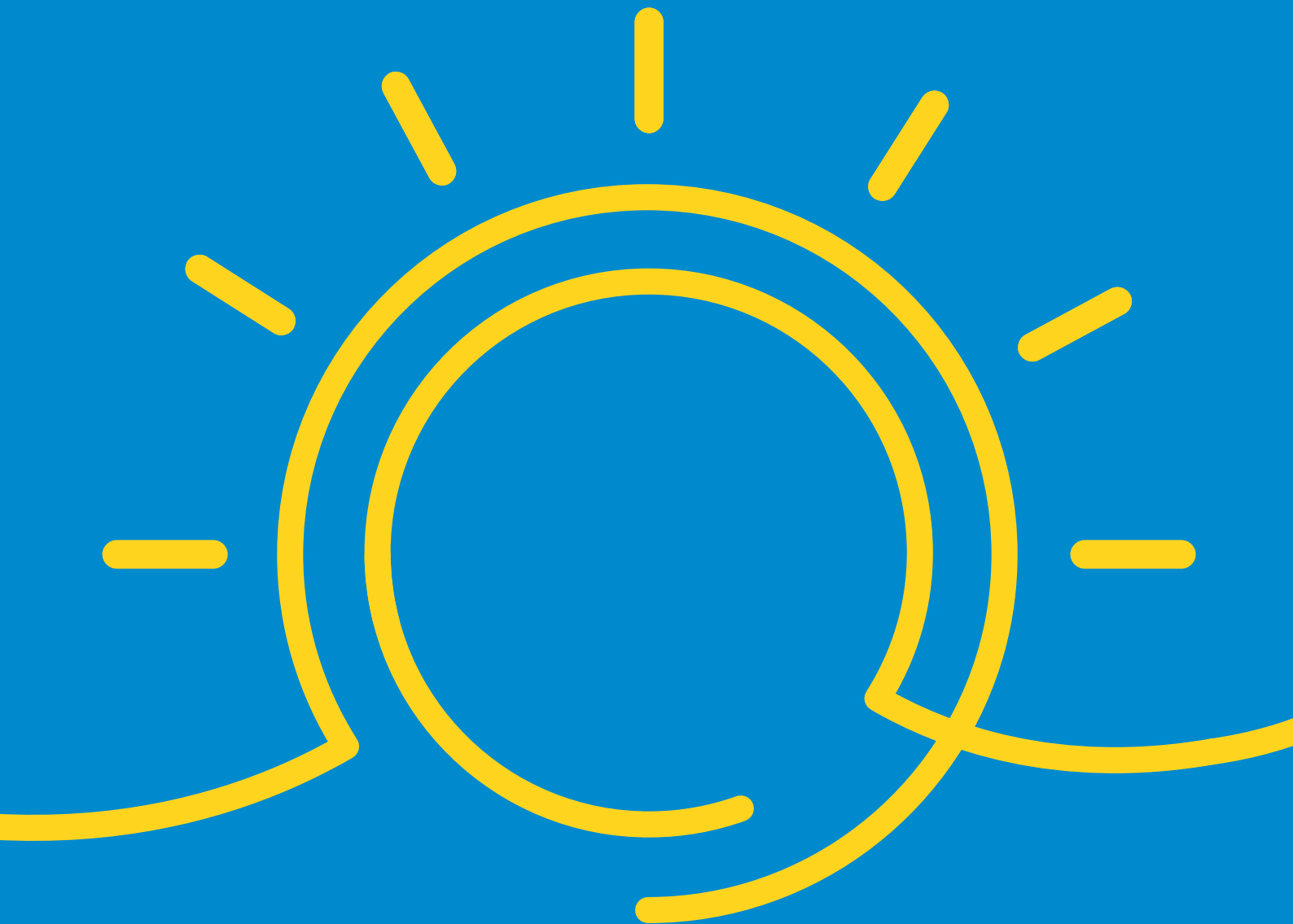


Every Day Matters

SUSTAINABILITY REPORT 2023/24



pater

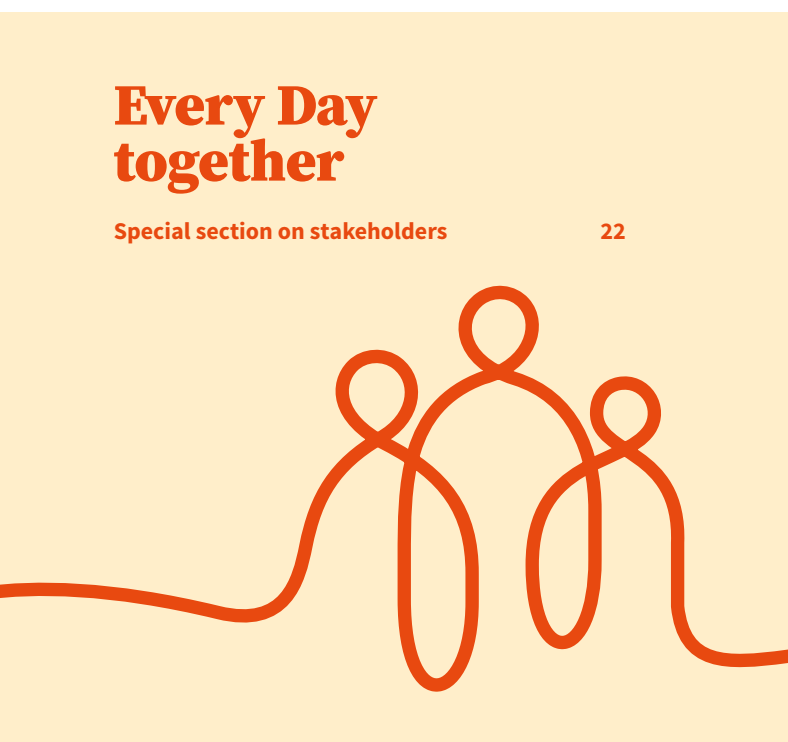
Angelini Industries
P&G

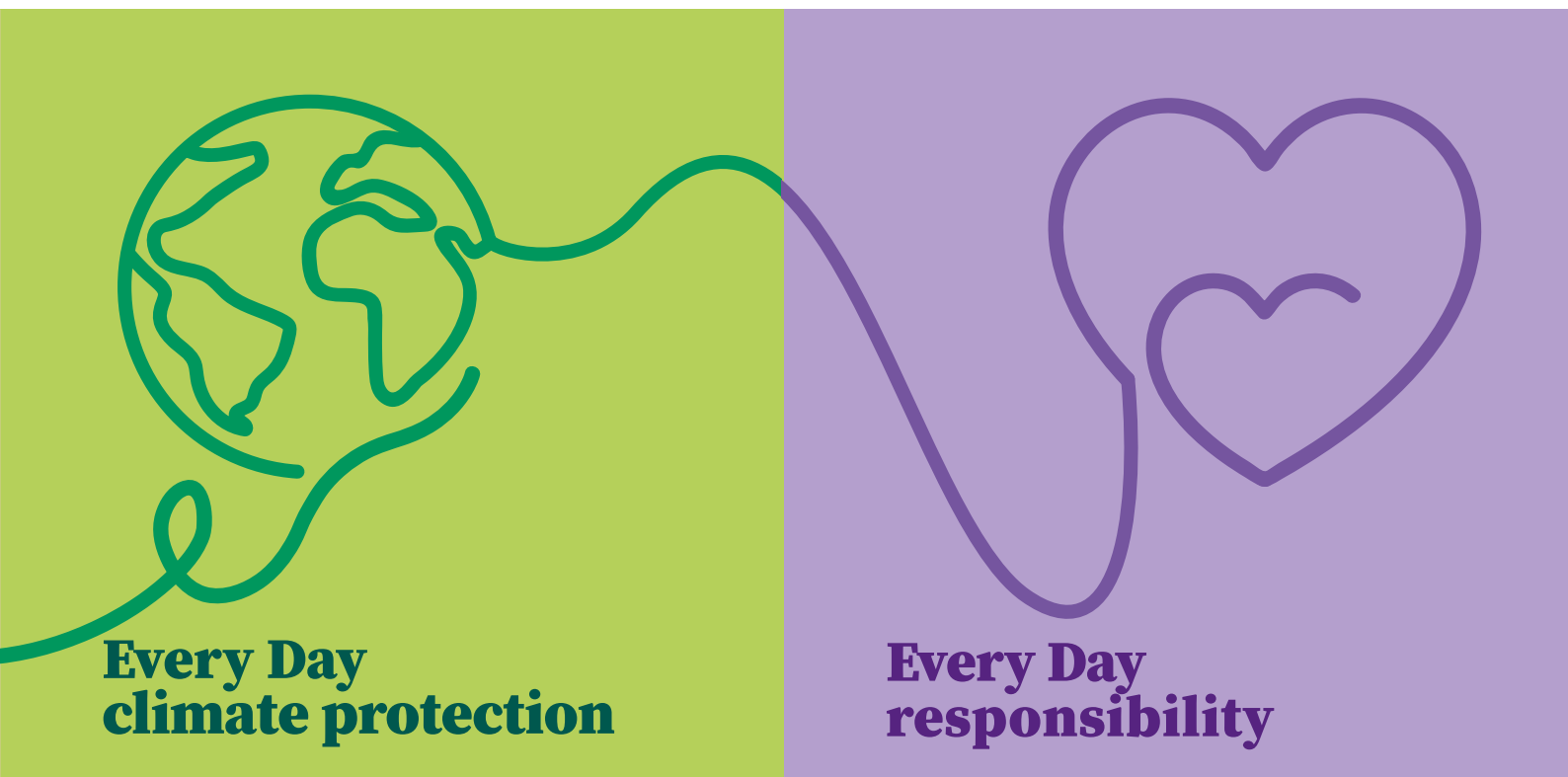
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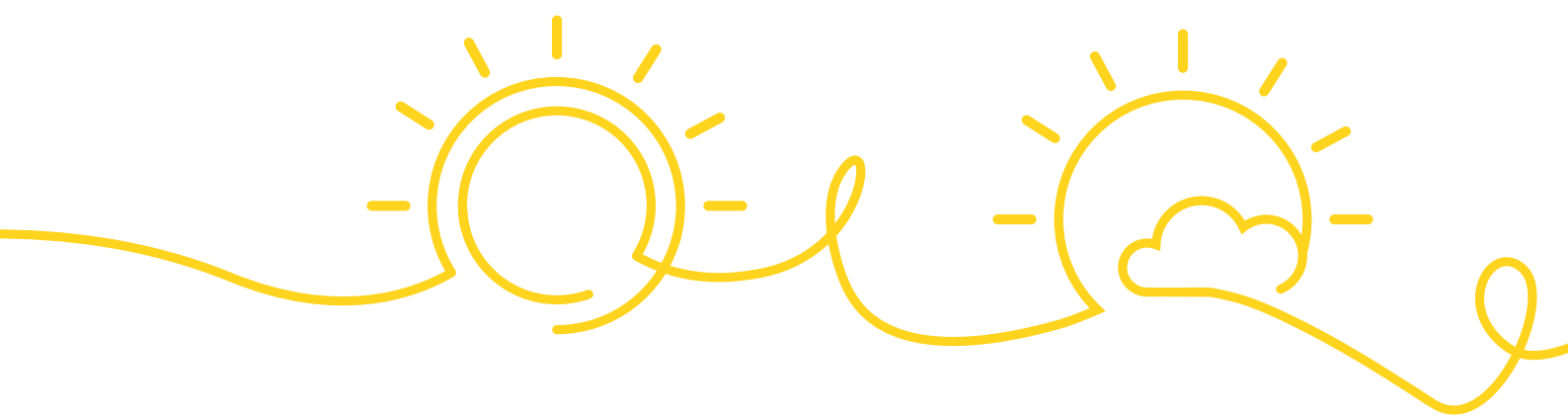
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Every Day Matters

SUSTAINABILITY REPORT **2023/24**



Introduction

The Sustainability Report of Fater S.p.A. Group (hereinafter “Fater”) offers a detailed overview of the actions taken and the progress made by the Group in the field of sustainability, following the United Nations principle of “leaving no one behind”.

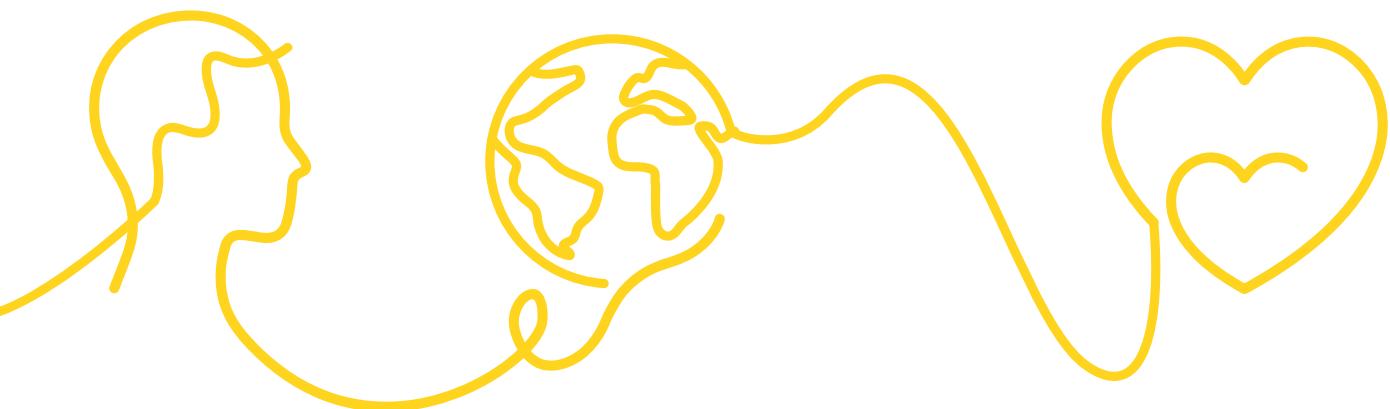
What can you expect to find in the document? The introduction of the Report opens with a message to stakeholders, followed by the methodological note and an analysis of the main data and events that marked Fater's activity in the fiscal year (FY) 2023/24. It continues by presenting the Group, exploring the business model and governance.

