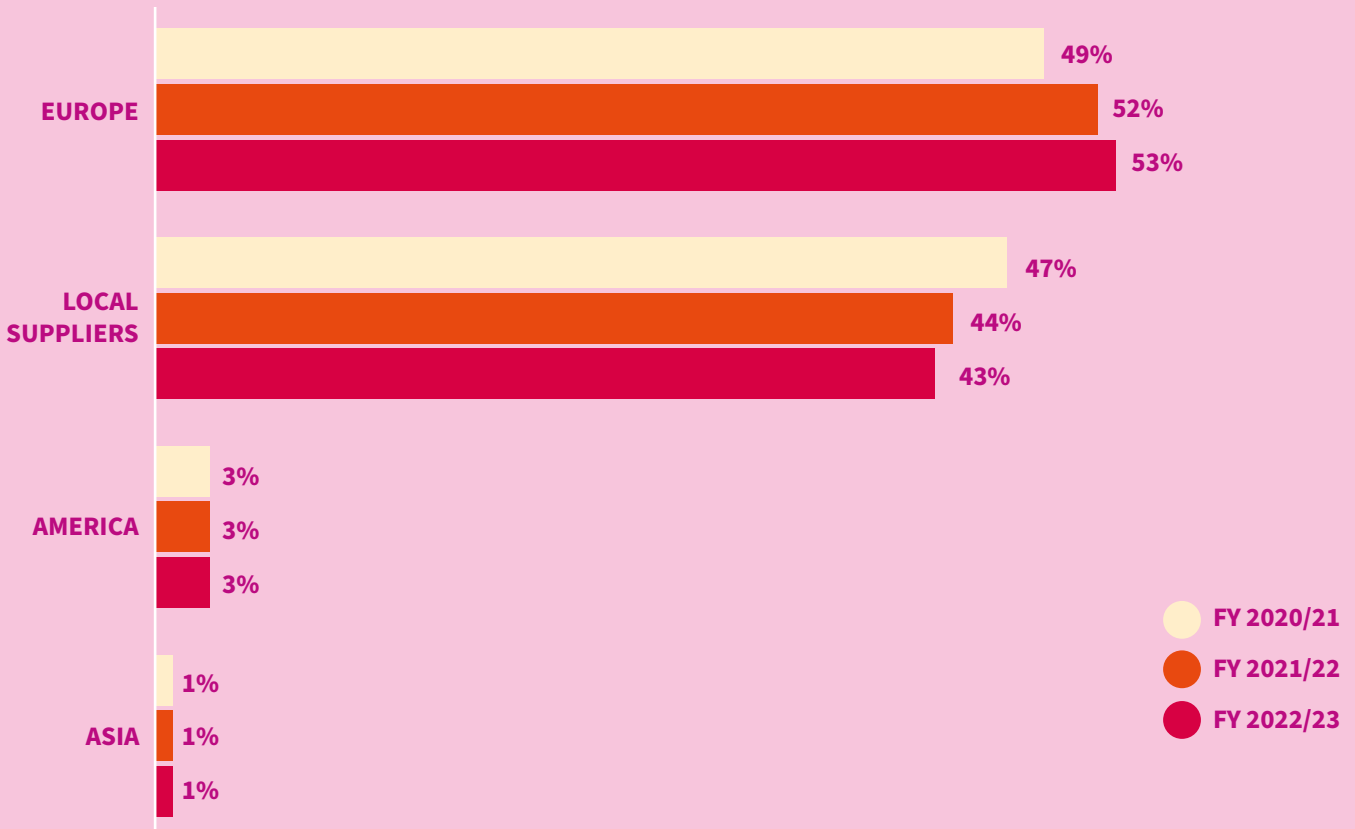


In the last fiscal year, **about 53% of goods and packaging suppliers are based in the State where Fater plants are located and are therefore considered local**, while 44% are not considered local but they are located in Europe. The spend on local suppliers amounts to 43%.