New this year is the **special section “Every Day together”**, which collects feedback from external stakeholders to understand the perception of the company and identify areas for improvement. This includes the perspectives, concerns and ideas of key stakeholders across the value chain.

The **first chapter – “Every Day sustainability”** focuses on Fater's sustainability vision and its commitment to sustainable development, from the presentation of the path for defining the sustainability model to the commitments that the Group has decided to make through the formalization of a Sustainability Plan.

In the following chapters, the focus shifts to the areas of sustainability identified as most significant for the Group: **People – “Every Day a better society”** (Chapter 2), the **Environment – “Every Day climate protection”** (Chapter 3), and **Responsible Governance – “Every Day responsibility”** (Chapter 4).

In conclusion, the **“Appendix”** section provides insights into the Reporting Standards used – the Global Reporting Initiative Standards, as well as the independent practitioner's assurance report.



Esteemed Stakeholders,

We are delighted to present our Sustainability Report for fiscal year 2023/24. As always, for us at Fater, this moment gives the chance to tell the story of the path we have taken, the many things we have learned and, above all, to renew our commitment to a more sustainable and responsible future.

Listening and an open dialogue with our stakeholders is always our starting point. Following on from what we started in the last report, we have therefore dedicated a specific section to our stakeholders – “Every Day together”. It is an insert of major importance for us both because it represents the voice of those who look at Fater from the outside, and because sustainability can be achieved only if we team up and work together.

I am confident that you too will observe how the commitment that, a few years ago, drove us to place sustainability at the center of our “People First” transformation process towards a more open and impactful business model is growing every year.

I would like to review the main innovations that you will find in the document, with the hope they will engaging to read as it was for us to make .

Every Day a better society. We have made further progress in reducing the gender pay gap by implementing concrete plans to accelerate its reduction to zero, always in compliance with meritocracy criteria. In addition to this, with the collaboration of an external partner, we have started a solid process of analysis of our Brand Purpose initiatives. This is an important first step that will help us in the future to measure more consistently the change generated by our activities in the communities in which we operate and, therefore, to set ourselves even more specific goals.

Every Day climate protection. We have reduced our overall corporate carbon footprint by 4%¹, which is even more positive because it was achieved in a new year of growth in business results. We have expanded the scope of measurement of the reduction of virgin plastic in primary packaging, also including finished products purchased from suppliers in Fabric & Home Care category. This change represents a big step forward compared to the past, in which only in house products were considered. In order to remain consistent with our goals of decarbonization and reducing virgin plastic, we have also extended our focus to changing the materials and packaging of existing products, rather than just the raw materials of new products.

Letter to the Stakeholders

¹ Reduction towards FY 2020/21 baseline.

Every Day responsibility. We have made significant steps in the evolution of our ESG KPIs to make them even more representative of the implemented actions and of their effects on the environment and people. Our commitment to sustainability is also reflected in the evolution of the measurement criterion in “Sustainable by Design” area, moved to the pillar of Governance, since it represents process driving innovation.

These outcomes are the result of the constant commitment of many women and men inside and outside Fater, who work every day for a more sustainable future and to whom I would like to express all my gratitude. These results will be even more meaningful if they are enriched by listening to your comments and suggestions that might help us ask ourselves new questions and think about how to improve.

As we say in Fater, “Every Day Matters” to work for a more sustainable future, always putting people first.

Enjoy reading!

Antonio Fazzari,
*General Manager and
Chief Operating Officer of Fater*



Methodological note

FATER'S THIRD SUSTAINABILITY REPORT

Fater has embarked on a path to measure and communicate the economic, social and environmental value produced. This Third Edition of the Sustainability Report presents a new aspect: the special **“Every Day together”** section that collects **feedback from external stakeholders to understand the perception of the company and identify areas for improvement**. This includes the perspectives, concerns and ideas of key stakeholders across the value chain.

REPORTING PERIOD AND STANDARDS

This Sustainability Report refers to the financial year from **July 1, 2023, to June 30, 2024** (fiscal year or FY 2023/24). Where possible or deemed appropriate, the data relating to the last financial year have been compared with the information relating to FY 2021/22 and 2022/23, enabling all stakeholders to track and assess performance over time.

The GRI Sustainability Reporting Standards of the Global Reporting Initiative (GRI) have been adopted as the technical and methodological framework, using the *“with reference to”* option.

REPORTING SCOPE

The reporting scope considered in this Report includes the Italian headquarters and the production plants in Italy of the company 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 100% controlled by Fater S.p.A. The sales offices in Romania and Turkey are excluded from the scope of reporting, as their impact in terms of production, human resources and the environment is less significant.

In particular, the scope of quantitative data reporting concerns:

- Headquarters (or Business Campus), 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 Pipos 105, 4460-865 Custòias, Portogallo;
- Gebze Plant, İnönü Mah. Yolu Uzuzi GEPOSB, Ataturk Blv. - 41400 Gebze/Kocaeli, Turchia.



The following exceptions are noted:

- The information on the economic value (GRI 201-1) pertains only to Fater S.p.A.; including data from Fater Portugal Unipessoal Lda and Fater Temizlik Urunleri Limited Sirketi would not have been relevant for determining the economic value generated, retained, and distributed.
- Data on the supply chain (including the type of materials purchased), energy and water consumption, waste and Scope 1 and 2 emissions are based on the four production plants, excluding the Headquarters from the reporting scope.

DEFINITION OF CONTENTS

The contents of the Report have been classified according to the following principles: 1) ESG issues were identified through a materiality analysis conducted in the FY 2021/22 and described in the “Fater's sustainability” section. 2) The topics covered are those considered "material" (relevant) as they are able to reflect the impacts of the Group's activities or to influence the decisions of its stakeholders. 3) For the FY 2023/24, Fater has decided to reuse the same assessment.

DATA COLLECTION PROCESS

Data collection, as well as consolidation, were carried out using both qualitative and quantitative traces, supported by a new reporting tool. Data were gathered promptly for each entity within the reporting scope, based on the results from general accounting and other relevant information systems. Where estimates were involved, the calculation methodology used to determine the indicators was clearly specified.

EXTERNAL ASSURANCE

Fater has decided to submit this Report for review to ensure the accuracy of the information. The limited assurance engagement (conducted in accordance with the criteria set out by ISAE 3000 and revised by the Independent Auditor BDO Italia S.p.A.) was concluded with the release of the Independent Practitioner's Assurance Report reported in this document.

CONTACTS

For more information, please refer to the 2022/23 Sustainability Report and the www.fatergroup.com website.

Highlights 2023/24



Every Day a better society

**+51% HS&E TRAINING
HOURS** COMPARED TO THE PREVIOUS FY

0 SEVERE INJURIES
FOR EMPLOYEES AND NON-EMPLOYEES IN FY 2023/24

500 PRIMARY AND
SECONDARY SCHOOLS
INVOLVED IN FY 2023/24
RETAKÉ EDITION

52% UNDER 30
ON TOTAL
NEW HIRES

5 DAYS OUT OF 5 WORK FROM HOME
OPPORTUNITIES FOR REMOTELY MANAGEABLE
POSITIONS

EMPLOYEES: 1,596 PEOPLE
AS OF 30.06.2024, +3% COMPARED TO THE PREVIOUS FY

OVER **700 WOMEN**
IN DIFFICULTY WELCOMED
IN PESCARA AND BOLOGNA
"SPAZI DONNA"

**FREE PODCAST AND
PSYCHOLOGICAL
SUPPORT ON
COCCOLE PAMPERS
APP**

PATERNITY LEAVE
EXTENDED TO **3 MONTHS** IN ADDITION TO
THE 10 DAYS MANDATED BY THE LAW, ELIGIBLE FOR
SAME-SEX FAMILIES TOO

95% EMPLOYEES HIRED
ON A PERMANENT CONTRACT

Every Day climate protection

CO₂EQ EMISSION INTENSITY

PER TOTAL SOLD PRODUCTS VOLUME

INDEX 93 VS FY 2022/23²

0% WASTE SENT
DIRECTLY TO LANDFILL

TOTAL WATER WITHDRAWAL

ON TOTAL SOLD PRODUCTS VOLUME

INDEX 95 VS FY 2022/23³

75% WASTE DESTINED FOR RECOVERY OR
RECYCLING OPERATIONS

**98% OF PRIMARY
PACKAGING⁴** OF ALL FATER PRODUCTS
IS RECYCLABLE

**ESG-RELATED OBJECTIVES
INTEGRATED INTO THE MBO
SYSTEM**

Every Day responsibility

**€1,086 MILLION ECONOMIC
VALUE** GENERATED, INDEX 106⁵ VS FY 2022/23

**0 INCIDENTS OF
CORRUPTION** AND LEGAL ACTIONS FOR
VIOLATIONS OF ANTITRUST REGULATIONS

96% OF ECONOMIC VALUE
GENERATED IS DISTRIBUTED TO STAKEHOLDERS

209 SUPPLIERS FOR PRODUCTION
ACTIVITIES, OF WHICH **81%** ARE ASSESSED
ACCORDING TO SOCIAL CRITERIA

52% LOCAL SUPPLIERS
COMPARED TO THE LOCATION OF THE PLANTS
(PRODUCTION ACTIVITY)

**10 DIFFERENT
CERTIFICATIONS HELD**

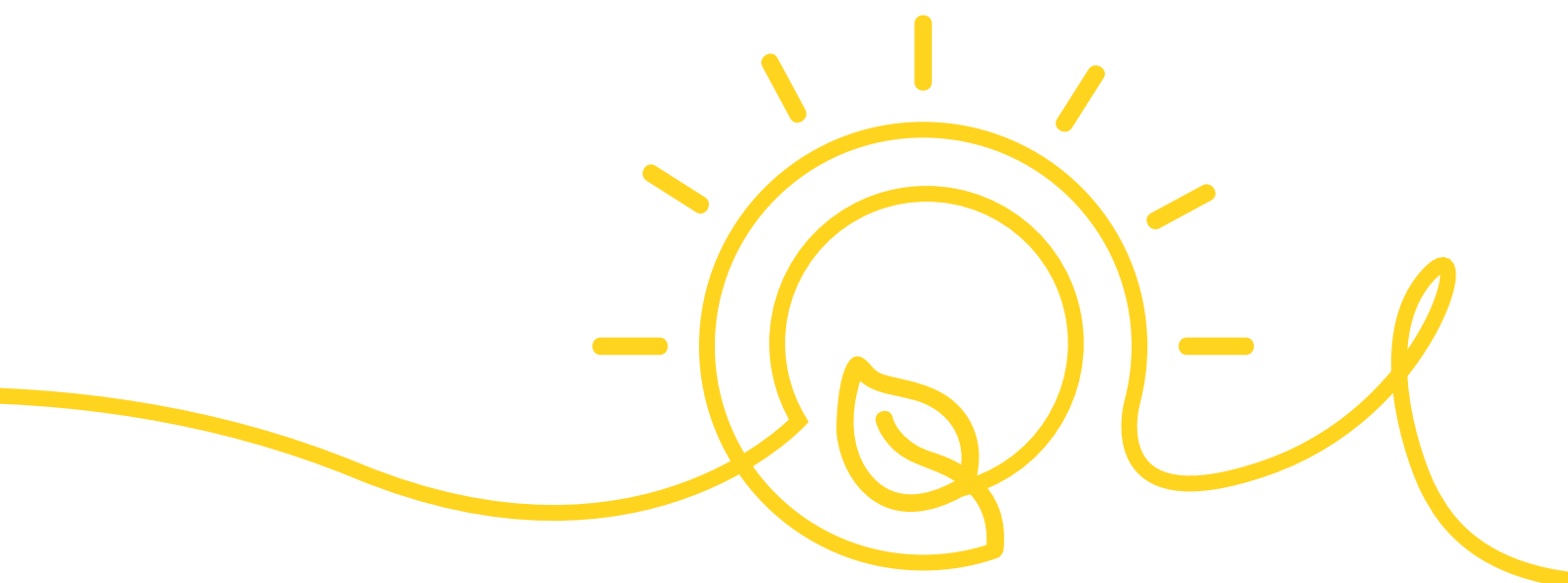
² Total Corporate Carbon Footprint value on product volumes sold in the reference year.

³ Total water withdrawal value on product volumes sold in the reference year.

⁴ According to "Plastic Packaging List" published by CONAI.

⁵ Economic value generated in the reporting fiscal year on economic value generated in FY 2022/23.

Inside Fater



The Fater Group

GRI 2-6

FOUNDED IN 1958 IN PESCARA BY FRANCESCO ANGELINI, FATER BECAME A JOINT VENTURE BETWEEN ANGELINI INDUSTRIES AND PROCTER & GAMBLE IN 1992.

Leader in the Italian market of absorbent products for the person with the Tampax, Lines, Lines Specialist and Pampers brands, Fater is also a key European player in home care and textile products with the ACE and Neoblanc brands, distributed in Italy and abroad. Since 2020, Fater has been distributing Hero Solo brand baby food products in Italy.

Fater's product offering is distinguished by the vast breadth and depth of its product lines, designed to meet the needs of consumers and distribution partners.

Baby care



Female sanitary pads



TAMPAX

Incontinence products

LINES
SPECIALIST

Fabric & Home Care



Our Mission

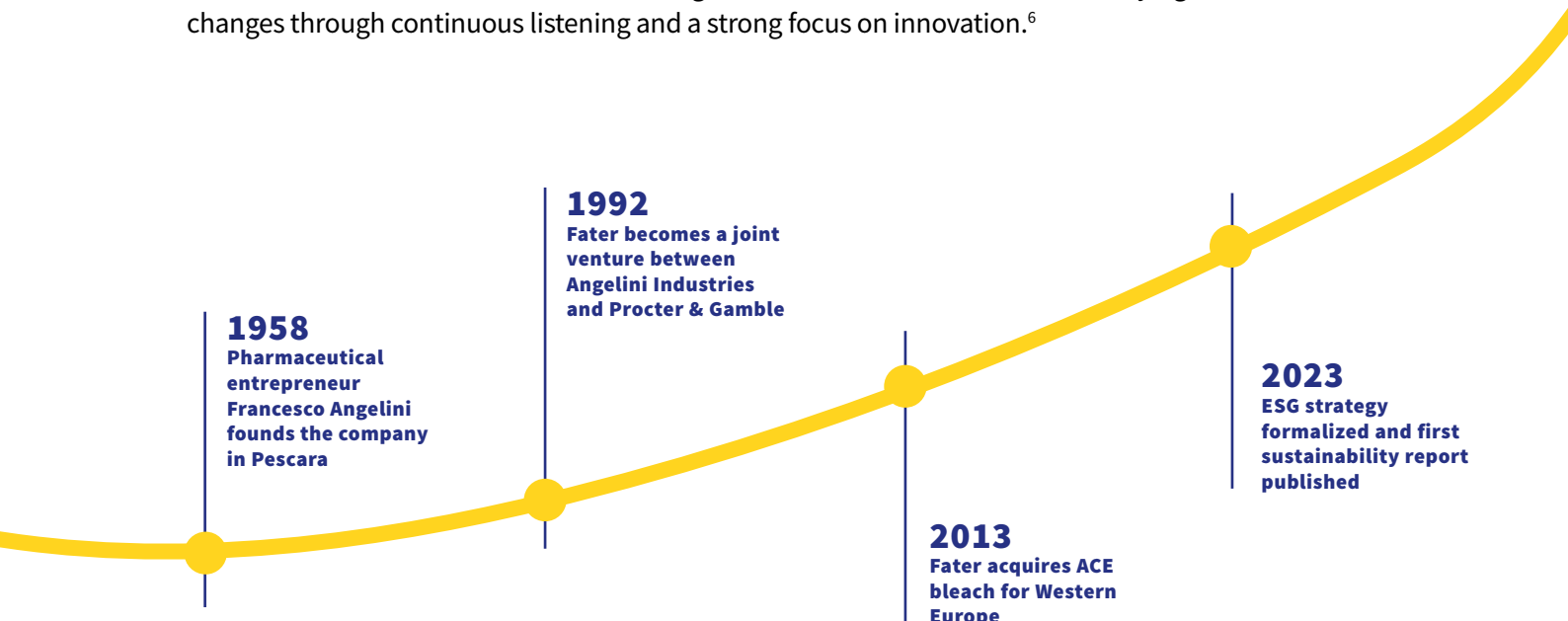
“EVERY DAY MATTERS” SUMS UP OUR DAILY COMMITMENT TO A BETTER FUTURE, THROUGH THE WORK OF OUR PEOPLE AND THE COMMUNITIES IN WHICH WE OPERATE.

The claim derives from Fater's broader ambition: **“We work for a better tomorrow by protecting what matters every day”**.

This claim is a strong link with Fater specificity, referring to the daily use of its products for personal and home care.

The History

For over 60 years we have witnessed societal evolution , shifts in in customs and languages, growing environmental and social awareness among citizens and consumers, all while staying ahead of these changes through continuous listening and a strong focus on innovation.⁶



⁶ For further details on the History, please refer to the Fater Sustainability Report 2022/23.

Business model

GRI 2-6

The products belonging to the Paper category (absorbent products for the person) are distributed only in the Italian market, while those belonging to the Fabric & Home Care category (Fabric & Home Care products) are distributed both in Italy and abroad.

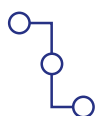
MARKETS & VALUE CHAIN



The main markets in which Fater operates belong to **Fast-Moving Consumer Goods** (FMCG) sector, in particular to the product categories of **Home Care, Textiles and Personal Care**. Additionally, the Baby Toddler Food category which includes the **Hero Solo brand (distributed by Fater for Italy)** is also part of the market segments.



The possibility of ensuring access to products to such a wide audience of consumers is guaranteed by a solid partnership with the distribution network that Fater has built over the years in the name of collaboration. Fater **distributes its products through different channels: Mass Market, Pharmaceutical, Health Care**. Furthermore, for some years now, for Lines Specialist and Pampers brand products, the **online sales** channel is directly accessible from their related websites.



The Group's supply chain includes **suppliers of raw materials in EU and non-EU territories, suppliers of finished products and service providers**.



CUSTOMER RELATIONS

FATER HAS A SIGNIFICANT PRESENCE IN ITALIAN HOMES: AT LEAST ONE OF ITS PRODUCTS IS IN THREE OUT OF FOUR FAMILIES.⁷

This level of penetration reflects consumer confidence in the quality of Fater products and a solid network of collaborations with distribution channels. Fater's **“Customer First”** strategy is based on actively listening to distribution partners and focuses on **five main pillars: value creation through innovation; listening to the customer's needs; focus on sales points; speed and adaptability of the commercial strategy; excellent service to distribution customers.**

Fater's commitment in these areas has led to positive feedback from large-scale retail customers. The results of The Advantage survey,⁸ which assesses the annual Customer Satisfaction survey where GDO customers evaluate FMCG companies and vice versa on aspects such as partnership, execution, reputation, and vision highlight this achievement. In 2024, Fater ranked first in Execution, third in Vision and Reputation, and fourth in Partnership, reinforcing its leadership position in the home and personal care sector. A notable improvement was also made in Sustainability Communication, with Fater rising from 9th to 3rd place in just one year.

In detail, Fater operates in key markets such as diapers for childcare: diaper segment is worth around 480⁹ million euros¹⁰, while the wet wipes segment is around 130¹¹ million euros. Despite the demographic decline, diapers market has seen growth in value in recent years thanks to the introduction of innovative products such as Pampers panty diapers and the constant focus on improving the offer. Regarding the feminine hygiene sector, the market is worth €435 million per year, with sanitary pads representing the largest segment (€290 million), panty liners generating €106 million and tampons (€39 million) being the fastest growing segment on the market¹², thanks to the increasing number of consumers choosing Tampax.

As far as adult incontinence products are concerned, market is in a constantly growth, valued at around 400 million euros, driven by the demographic increase of people over 55 and the growing demand for products in the Incontinence Pants segment. Fater consolidates its market presence through Lines Specialist and Linidor brands.

⁷ In 72% of Italian households there is at least one Fater product (source: ConsumerPanel, YouGov, September 2024).

⁸ Survey promoted by The Advantage Group.

⁹ September 2024 update of the Nielsen (Mass Market and Farma) and GfK (Baby Specialist and E-Commerce) readings.

¹⁰ The market values in this paragraph are all calculated with reference to the retail price.

¹¹ Estimate prepared by Fater based on Nielsen reading (Mass Market and Farma) in October 2024 and internal estimate of channels not covered.

¹² Update to October 2024 of Nielsen readings (Mass Market and Farma).

The Fabric & Home Care sector is another key market for Fater. Focusing on Italian market,¹³ bleach generates 245 million euros, split between classic and gentle bleach products, both of which have experienced significant growth in recent years. Regarding small surface sprays category, the segment is valued at approximately 355 million euros. In this highly competitive category, ACE has obtained extraordinary results with a purchase penetration among Italian households reaching 20% in 2024 (second brand in the market).¹⁴ Finally, the laundry detergent category is worth over 1 billion euros, ranking first in revenue within the Fabric & Home Care categories. Similar to the sprays, Fater has also achieved remarkable success in this category, with a penetration rate of 13.2% positioning the brand in third place in the market for penetration.

INNOVATION

Innovation is the driving force behind Fater's development, with the company investing approximately 3% of its annual turnover in innovation. The Spoltore Business Campus is home to 2,500 m² of laboratories, equipped areas and pilot plants. **The Technology Innovation department pursues three objectives: enhancing the user experience, reducing the environmental footprint and optimizing production costs.** Researchers work in these laboratories, focusing on products such as Ace and Lines Specialist. For the baby care (Baby Care) and feminine care (Fem Care) categories, Procter & Gamble has continued to contribute to product development through its research facilities, providing technological advancements and updates.

In 2023, Technology Innovation's efforts in both the Fabric & Home Care and absorbent personal care categories were also aimed at improving product performance while simultaneously focusing on cost containment.

¹³ All data in this paragraph are taken from the October 2024 update of Nielsen readings (Mass Market and Pharma).

¹⁴ Source: GfK - YouGov HHP.