GEOGRAPHY OF GOODS AND PACKAGING SUPPLIERS FY 2022/23

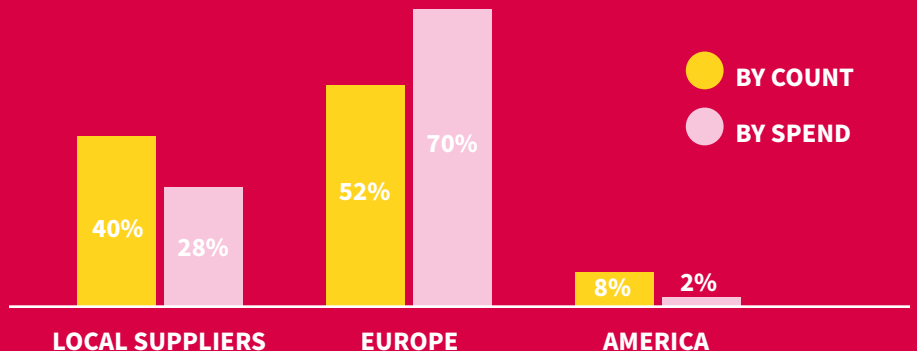


PERCENTAGE OF SPEND FOR GOODS AND PACKAGING SUPPLIERS BY GEOGRAPHY



As for **finished product suppliers**, 40% is from local areas, making up 28% of budget, as opposed to 70% of spend allocated for European suppliers (non-local).

GEOGRAPHY OF FINISHED PRODUCT SUPPLIERS FY 2022/23



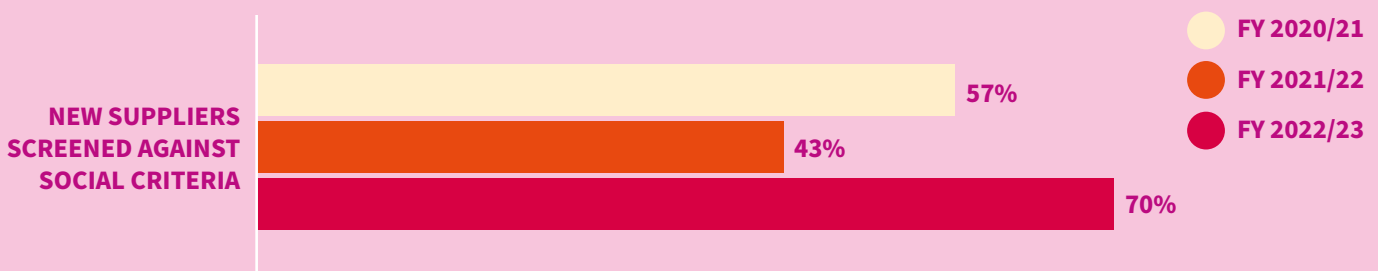
The supplier selection process focuses on the **evaluation of social criteria**. In the last fiscal year, 78% of suppliers were screened against those criteria, with a remarkable increase over the three years, compared with 3% screened against environmental criteria.

SUPPLIER SOCIAL AND ENVIRONMENTAL ASSESSMENT



The use of environmental indicators in the selection phase was actually introduced in recent years starting from the procurement of **cellulose**, a particularly relevant raw material for the Group’s production process. To purchase said raw material, Fater decided to **source only from suppliers certified under PEFC** (Programme for the Endorsement of Forest Certification) for sustainable forest management. Also, Fater buys high-quality recycled plastic for the primary packaging of some of its best-selling products.

SOCIAL ASSESSMENT OF NEW SUPPLIERS*



* New suppliers have not been screened using environmental criteria yet.



GRI CONTENT INDEX

GRI CONTENT INDEX

DECLARATION OF USE	This Sustainability Report shows the following GRI disclosures for the time frame 1 July 2020 – 30 June 2023 for Fater S.p.A. company, according to GRI Standards.
GRI 1 USED	GRI 1 – Foundation 2021