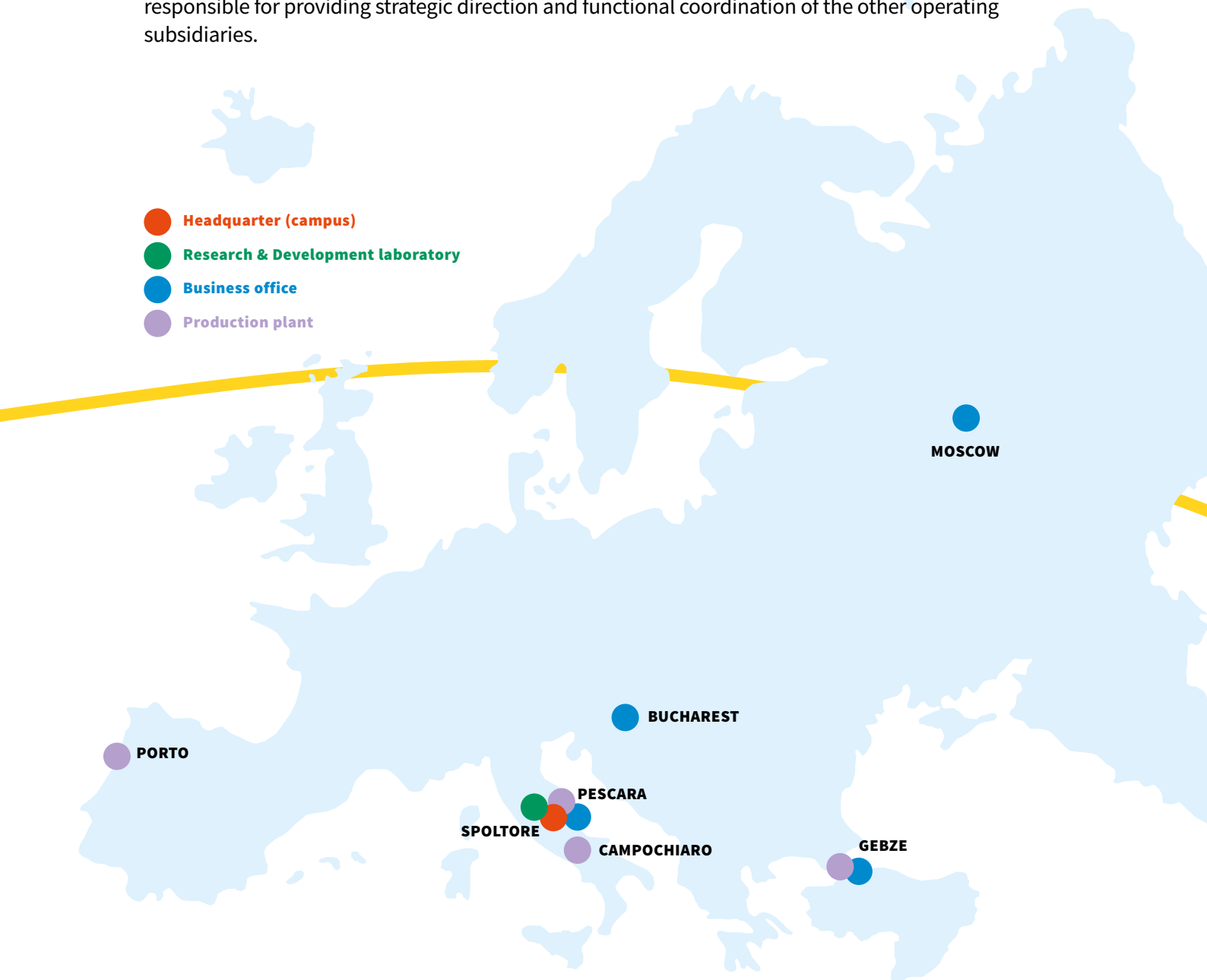
Governance

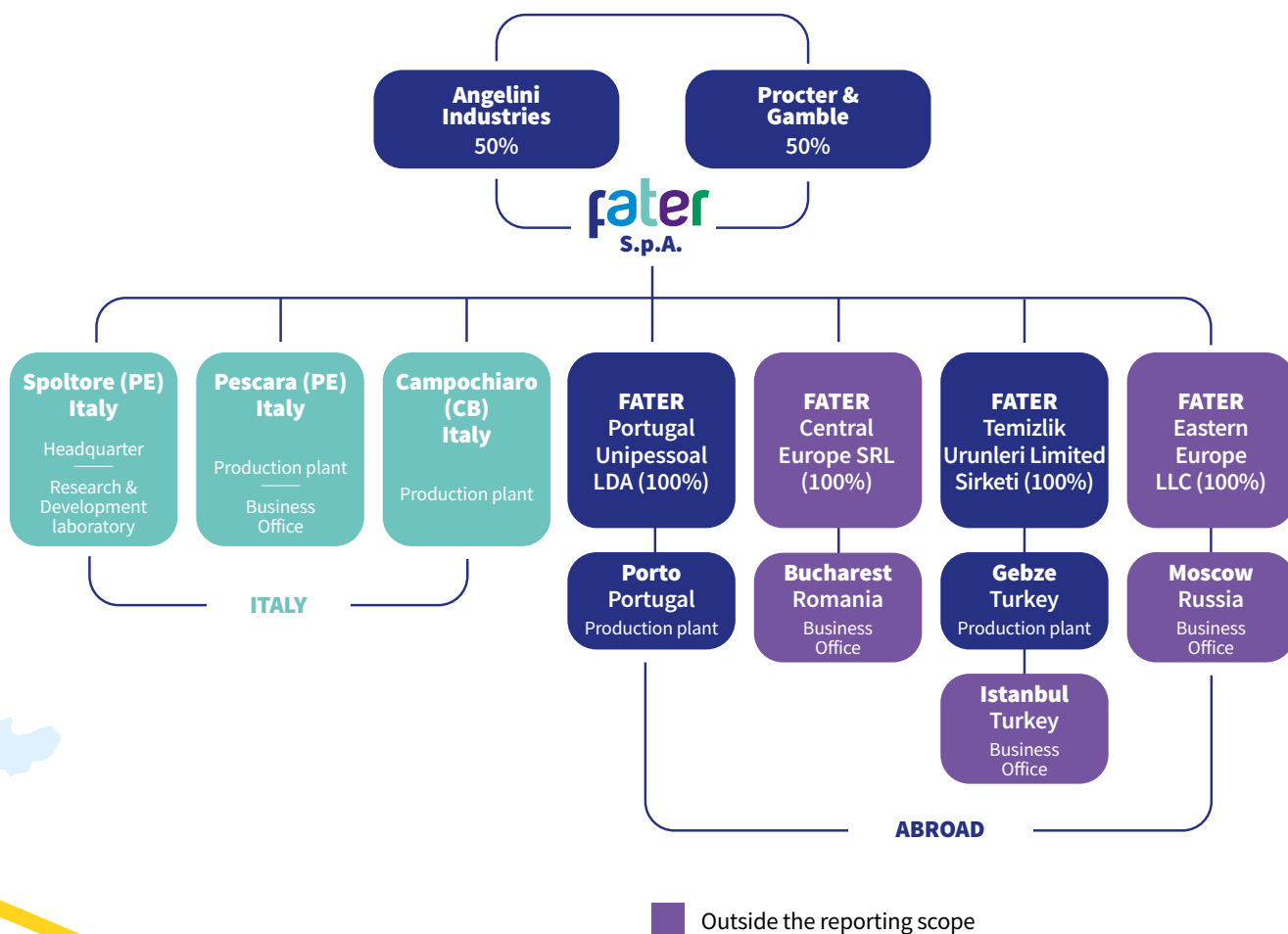
GROUP STRUCTURE

GRI 2-1

Fater S.p.A. is an **equal joint venture** established between Angelini Industries and Procter & Gamble. The parent company Fater S.p.A. is based and runs operations in Spoltore (PE) and operates in **Italy** through two production plants: one in Pescara and the other in Campochiaro (CB). Abroad, Fater has two production plants in Portugal and Turkey and is present with 4 owned foreign legal entities (100%).

The current organizational structure of the Fater Group designates the parent company as responsible for providing strategic direction and functional coordination of the other operating subsidiaries.





GOVERNANCE BODIES OF FATER S.P.A.

GRI 2-9, 2-10, 2-11, 405-1

BOARD OF DIRECTORS

The Board of Directors¹⁵ is currently composed of 6 members chosen by the two Shareholders, of which 2 are executive and 4 are non-executive members. The Chairman of the Board of Directors and the members of the Board of Directors do not have operational roles. The Board of Directors delegates part of its responsibilities to an Executive Committee, composed of two members of the Board of Directors.

COMPOSITION OF THE BOARD OF DIRECTORS

Chairman	Giovanni Ciserani
Vice Chairman	Christian Eihausen
Director	Nicola Lopez
Director	Francesca Sagradora
Director	Enrica Dogali ¹⁶
Director	Massimo Marin

EXECUTIVE COMMITTEE

The Executive Committee is currently composed of two directors appointed and chosen by the Board of Directors and meets periodically to examine the Group's economic and financial performance. In particular, the performance of operations is assessed in relation to the approved budget, projects on new product lines, investment projects on tangible and intangible assets and reorganisation projects. The Executive Committee, in turn, periodically reports to the Board of Directors and the Board of Auditors on the most significant transactions carried out by the Company.

COMPOSITION OF THE EXECUTIVE COMMITTEE ¹⁷

Director	Massimo Marin
Director	Christian Eihausen

GENERAL MANAGER

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

BOARD OF AUDITORS AND SUPERVISORY BODY

The Board of Directors is supported by a Board of Auditors¹⁸ and a Supervisory Body,¹⁹ both appointed by the Shareholders' Meeting and the Board of Directors, respectively. The Board of Auditors, in accordance with the law and the bylaws, oversees compliance with legal and statutory

¹⁵ Appointed on 17.10.2024, in office until the approval of the Financial Statements as at 30.06.2025.

¹⁶ In replacement of Antonio Bruno from October 17, 2024.

¹⁷ Both members of the Executive Committee were appointed on November 4, 2024, and will remain in office until the approval of the financial statements as of June 30, 2025.

¹⁸ Appointed on October 17, 2024, in office until the approval of the Financial Statements as at June 30, 2027.

¹⁹ Appointed on 4.11.2024, in office until the approval of the Financial Statements as at 30.06.2025.

provisions, ensuring the protection of the integrity of the company's assets as a guarantee for Shareholders and third parties. It collaborates with the Directors, Shareholders, the Auditor, the Supervisory Body, and the control functions. The Board of Auditors consists of five members, including three standing members and two alternates.²⁰

COMPOSITION OF THE BOARD OF AUDITORS

Chairman	Marco Mignani ²¹
Statutory Auditor	Marco Massa
Statutory Auditor	Luigi Mandolesi

The Supervisory Body has the task of regularly supervising and verifying the effectiveness of the Company's Organisation, Management and Control Model, as well as suggesting updates regarding the Model itself following regulatory or organisational changes. The Supervisory Body is composed of 3 members.

COMPOSITION OF THE SUPERVISORY BODY

President	Giuseppe Emiliano Vaciago
Permanent Member	Luca Geninatti Satè
Permanent Member	Tommaso Luppino

The Independent Auditors of the economic and financial statements in charge is Deloitte & Touche S.p.A. Below is an overview of the composition by gender and age of the organs.

GRI 405 -1

AGGREGATE BREAKDOWN BY GENDER AND AGE

	WOMEN		MEN	
	Between 30 and 50	Over 50	Between 30 and 50	Over 50
FY 2021/22				
Board of Directors	1			5
Executive Committee			1	1
Board of Auditors				3
Supervisory Body			1	2
FY 2022/23				
Board of Directors	1			5
Executive Committee			1	1
Board of Auditors				3
Supervisory Body			1	2
FY 2023/24				
Board of Directors		1	1	4
Executive Committee			1	1
Board of Auditors				3
Supervisory Body			3	

²⁰ It was decided not to consider alternate auditors in the graphic representation and in the table of distribution by gender and age.

²¹ In replacement of Fabrizio Marchetti from October 17, 2024.

Every Day together

GRI 2-29

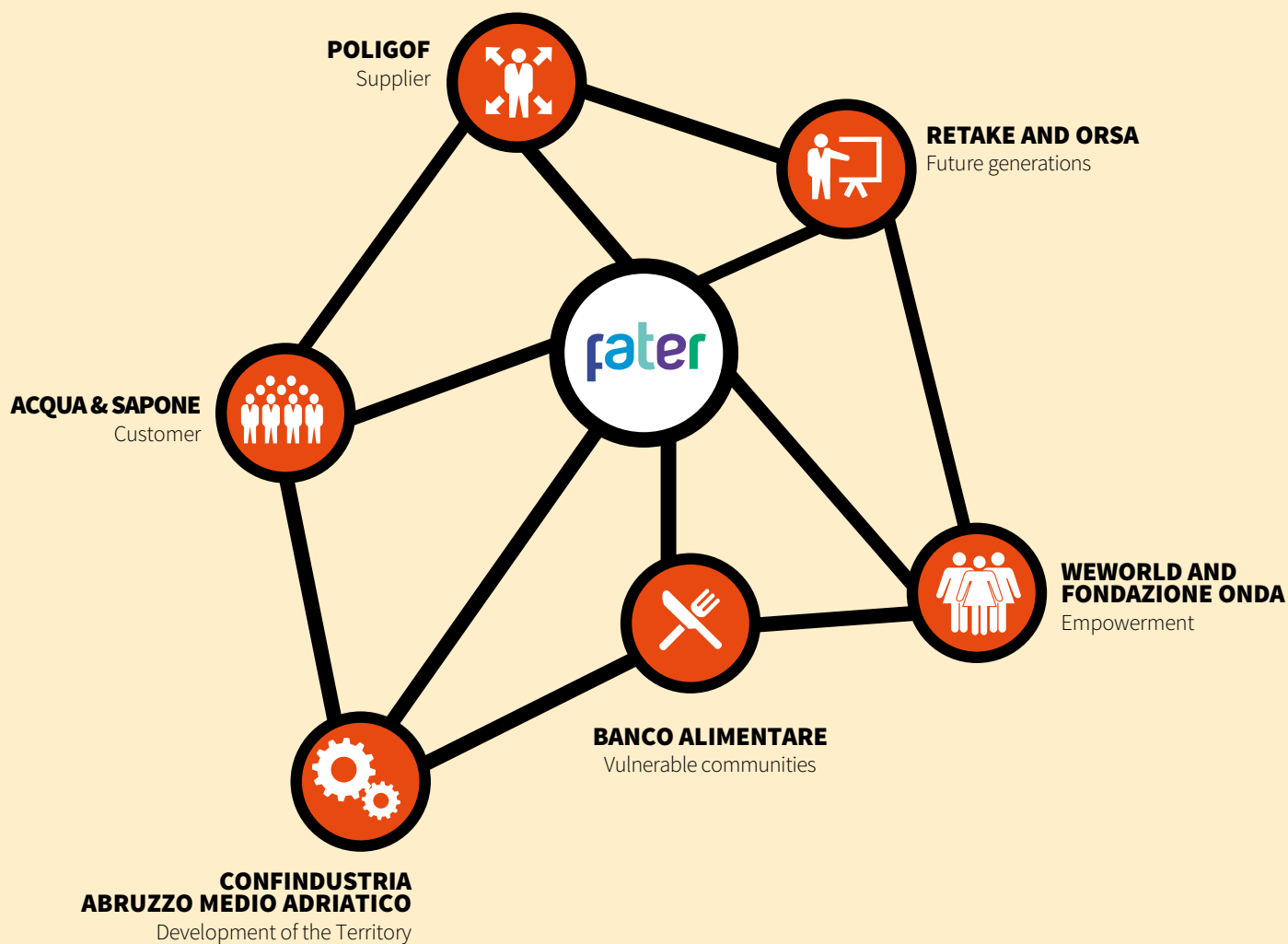
Fater recognizes that collaboration and openness with its stakeholders are essential for achieving concrete and long-lasting results.

Therefore, the Company has included in this report the perspectives, expectations, and ideas of key external stakeholders selected from across its entire value chain. This section reflects the company's commitment to listening to its stakeholders and serves as a tool for deeper insight, guiding the direction of actions, projects, and relationships with stakeholders.

Listening to the results reveals widely shared topics among the different stakeholders: attention to partnership, a genuine desire to generate impact and an ability to listen that brings flexibility and adaptability in project design.

The recurrence of these themes provides Fater with encouraging feedback on shared principles and resulting design; at the same time, stakeholders listening has represented an opportunity to highlight improvement areas on which Fater wants to focus in order to consolidate the process of continuous reciprocity that has been established with its stakeholders.

In particular, Fater intends to further increase its commitment to build collaborative activities that generate more lasting positive impacts over time and involve partners already in the early stages of project design, in order to integrate their suggestions and expectations from the outset.



POLIGOF | Supplier

Poligof is a supplier of raw materials for diapers, feminine sanitary napkins and incontinence products.



*The relationship with Fater is built on **trust and mutual respect for each other's needs**, going beyond simple commercial logic to foster a genuine **partnership**. We both share a strong commitment to hygiene standards, environmental protection, and full regulatory compliance.*

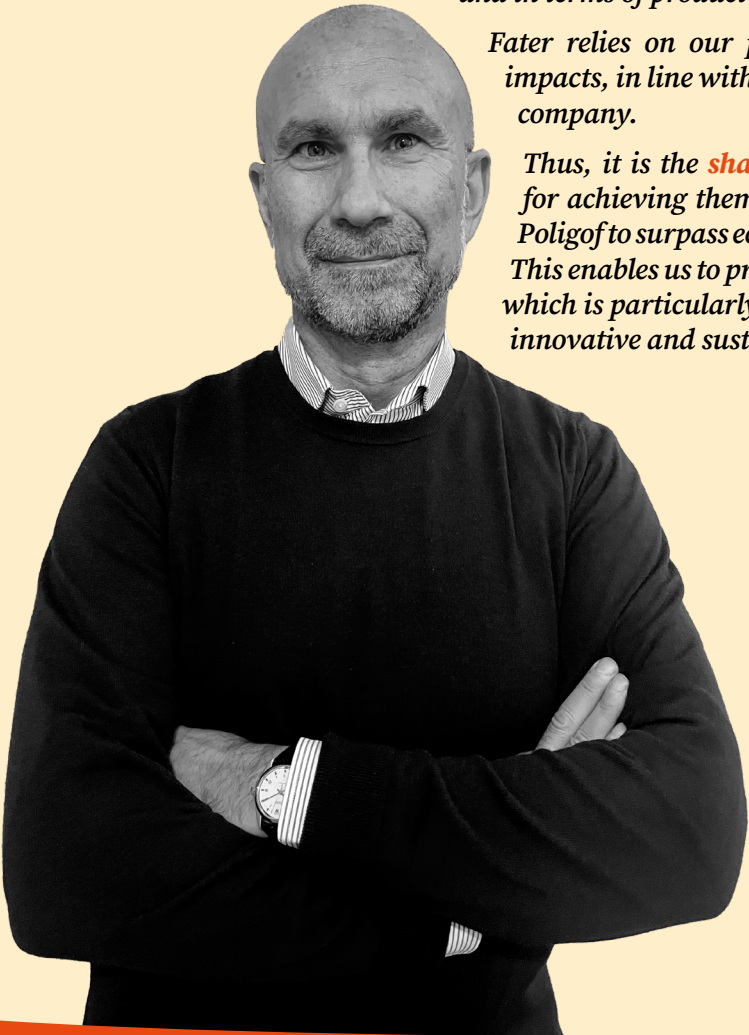
*Fater was the client that placed **the greatest emphasis on sustainability**, aligning with Poligof's own values. Our company, indeed, has already made sustainable choices both regarding the energy supply for its plants and in terms of product offerings.*

Fater relies on our products to help reduce environmental impacts, in line with the decarbonization objectives set by the company.

*Thus, it is the **shared sustainable goals** and the methods for achieving them that support the partnership, allowing Poligof to surpass economic and qualitative competitiveness. This enables us to present ourselves to the single-use market—which is particularly sensitive to sustainability issues—as an innovative and sustainable company.*



Fabrizio D'Amico
Poligof Sales Director



Retake | Nonprofit Foundation

Retake is a nonprofit foundation focused on urban regeneration, promoting civic engagement and the responsibility of each citizen in contributing to the civil development and upkeep of public spaces. To achieve this, Retake organizes civic mobilization events, educational projects, and public-private partnerships.



*The partnership with Fater is founded on shared objectives of **promoting sustainability and environmental education**, with particular attention to raising awareness among the younger generations. Fater has proven to be an attentive and helpful partner, providing resources and innovative ideas to support Retake's initiatives and amplify their impact.*

*The relationship with Fater is evolving positively, strengthening collaboration and broadening opportunities for intervention both in the care of spaces and in awareness. Initiatives are diversifying, actively engaging new stakeholders, allowing **projects with broader objectives** to be created. Indeed, the original project on which the collaboration between Retake and Fater was born, "Scendiamo in Piazza", has been strengthened from an **educational point of view** with the **direct involvement of primary and secondary schools** in the cities where the events are held.*

Expectations for the future of the collaboration are focused on continuing to embrace long-term projects, that give the possibility of generating positive change in other cities beyond those covered. In this projection towards the future, I hope that Fater will continue to contribute to the innovation and continuous transformation of projects, involving stakeholders from the initial stages of design, in an open and two-way dialogue that strengthens the value of the social impact of initiatives."



Alejandra Alfaro Alfieri

Retake contact person for Italy

Alejandra coordinates the Retake groups across the country, recruits new volunteers to strengthen dialogue with municipalities and local media, and designs and implements awareness-raising activities in schools. Her goal is to encourage sustainable behavior and increase awareness of the role each individual plays in society.



ORSA | D'Annunzio University of Chieti-Pescara

Economics Department of Chieti-Pescara “Gabriele d’Annunzio” University has activated the Observatory for Sustainability Reporting of Abruzzo Companies (ORSA) with the objective of promoting research, teaching and collaborations (with companies, third-sector entities, public administration), having sustainability report as a common theme. From an operational point of view, ORSA guides and supports different companies and organizations in the preparation of sustainability or social reports and periodically organizes sharing meetings among companies to encourage reporting effective practices adoption. Furthermore, ORSA has started professionalizing training activities on sustainability reporting. Among these, the first level Master Degree in “ESG Management and Sustainability Reporting” stands out, the first edition which started in March 2025.



The Observatory** – underlined by Professor Michele Rea, Business Strategy Professor and promoter of the Observatory – **has been conceived as an initiative to be executed in collaboration with organizations operating within the institutional, economic-entrepreneurial, and social systems that are geographically proximate to the University.

One of the ORSA main objective is to monitor, analyze and examine, with continuity and regularity, sustainability reporting practices, adopted by companies from Abruzzo.

“Preliminary findings indicate that among the large enterprises in Abruzzo, actually within D. Lgs. 125/2024 perimeter, only approximately one-third have commenced their journey in a regular way. Furthermore, numerous small and medium-sized enterprises either because involved in the supply chains of obligated companies or for reasons related to “sustainable finance” are increasingly cognizant of the necessity to adopt appropriate reporting practices. In this context, the fact that companies such as Fater have long (and voluntarily) initiated a systematic and accurate reporting of their non-financial performance, makes them “reference points” for the overall change process. Also in this way, sensitivity towards sustainability themes and the commitment to carry out a solid and related reporting journey creates value not only for the company and its stakeholders, but also for the entire territory.



Michele Antonio Rea

Full Professor of Business Administration at Gabriele d’Annunzio University of Chieti-Pescara

Professor Rea has held the position of Full Professor of Business Administration at d’Annunzio University for over two decades, during which he has undertaken various institutional roles. In the past year, he has been instrumental in promoting and coordinating the new ORSA initiative.



WeWorld | Onlus

WeWorld is an independent Italian organization that works to guarantee the rights of children and women in vulnerable situations in Italy and around the world.



*The partnership with Fater exemplifies a virtuous model of shared value, emerging from a mutual commitment **to combat gender-based violence** through concrete programs and targeted communication campaigns. Fater, motivated to promote women's empowerment and address gender-based violence, has identified We World as an ideal partner for the implementation of tangible projects and social responsibility initiatives, contributing to the establishment and support of two new **WeWorld Women's Spaces in Bologna and Pescara**.*

Through Fater's ongoing support and the resources provided, we are positioned to enhance our tangible and enduring impact on women who are victims of violence or who endure social, economic, and cultural hardships, as well as on the communities in which these projects are executed. Concurrently, the development of shared communication campaigns enables us to extend our awareness-raising efforts to a broad audience.

Looking ahead to the future of our collaboration with Fater, there is potential to strengthen two-way communication through regular feedback and the sharing of additional projects undertaken by Fater that could involve WeWorld or the Women's Spaces. Establishing frequent points of contact and encouraging the active participation of Fater employees will not only fortify the relationship between Fater and WeWorld but will also create an effective and replicable model of collaboration, capable of more effectively addressing social challenges.



Rosaria Costanza

Corporate WeWorld Representative

Rosaria Costanza is tasked with expanding and solidifying relationships with corporate entities, with the objective of establishing high-impact partnerships that positively influence society, the beneficiaries of WeWorld's projects, and the stakeholders of the partnering companies.



Fondazione Onda | Foundation

Fondazione Onda ETS is an Italian nonprofit organization that has been dedicated to promoting women's health and well-being since its inception in 2005. Its mission encompasses activities aimed at enhancing women's awareness regarding the importance of health care, improving accessibility to the National Health Service and advocating for equal opportunities in prevention and care among institutions.



*The collaboration with Fater is a continuous exploration of points of **synergy**. The mutual commitment to addressing health issues of significant relevance during critical life stages, providing support to individuals, and emphasizing prevention and healthy lifestyles reflects a shared approach. Our common objective is to enhance public awareness and contribute to education, fostering closeness and understanding.*

The challenge lies in transforming information into awareness, equipping individuals with the concrete tools necessary to make informed and confident health choices, beginning with primary prevention strategies. The investment made today is crucial for promoting healthy and active aging, particularly in light of increasing life expectancy, which is notably higher among women. The collaboration between the Onda ETS Foundation and Fater is aligned with these objectives, emphasizing the importance of clear, authoritative, accurate, and accessible information. I would recommend that the company consider pursuing certification as a Health Friendly Company (HFC), which is awarded to organizations that meet objectively defined criteria and have distinguished themselves in safeguarding the health and well-being of their employees or have embarked on a commendable path in this regard.



Nicoletta Orthmann

Medical-Scientific Director
of the Onda ETS Foundation

Dr. Orthmann oversees the scientific content of the projects and communication activities conducted at social, institutional, and healthcare levels.



Banco Alimentare (Food Bank) ODV | Onlus

The Banco Alimentare (Food Bank) ODV is a nonprofit organization with a social utility mandate, dedicated to the collection and distribution of food surpluses to support individuals in need within the Abruzzo and Molise regions.



*Fater and the Banco Alimentare (Food Bank) have maintained a collaborative relationship for over a decade. Throughout this journey towards genuinely shared objectives, we have established a partnership founded on **mutual trust and continuous improvement**. Our relationship with Fater and the management systems it employs have facilitated the professionalization of our operations, particularly in our dealings with large corporations.*

This organizational growth and skill enhancement have been accompanied over the years by a strengthening of the Banco Alimentare's (Food Bank) logistical infrastructure: transitioning from a modest 40 square meter warehouse to a facility encompassing 920 square meters, along with an additional 120 square meters of office space featuring eight workstations and 700 pallet spaces. This year, we are upgrading to a new management system, SAP S4 HANA, which will further optimize our flow and resource management.

*The collaboration with Fater is characterized as a model of a **valuable partnership**. If I were to identify areas for improvement, I would emphasize the importance of continuity in product donations, the willingness to support the implementation of plans aimed at enhancing the Bank's logistical structure, and serving as a "witness" to other companies by highlighting both the social and economic advantages of inclusion in the donor circuit to generate benefits for the community.*



Mimmo Trivisani

Director of the Banco Alimentare (Food Bank)

Mimmo Trivisani manages and develops the organisation's activities in the region and coordinates the team of collaborators and volunteers. In his role, he consolidates relations with stakeholders and public and private donors, ensuring that the Presidency and the Board are provided with the necessary resources for statutory activities.



Confindustria Abruzzo Medio Adriatico | Trade Association

Confindustria Abruzzo Medio Adriatico represents about a thousand companies in the provinces of Chieti, Pescara, and Teramo.

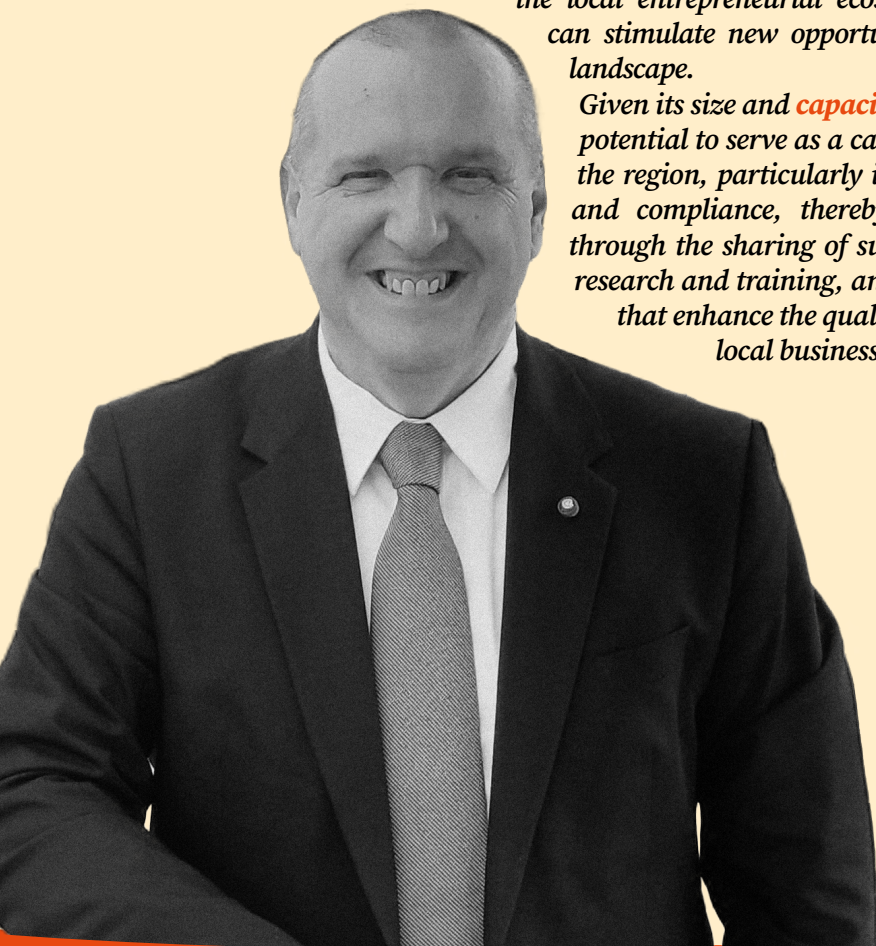


Fater is a significant partner for us, not only due to its economic impact in the region but also for its contributions in the realms of innovation and sustainability. The company has consistently demonstrated a strong commitment to the local context, actively participating in joint projects and initiatives that benefit the entire community.

The employers' organization is fostering the development of a new paradigm in business representation. Last year, the merger of the provinces of Chieti, Pescara, and Teramo into Confindustria Abruzzo Medio Adriatico established a coordination body for multi-located companies seeking a unified voice at both regional and national levels. To attract investment, Confindustria is enhancing infrastructure and logistics, promoting tax and financial incentives in collaboration with local institutions, and strengthening the research and innovation network, with particular emphasis on the green economy and Industry 5.0.

*Relations with Fater are robust and constructive, characterized by **open dialogue and collaboration**. It is desirable to further integrate Fater with the local entrepreneurial ecosystem, creating synergies that can stimulate new opportunities for the entire industrial landscape.*

*Given its size and **capacity for innovation**, Fater has the potential to serve as a catalyst for many other entities in the region, particularly in sectors such as sustainability and compliance, thereby creating a multiplier effect through the sharing of sustainable practices, supporting research and training, and promoting long-term projects that enhance the quality of life and competitiveness of local businesses.*



Luigi Di Giosaffatte

Serves as the General Manager of Confindustria Abruzzo Medio Adriatico

In this role, he is dedicated to strengthening collaboration between companies and institutions, as well as supporting the innovation and development of the region's industrial fabric.

Acqua & Sapone | Customer

With over 800 stores across the country, Acqua & Sapone is currently the largest chain in beauty and personal care.