GRI STANDARD	DISCLOSURE	PAGE	DIRECT ANSWER
GRI 2: General Disclosures – 2021	2-1 Organizational details	16, 20	Business Model – Group Structure
	2-2 Entities included in the organization’s sustainability reporting	6	Methodological note
	2-3 Reporting period, frequency and contact point	6	Methodological note
	2-4 Restatements of information	6	Methodological note
	2-5 External assurance	174	Auditor’s Report
	2-6 Activities, value chain and other business relationships	12, 16	The Fater Group – Our History – Business Model
	2-7 Employees	44	Staff Profile
	2-8 Workers who are not employees	44	Staff Profile
	2-9 Governance structure and composition	20	Fater S.p.A. Governance Bodies
	2-10 Nomination and selection of the highest governance body	20	Fater S.p.A. Governance Bodies
	2-11 Chairman of the highest governance body	20	Fater S.p.A. Governance Bodies
	2-12 Role of the highest governance body in overseeing the management of impacts	25	Sustainability Governance
	2-13 Delegation of responsibility for managing impacts	25	Sustainability Governance
	2-14 Role of the highest governance body in sustainability reporting	25	Sustainability Governance
	2-15 Conflict of interest		The Code of Ethics prohibits to operate in conflict of interest

	2-17	Collective knowledge of the highest governance body	25	Sustainability Governance
	2-18	Evaluation of the performance of the highest governance body	60	Compensation Policies
	2-19	Remuneration policies	60	Compensation Policies
	2-20	Process to determine remuneration	60	Compensation Policies
	2-21	Annual total compensation ratio	60	Compensation Policies
	2-22	Declaration on sustainable development strategy	4	Letter to the stakeholders
	2-23	Policy commitments	154	Protection of human rights
	2-24	Embedding policy commitments	154	Protection of human rights
	2-26	Mechanisms for seeking advice and raising concerns	148	Code of Ethics and Model 231
	2-28	Membership associations	103	Membership associations
	2-29	Approach to stakeholder engagement	26	Fater's Stakeholders – Sustainability Topics
	2-30	Collective bargaining agreements	44	Staff Profile
GRI 3: Material Topics – 2021	3-1	Process to determine material topics	26	Sustainability Topics
	3-2	List of material topics	26	Sustainability Topics
	3-3	Management of material topics		The whole paper
GRI 201: Economic Performance – 2016	201-1	Direct economic value generated and distributed	160	Economic Value Generated and Distributed
GRI 203: Indirect Economic Impacts – 2016	203-1	Infrastructure investments and services supported	159	Investments
GRI 204: Procurement Practices – 2016	204-1	Proportion of spending on local suppliers	164	Supplies for Production Operations
GRI 205: Anti-corruption – 2016	205-2	Communication and training about anti-corruption policies and procedures	148	Business Ethics and Transparency
	205-3	Confirmed incidents of corruption and actions taken	148	Business Ethics and Transparency – No corruption incidents were reported during the reporting period at hand

GRI 206: Anti-competitive Behavior – 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	148	Business Ethics and Transparency – No legal actions were taken for anti-competitive behavior or violation of anti-trust laws during the reporting period at hand
GRI 207: Tax – 2019	207-1	Approach to tax	163	Approach to Tax
	207-2	Tax governance, control, and risk management	163	Approach to Tax
	207-3	Stakeholder engagement and management of concerns related to tax	163	Approach to Tax
GRI 302: Energy – 2016	302-1	Energy consumption within the organization	123	Energy Consumption
	302-3	Energy intensity	123	Energy Consumption
	302-4	Reduction of energy consumption	123	Energy Consumption
GRI 303: Water and Effluents – 2018	303-1	Interactions with water as a shared resource	128	Water Resources
	303-3	Water withdrawal	128	Water Resources
	303-4	Water discharge	128	Water Resources
	303-5	Water consumption	128	Water Resources
GRI 305: Emissions – 2016	305-1	Direct (Scope 1) GHG emissions	117	Climate Change
	305-2	Energy indirect (Scope 2) GHG emissions	117	Climate Change
	305-3	Other indirect (Scope 3) GHG emissions	117	Climate Change
	305-4	GHG emissions intensity	117	Climate Change
	305-5	Reduction of GHG emissions	117	Climate Change
GRI 306: Waste – 2020	306-2	Management of significant waste-related impacts	132	Waste
	306-3	Waste generated	132	Waste
	306-4	Waste diverted from disposal	132	Waste
	306-5	Waste directed to disposal	132	Waste
GRI 308: Supplier Environmental Assessment – 2016	308-1	New suppliers that were screened using environmental criteria	164	Responsible Supply Chain Management
GRI 401: Employment – 2016	401-1	New employee hires and employee turnover	49	Attraction and Recruitment Process
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	75	Corporate Welfare
	401-3	Parental leave	78	Parenthood