*Our relationship with Fater is characterized by a **long-standing collaboration** built on trust and solid foundations. We work together with a mutually beneficial approach, also engaging in discussions on ESG topics.*

*Acqua & Sapone is inspired by social participation initiatives, encouraging every individual to be an active agent of change, alongside companies, in connection with local communities, schools, and associations to generate a **positive impact on society**. Additionally, we support the diversification of our product range by promoting more sustainable packaging solutions.*

We value our people and promote employee well-being through training and development, fostering a corporate culture based on collaboration, merit, and open communication, while encouraging diversity and inclusion.

In our stores and distribution centers, we have implemented energy efficiency measures, demonstrating our commitment to ESG issues. We will continue to reduce our carbon footprint, for example, by minimizing the environmental impact of our logistics. We believe in collaborating with other companies to develop sustainable and innovative solutions. We are open to proposals that meet consumer needs and aim to obtain green certifications to strengthen our commitment to sustainability.



Nando Barbarossa

Chief Commercial and Marketing Officer
of Cesar S.p.A. - Acqua & Sapone



Consumer impact
 Continuous improvement
 Shared value
 Civic mobilization
 Collaboration
 Schools
 Synergies
 Partnership
 Civic sense
 Two-way communication
 People in need
 Decarbonization
 Open dialogue
 Respect
 Social Responsibility
 Environmental education
 Collaboration
 Social impact
 Research
 Awareness-raising
 Project
 Mutual trust
 Continuous improvement
 Educational project
 Civic sense
 Joint project
 Innovation
 Mutual trust
 Synergies
 Decarbonization
 Health and well-being
 Shared value
 Training
 Competitiveness
 Health and well-being
 Social impact
 Awareness
 Women's empowerment
 Combating gender-based violence
 Two-way communication
 Project
 Partnership
 Open dialogue
 Schools
 Continuous improvement
 Urban regeneration
 Two-way communication
 Consumer impact
 Mutual trust
 Continuous improvement
 Innovation





**Every Day
sustainability**



Fater's sustainability

For Fater, **sustainability is a way of working** to achieve its “Every Day Matters” ambition. Since 2020, it has developed an organic approach to Corporate Sustainability by adopting an organizational structure and decision-making, planning and monitoring processes with respect to the established objectives. The goal is to increasingly integrate sustainability into every process and make all functions responsible, so that Fater can continue to support people with its products, while maintaining responsibility towards the planet and society.

SUSTAINABILITY GOVERNANCE

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

Fater has started a journey integrating sustainability into strategic processes and in all departments of the company.



LEADERSHIP TEAM

Led by the General Manager and composed of the Directors in charge of the main business functions, it approves the ESG strategic direction, the plans and targets proposed by the Teams that lead the ESG reference areas.



CORPORATE SUSTAINABILITY TEAM

The Team operates at the beginning and at the end of the process that accompanies the sustainability strategy and performs the following functions:

- Dissemination of internal awareness and ESG skills and support to corporate functions for the creation of processes and the implementation of projects;
- Integration of ESG issues into decision-making processes;
- Connection of the activities carried out by the ESG Teams present within the different departments;
- Regulatory compliance on ESG issues;
- Monitoring the achievement of ESG strategy KPIs;
- Drafting of the Sustainability Report;
- Internal and external communication and stakeholder engagement on ESG issues, in collaboration with the Internal and External Communications functions.

FUTURE EVOLUTIONS OF SUSTAINABILITY GOVERNANCE

From the end of 2024, i.e. FY 2024/25, sustainability governance at Fater has evolved to improve the effectiveness and efficiency of processes and to create value.



The main change is that the **Corporate Sustainability function**, previously under the Communications area, **will report directly to the Chief Financial Officer (CFO)**, entering the Financial & Administration department. This choice strengthens the integration of sustainability into business processes, ensuring the alignment of strategy and objectives in the business plan and building new capabilities from a CSRD perspective.



In addition, a **Sustainability Steering Team will be created**, sponsored by the General Manager and composed of the sponsors of the three ESG pillars (**Pillar E**: Chief Technology Innovation Officer; **Pillar S**: HR Director and Category Leader of brands; **Pillar G**: CFO). The committee develops the strategy and monitors its implementation. The co-responsibility of HR and Category Leader in the Social pillar highlights the union between the internal business environment and the external world: “**Outside-in**” and “**Inside-out**”

TRANSFORMATIONAL GOVERNANCE

“Outside-In”

The company's approach to sustainability is transversal and involves all departments. The Corporate Sustainability team dialogues with cross-functional or structured work teams within specific departments to develop sustainability areas and projects, integrating what is absorbed from the outside.

Environment

Net Zero Team

The **Net Zero team is a multifunctional group** that drives the decarbonization of the company, defining and implementing actions in line with SBTi targets. The Technology Innovation function ensures the adequacy of the plans. The team meets regularly to develop plans, share status, and make decisions, periodically aligning the Leadership Team on progress.

The composition of the team reflects different business areas, mainly technological innovation, logistics and purchasing, and the categories to concretize Fater's commitment to sustainability. The main initiatives of FY 2023/24 will be reported in paragraph "Sustainable innovation" (p. 95).

Social

Team People First and Marketing Category

“People First” team aims to ensure a positive and inclusive internal climate that enhances diversity by putting people at the center. These same principles are brought outside Fater through the projects developed, homogeneous to the purposes of each Brand, aimed at the specific targets of the different product categories.

Governance

Governance Team

Aims to ensure the conditions for responsible and transparent business management.

TRANSFORMATIONAL GOVERNANCE

“Inside-Out”

Fater's sustainability governance focuses not only on its own operations but also on reducing negative impacts along the entire value chain.

In fiscal year 2022/23, Fater's Procurement department began to evaluate a procurement process that also took into account social and environmental aspects, thus initiating a **transformation from traditional procurement to sustainable procurement** that has been implemented and consolidated in fiscal year 2023/24 and will see its consolidation in FY 2024/25.

PROCUREMENT TEAM

The department is divided into two large areas:

Direct purchases

Goods and services that are directly included in the composition of the final product.

Indirect purchases

Other purchases not directly related to the products.

The aim is to move from tactical sustainable actions to integrated and systematic planning of the procurement process that also considers social and environmental aspects.

Currently, Fater's Procurement team is working on two main strands of projects with suppliers: the first focused on **decarbonization** and the second on **social and government aspects**. The details of these projects will be explored in depth in the respective paragraphs:

- **Sustainable innovation** (p. 95) for decarbonisation: which will tell the story of the **Partner Plan**, an ongoing dialogue with suppliers on decarbonisation plans and about their goods and services, together with the responsible management of **inbound logistics** under their responsibility.
- **Responsible supply chain management** (p.113): which will address the consideration of social and governance aspects in the selection of Fater's suppliers.

STAKEHOLDER MAPPING AND ENGAGEMENT

GRI 2-29

During this year of transition, Fater, with a view to continuity, has based its work on the stakeholder identification analysis conducted in FY 2021/22, strengthening their involvement in the sustainability reporting process. For further details on external stakeholders, please refer to the special section “Every Day together”.

SUSTAINABILITY TOPICS

GRI 2-29, 3-1, 3-2

The most relevant sustainability issues for stakeholders, considered in this Report, refer to the issues that emerged from the listening activity carried out in FY 2021/22. Relevant topics are included in the chapters divided into ESG pillars.



Environment

Climate change
Packaging and use of plastic
Product innovation and lower environmental impact
Chemicals
Waste



Social

Employee health, safety and well-being
Human and labour rights
Product quality and safety
DE&I and women's empowerment
Talent attraction and development
Parenting



Governance

Governance ESG and business ethics

SUSTAINABILITY GOALS AND KPIs EVOLUTION

Fater has defined a first set of KPIs and targets in FY 2021/22 to transparently and systematically monitor its path towards long-term ambition.

Two years later, as part of the continuous improvement of the metrics used in order to make them more representative of the relevant areas, Fater has evolved some KPIs.

This has also made it possible to identify measurement criteria that are more closely aligned with external ESG valuation tools.

The main changes concern the following KPIs:

INTERNAL SURVEY SATISFACTION: since FY 2023/24, the Happiness Survey (survey conducted annually on employee well-being) has been conducted with Microsoft Viva Glint, a new tool, which uses a different conversion scale than the Fater score. The FY 2022/23 figure (previously 78%) and the FY 2024/25 target (80%) have been adjusted to the new scale.

REDUCTION OF VIRGIN PLASTIC IN PACKAGING: the KPI introduces innovations both in the measurement scope and in the targets to be achieved. Specifically, from the fiscal year 2023/2024 onward, the calculation will also encompass the primary packaging of Fabric & Home Care finished products that Fater procures, thereby expanding the volumes included in the assessment. This KPI will account for the reduction of virgin plastic utilized in the primary packaging of both internally produced products and those sourced from third parties, relative to the total volumes of both produced and purchased items within the relevant fiscal year. Furthermore, the data from previous fiscal years has been revised in accordance with this updated methodology.

During FY 2023/24 the company has decided to start a project with the aim of technological upgrading and improving the fleet of blow molding machines for primary packaging (bottles). In this way, greater reliability and flexibility will lead to a higher production process efficiency, reducing scraps and energy consumption.

This intervention has led to a redesign of the previously set targets: reduction of virgin plastic by 60% by 2029/30 (previously 50% by 2025) and by 75% by FY 2034/35 (previously 75% by FY 2029/30). The new plan provides for a solid project, which will have a significant impact on the next three years, making it possible to reach the new shared targets.

SUSTAINABLE DESIGN: the KPI has been evolved in a process which guarantee innovation to customers and coherence with environmental targets of carbon footprint and virgin plastic reduction. In fact, new products and all material/package changes to existing products will be assessed in terms of the carbon footprint generated and the amount of virgin plastic in the primary packaging, with the objective that these parameters are lower than for previous products/materials. Possible exceptions are allowed subject to a broader assessment and the activation of parallel plans that balance the worsening effect at the overall level.

The results achieved in the reporting year are within the chapters "Every Day a better society", "Every Day climate protection" and "Every Day responsibility".



+51% HS&E TRAINING HOURS COMPARED TO THE PREVIOUS FY

0 SEVERE INJURIES
FOR EMPLOYEES AND NON-EMPLOYEES IN FY 2023/24

500 PRIMARY AND SECONDARY SCHOOLS INVOLVED IN FY 2023/24 RETAKE EDITION

52% UNDER 30 ON TOTAL NEW HIRES

5 DAYS OUT OF 5 WORK FROM HOME OPPORTUNITIES FOR REMOTELY MANAGEABLE POSITIONS

EMPLOYEES: 1,596 PEOPLE
AS OF 30.06.2024, +3% COMPARED TO THE PREVIOUS FY

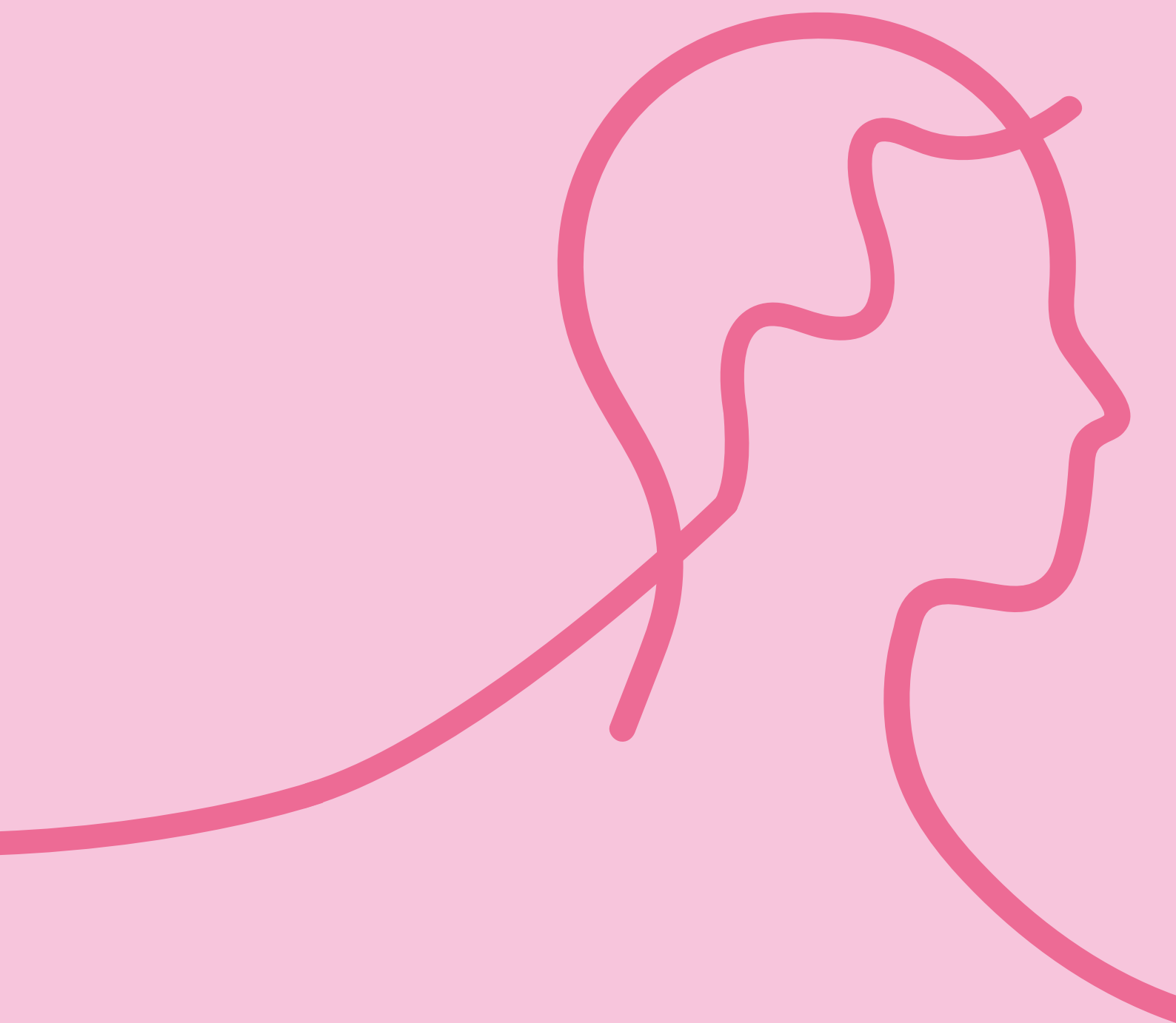
OVER 700 WOMEN IN DIFFICULTY WELCOMED IN PESCARA AND BOLOGNA "SPAZI DONNA"

FREE PODCAST AND PSYCHOLOGICAL SUPPORT ON COCCOLE PAMPERS APP

PATERNITY LEAVE
EXTENDED TO **3 MONTHS** IN ADDITION TO THE 10 DAYS MANDATED BY THE LAW, ELIGIBLE FOR SAME-SEX FAMILIES TOO

95% EMPLOYEES HIRED ON A PERMANENT CONTRACT

**Every Day
a better society**



Goals: Where are we?

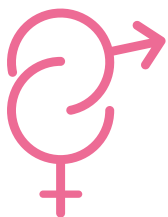
FATER, EVEN IF AWARE OF THE PATH STILL TO BE TAKEN, IN THE REPORTED FY SHOWS PROGRESS BOTH IN INTERNAL KPIS OF GENDER PAY GAP AND GENDER BALANCE AT MANAGERIAL LEVEL, AND ALSO IN PEOPLE INVOLVED IN CORPORATE AND BRAND PURPOSE SOCIAL ACTIVITIES.

In addition, Fater has initiated a project of change measurement for all Brand Purpose initiatives, with the aim of creating a structured and validated process to monitor and report on social activities, providing evidence of effectiveness and contribution by identifying causal links.

BETTER SOCIETY							
Sustainability Topics	KPI	BASELINE	FY 2022/23	FY 2023/24	Target 2024/25	Target 2029/30	Target 2039/40
DIVERSITY, EQUITY AND INCLUSION - DE&I	Gender pay gap	3.8%	2.9%	2.4%	-	0%	-
	Internal satisfaction survey	73%	73%	73%	≥75%	-	-
	Women with a managerial role	36%	36%	37%	-	-	50%
RELATIONSHIP WITH COMMUNITIES AND BRAND PURPOSE	People involved	140k	220K	343k	≥600k	-	-

Below find the methodologies for calculating the remaining KPIs, which did not change in FY 2023/24:

GENDER PAY GAP



This indicator represents the percentage difference between the earnings of men and women, calculated as the arithmetic mean of the disparities identified across individual classifications, excluding seniority. The analysis includes permanent contract levels: Managers, Executives, and Employees. Workers are not considered in this calculation due to the disproportionate numerical ratio, which would render the gap unrepresentative.

WOMEN WITH A MANAGERIAL ROLE

This KPI measures the ratio of women to men in managerial positions, taking into account the contractual classifications defined by the National Collective Labor Agreement for Employees, Managers, Supervisors, and Executives (including the Leadership Team).

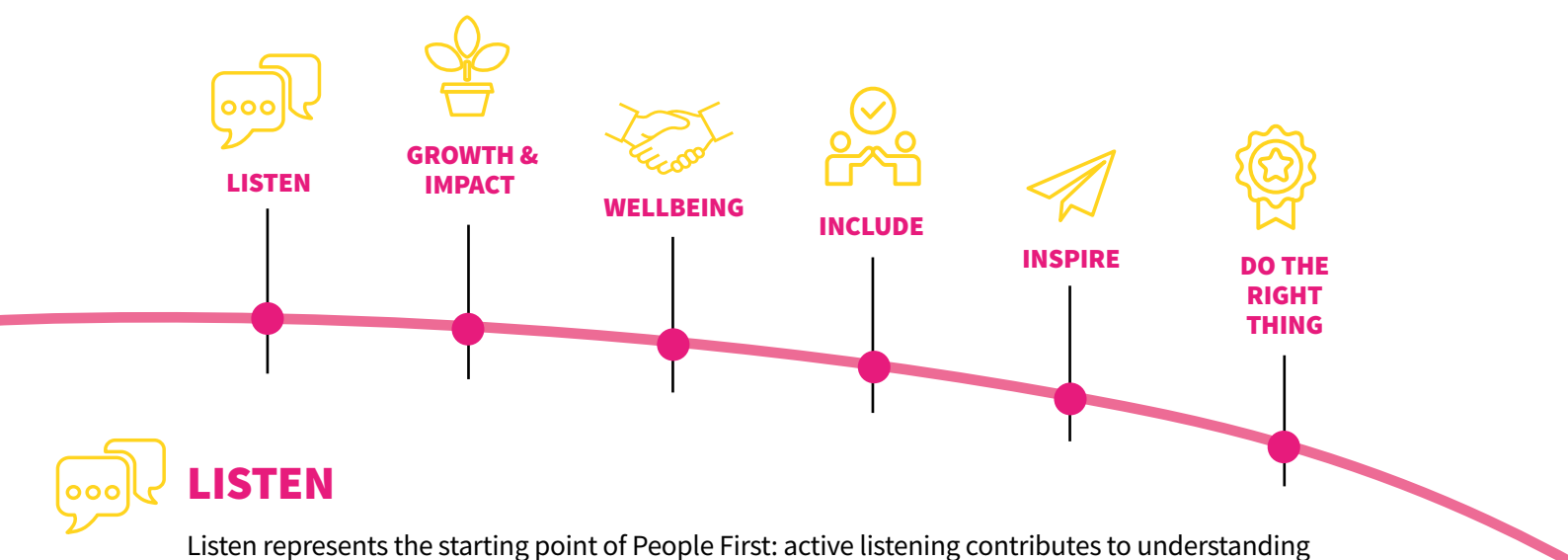
PEOPLE INVOLVED

Includes the estimated number of people positively involved in social responsibility project described in the “Community” section (p. 70) (Lines WeWorld, Lines Uncomfortable Questions, Pampers Village, Ace Retake, Banco Alimentare Food Bank). The 600k target by 2025 has to be considered as the cumulative year-on-year figure of the people impacted.

People First

THE PILLARS OF THE PEOPLE FIRST STRATEGY

People First consists of 6 pillars: **Listen**, **Growth & Impact**, **Wellbeing**, **Inspire**, **Include** and **Do the Right Thing**. Every year, Fater defines a roadmap of People First activities, with the aim of developing the different pillars following strategic themes for the company. The pillars behind People First are strongly interconnected. This generates a transversal approach to principles towards an osmotic combination, without pre-established conceptual rigidities.



LISTEN

Listen represents the starting point of People First: active listening contributes to understanding needs, evaluating the effectiveness of actions already taken and guiding future ones.

The main listening tool, aimed at mapping the state of real application of the People First strategy and the supporting pillars, is the **“happiness survey”**. Since 2020, the Group has been carrying out this annual survey aimed at understanding the internal climate, verifying the effectiveness of the initiatives implemented and the direction of future developments.

2023/24 was the year of the evolution of the listening program. In fact, a new survey, **“psychological safety”**, has been launched in order to assess how free people feel to express themselves in professional environments and in their relationships with others. As an additional support tool, traineeships were held to enhance the psychological well-being of managers.



GROWTH & IMPACT

Emphasizing people's exceptional points, cultivating their talents and helping their expression. This is the heart of Growth & Impact, which is based on the "70-20-10" development model. The model offers a complete and effective experience of skills and human capital development. For an explanation of this, see section “Training and development” (p. 53).



WELLBEING

In FY 2023/24, specific activities were carried out to encourage physical, mental and emotional health, helping to create a safer working environment. The objectives of the program were focused on:

AWARENESS: Internal communication campaign and dedicated intranet site where you can find tools for well-being.

PREVENTION: The goal is to take care of the well-being of Fater's people, their families and communities, starting with those in which the Group operates. The three areas of action are:

➤ **Physical & Mental Wellbeing:** Fater offers tools that allow people to take care of their health, physical and psychological. Among the projects developed, online psychological support stands out, born in Angelini Industries and then extended to Fater. Interested people can access sessions with professionals made available by the company who operate in complete confidentiality.

➤ **Relational Wellbeing:** Fater recognizes the importance of healthy relationships, which allow people to be their own selves in inclusive work environments. In addition to the activities illustrated regarding the “Listen” pillar (360° feedback), the company has promoted paths and opportunities for meeting in areas other than work issues, thus promoting relationships in contexts of creativity or sharing of personal interests (e.g. Painting Course, the “International Book Club”).

➤ **Financial Wellbeing:** Fater increases the awareness of all employees of the financial instruments at their disposal. 10 workshops were held during FY 2023/24 on the topic of Total Compensation and TRS (Total Reward Statement).²²



INCLUDE

FY 2023/24 was the year of the “Compliance Stage” of Fater's journey in DE&I (Diversity, Equity and Inclusion) culture, a phase in which it is verified that the organization's processes are suitable for promoting inclusivity.

During 2023/24, various projects were launched concerning: inclusive language, parenting, gender equity, gender-based violence and caregiving. The commitment to the DE&I culture is positively reflected in the survey on the internal climate: when asked **“I feel like I am working in a company that is inclusive of all diversities”**, there is a 7% increase compared to the previous year (from 71% to 78%). Please refer to paragraph “Diversity, Equity and Inclusion” (p. 56) for further information.



INSPIRE

This pillar aims to inspire people through meetings with external testimonials, protagonists of success stories, transmitting experiences and knowledge within the company to develop a people-centric culture. The UXel Academy, the heart of this pillar, organizes online and face-to-face meetings on topics relevant to the People First strategy. Among the topics covered in the meetings held in FY 2023/24 we find, among others:

- **The culture of embracing mistakes**
- **Diversity, equity and inclusion and focus on LGBTQ+ issues**



DO THE RIGHT THING

“Doing the right thing is up to all of us!”: this pillar educates and trains employees on topics such as Legal, Privacy, Code of Ethics and MOGC to ensure fairness of behavior and transparency towards the company and third parties. In FY 2023/24, “Doing the right thing” meant the development of multiple initiatives, including “Do the Right Thing Month”, a series of events open to all employees in which, through concrete cases and with the dynamics of gamification, awareness of relevant issues was promoted.

²² The summary document of the annual compensation package, including monetary and non-monetary components, intended for Fater Italia's permanent employees.

Fater's people

OUR TEAM

GRI 2-7, 2-8, 2-30, 401-1, EXTRA GRI

As of June 30, 2024, the Fater Group had **1,596** people, up by 3% compared to the previous fiscal year.

NUMBER OF EMPLOYEES OVER THE THREE-YEAR PERIOD

FY 2021/22

1,506



FY 2022/23

1,554

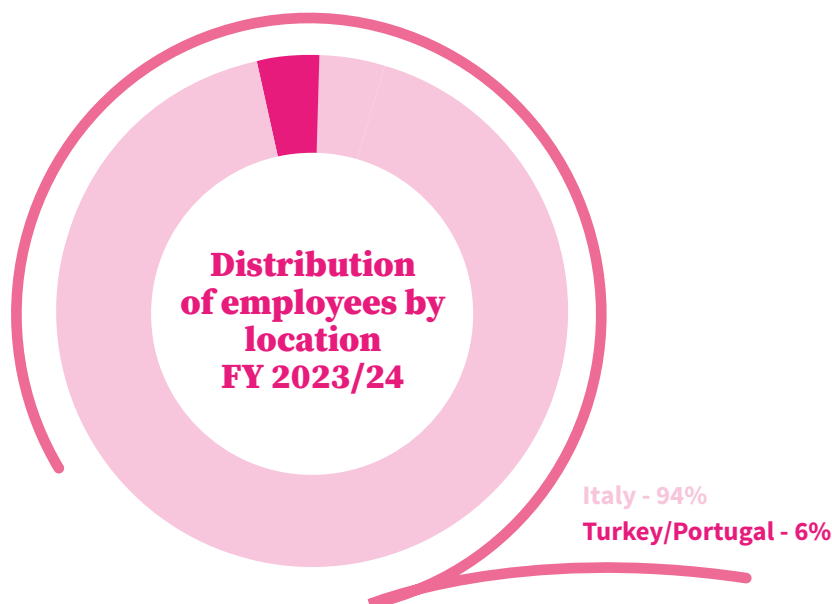
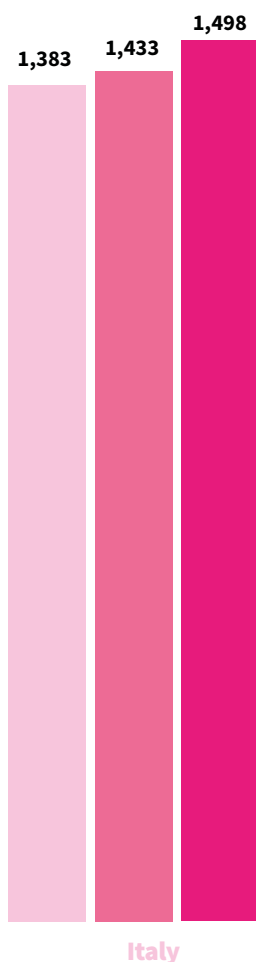


FY 2023/24

1,596



+3% Employees compared to the previous fiscal year



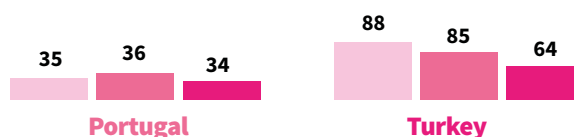
94% of the company's population works in the Italian plants and at Fater Campus (operations headquarters), while the remaining 6% is divided between the facilities in Portugal and Turkey. This breakdown also reflects the geographical origin of the staff.