GRI 403: Occupational Health and Safety – 2018	403-1	Occupational health and safety management system	67	Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	67	Health and Safety
	403-3	Occupational health services	67	Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	67	Health and Safety
	403-5	Worker training on occupational health and safety	69	Health and Safety Training
	403-9	Work-related injuries	72	Injuries and Occupational Diseases
	403-10	Work-related ill health	72	Injuries and Occupational Diseases
GRI 404: Training and Education – 2016	404-1	Average hours of training per year per employee	53	Human Capital Training and Development
	404-2	Programs for upgrading employee skills and transition assistance programs	53	Human Capital Training and Development
	404-3	Percentage of employees receiving regular performance and career development reviews	53	Human Capital Training and Development
GRI 405: Diversity and Equal Opportunity -2016	405-1	Diversity of governance bodies and employees	20, 63	Fater S.p.A. Governance Bodies – Diversity, Equality and Inclusion
GRI 413: Local Communities – 2016	413-1	Operations with local community engagement, impact assessments, and development programs	100	Relationship with the Local Community
GRI 414: Supplier Social Assessment – 2016	414-1	New suppliers that were screened using social criteria	164	Responsible Supply Chain Management
GRI 417: Marketing and Labeling – 2016	417-1	Requirements for product and service information and labeling	86	Product quality and safety

Fater S.p.A.
Independent Auditors' Report

Sustainability Report 30 June 2023

VLNE/GPCQ/sac - RC036892023BD1883



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Independent Auditors' Report on the Sustainability Report 2023

To the Board of Directors of
Fater S.p.A.

We have been engaged to perform a limited assurance engagement on the Sustainability Report of Fater S.p.A. for the year ended on June, 30 2023.

Responsibilities of the Directors for the Sustainability Report

The Directors of Fater S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "GRI Sustainability Reporting Standards (GRI Standards)" issued by the GRI - Global Reporting Initiative, as described in the paragraph "Methodology" of the Sustainability Report identified by them as reporting standards.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Sustainability Report that is free from material misstatements, whether due to frauds or errors.

The Directors are also responsible for the definition of the objectives regarding the sustainability performance and the reporting of the achieved results, as well as for the identification of the stakeholders and the significant matters to report.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express, based on the procedures performed, our conclusion about the compliance of the Sustainability Report with the requirements of the GRI Standards. We carried out our work in accordance with the criteria established in the *International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised")*, issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with *ISAE 3000 Revised*, and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the Sustainability Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

Specifically, we carried out the following procedures:

Bari, Bologna, Brescia, Cagliari, Firenze, Genova, Milano, Napoli, Padova, Palermo, Roma, Torino, Verona

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1. analysis of the process relating to the definition of material aspects included in the Sustainability Report, with reference to the criteria applied to identify priorities for the different stakeholder categories and to the internal validation of the process results;
2. comparison of economic and financial data included in the specific paragraph of the Sustainability Report with those included in the Financial Statements of Fater S.p.A.;
3. analysis of processes that support the generation, collection and management of data and information to the department responsible for the preparation of the Sustainability Report.

In particular, we have performed interviews and discussions with the management of Fater S.p.A. to gather information about the accounting and reporting systems used in preparing the Integrated Report, as well as on the internal control procedures supporting the gathering, aggregation, processing and transmission of data and information to the department responsible for the preparation of the Sustainability Report.

Furthermore, for significant information, taken into consideration the activities and the characteristics of the Company:

- a) with reference to the qualitative information contained in the Sustainability Report, we carried out interviews and we have acquired supporting documentation to verify its consistency with the available evidence;
- b) with reference to quantitative information, we carried out both analytical procedures and limited checks to ascertain, on a sample basis, the correct aggregation of data.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Fater S.p.A. for the period ended on June, 30 2023 is not prepared, in all material respects, in accordance with the “GRI Sustainability Reporting Standards (GRI Standards)” issued by the GRI - Global Reporting Initiative, as described in the paragraph “Methodology” of the Sustainability Report.

Rome, 16 April 2024

BDO Italia S.p.A.

Signed in the original by

Vittorio Leone

Partner

This report has been translated into English language from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.



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