Employees trend by location

FY 2021/22

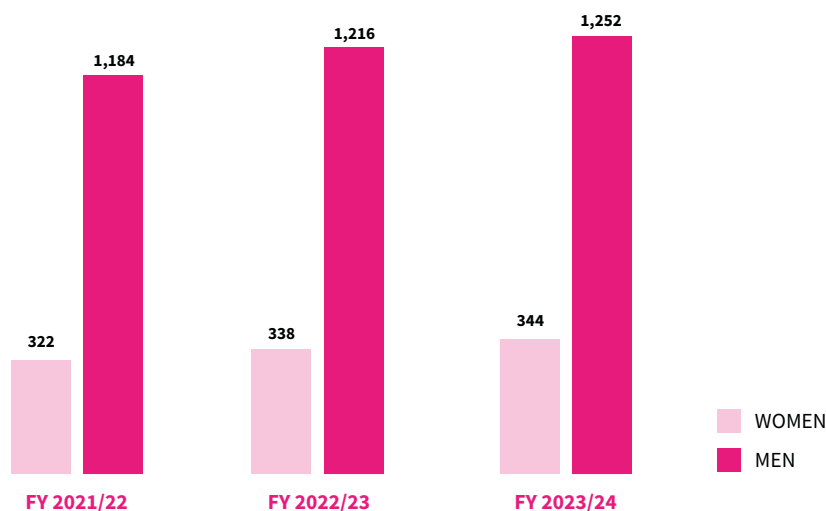
FY 2022/23

FY 2023/24

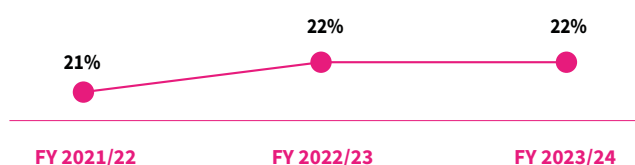


Women globally represent 22% of Fater's employees and are growing over the three-year period. Gender equality is achieved in some departments and plans and initiatives have been activated in the production departments to increase the female component. 52% of the Fater population is between 30 and 50 years old, and **12% of employees are under 30**. Of the total Fater employees, the maximum presence of under 30 is recorded among white-collar workers, where the percentage reaches 49%.

EMPLOYEES BY GENDER



PERCENTAGE OF FEMALE EMPLOYEES

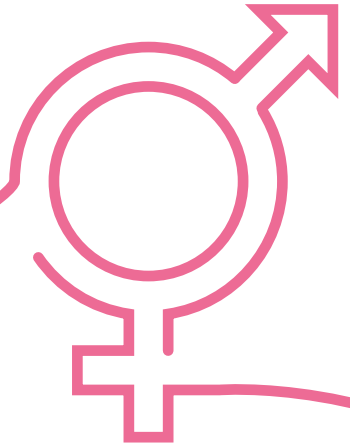


Almost all employees are hired with permanent contracts: 95%, which has been stable over the three-year period. In the 2023/24 fiscal year, 10% of employees are on a part-time contract. In addition, all employees of the Italian Fater locations and the Porto plant – equal to 96% of the total – are covered by collective bargaining agreements. Employees abroad are hired in accordance with local laws and collective or individual agreements.

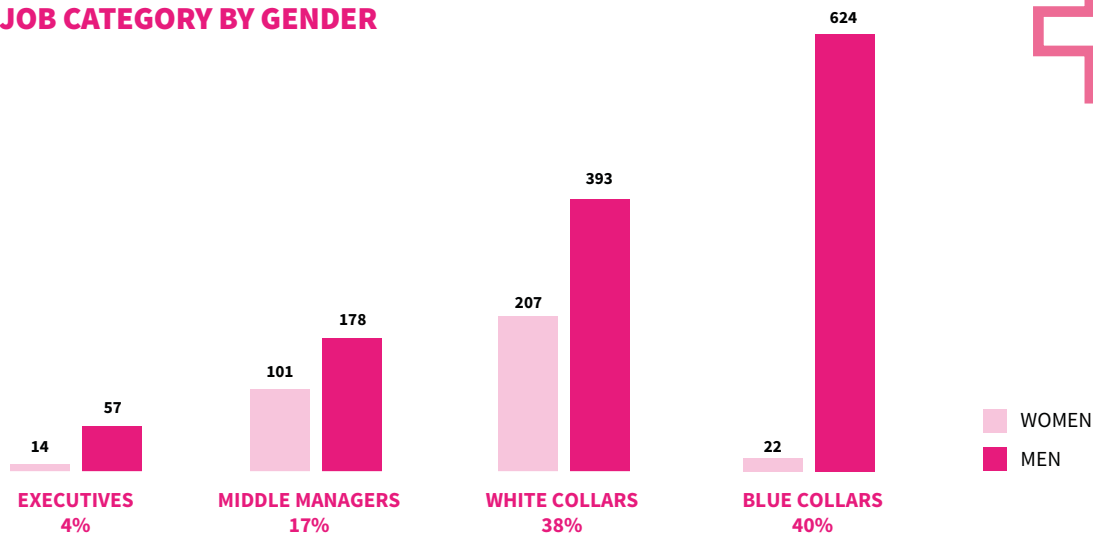
EMPLOYEES BY CONTRACT TYPE AND GENDER	FY 2021/22		FY 2022/23		FY 2023/24	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Permanent contract	312	1,135	325	1,160	327	1,189
Fixed-term contract	10	49	13	56	17	63
Total	322	1,184	338	1,216	344	1,252

As far as job categories, the composition of the organizational structure remained basically unchanged throughout the reporting period: **40% of the staff is made up of blue-collar workers, 38% of white-collar workers, 17% middle managers and 4% executives.**

22% Women employees at Group level

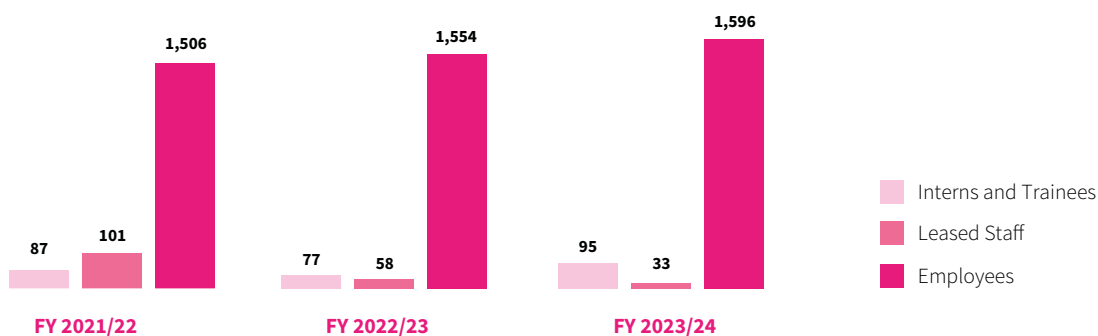


JOB CATEGORY BY GENDER



In addition to employed workers, Fater has **128 non-employees – interns and leased staff – as of 30.06.2024, equal to 8% of the total workforce**. Interns are typically introduced through direct recruiting channels, to assess the opportunity to hire at the end of the period. Leased staff, on the other hand, are employees of staffing firms.

EMPLOYEES AND NON-EMPLOYEES



TRADE UNION RELATIONS

In the Italian locations, **members of trade unions as of 30.06.2024 represent 39% of employees**, reaching 45% among men and 17.4% among women, both up compared to previous fiscal years. There are 30 union representatives, including 12 safety representatives.

In order to improve the balance between personal and professional life, an agreement was signed in 2023 between the Company and the Trade Union Representatives which sees the liberalization of holidays, i.e. the right for employees classified with the contractual category of middle manager to take additional vacation periods, calculated as such, beyond the previous limits of days per year. Outside the duration, all current holiday rules remain valid.

Talent attraction and development

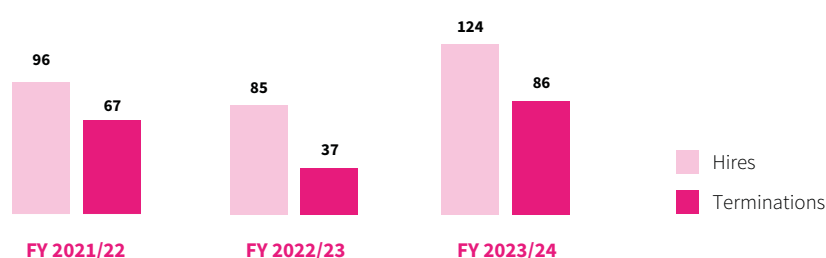
TO US, STAFF SELECTION AND RECRUITMENT REPRESENT A PRIMARY TOOL TO SUPPORT ORGANIZATIONAL DEVELOPMENT TO MAINTAIN COMPETITIVENESS ON THE MARKET.

ATTRACTION AND RECRUITMENT PROCESS

GRI 401-1

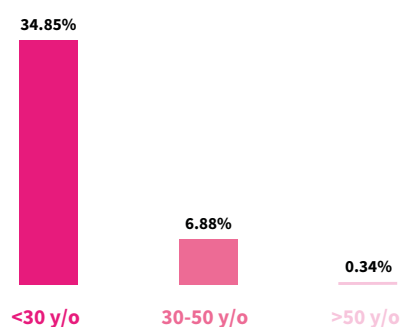
Candidates are **selected by the Talent Acquisition Team and by the Hiring Managers of Departments** and then join the company. As a joint venture between Angelini Industries and Procter & Gamble, in some cases there are opportunities for an interchange of people between the shareholding companies aimed at promoting a diversified career for employees to grow their skills. In the last fiscal year, the Fater Group **hired 124 new employees, recording a positive turnover of almost 8%**. Notably, the positive turnover rate of women was 9%, more than 1% higher than that of men.

HIRES AND TERMINATIONS

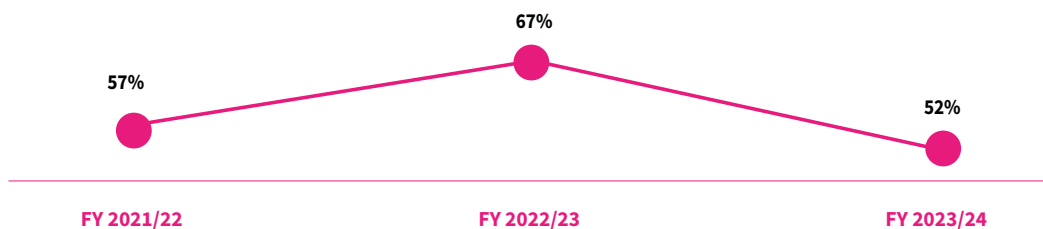


POSITIVE TURNOVER RATE BY AGE FY 2023/24

New hires under 30 exceed 52% of the total and the positive turnover rate of this group is 35%. Negative turnover is also significantly improving, going from 19% to 12% over the past three fiscal years.



NEW HIRES UNDER 30



FATER AWARD

Fater Group fosters access to employment through various **initiatives involving young people, recent graduates and undergraduates**. The goal is to build a bridge between the company and the university, stimulating students to put into practice the skills acquired and facilitating their entry into the world of work. An example is the **Fater Award**, now in its 4th edition, a project that **involves about 500 students from 15 universities**, divided into groups to develop business cases on topics such as sustainability and digitization. Projects are evaluated by a jury composed by university professors and Fater's Leadership Team. The event ends with a Hackathon on the company campus, where the winning teams face a new business game.

Fater, as part of its approach to research and innovation, has for years activated a series of scientific collaborations, both for the “Fabric & Home Care” category and for the “Paper” categories, with universities and other private and academic research centers, national and international.

Fater funded two industrial doctorates in 2023 and opened its laboratories, for one week in September 2023, to the training of doctoral students for the “2nd Summer School of Science Based Formulation”.



#FATERLABEXPERIENCE

The #FaterLabExperience program combines the academic and business worlds, offering university students the opportunity to **work for 6 months on a technical-scientific project** relevant to their degree path, in cutting-edge spaces and supported by professionals in the sector. For Fater, the initiative represents an opportunity to acquire new perspectives and know-how. The projects concern development and innovation in various areas, with a **focus on sustainability and the reduction of emission impact**.

In fiscal year 2023/24, the project saw the participation of 13 students (21 considering the 8 with a thesis period between fiscal 2022/23 and 2023/24).

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 5%**.

TRAINING AND DEVELOPMENT

GRI 404-1, 404-2, 404-3

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

Doing to learn: Fater values concrete work experiences for the development of employees and has been promoting transversal growth paths through different areas of the company organization for some years. **In the last fiscal year, 41% of managers changed jobs, with 241 total changes, marking an increase of 1% compared to the previous year. This approach promotes the acquisition of diversified skills.**

20% COACHING & MENTORING

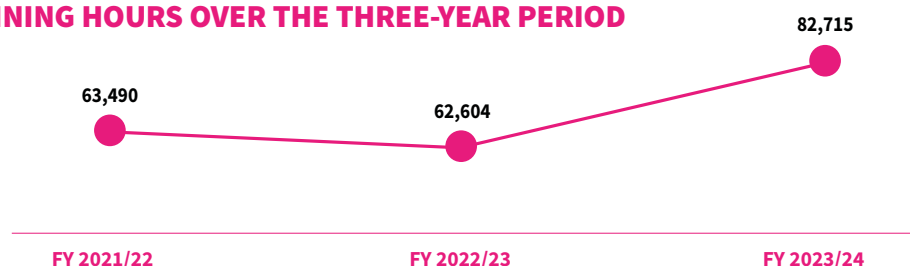
Fater offers the opportunity of having a **qualified coach** through a training program. In FY 2023/2024, a new in-house coach was trained, and so far, around 140 employees have participated in coaching courses. In addition, Fater offers a mentoring program.

10% TRAINING

Fater's Training Program starts with **onboarding** and includes technical and soft skills courses. It encompasses development of technical skills through on-the-job training and classroom courses, and the enhancement of soft skills with corporate training and an Academy for People Managers. Employees have access to the Angelini Academy, which has been providing training programs for 10 years to support employees in their personal and professional growth path.

In 2023/24, Fater provided a total of 82,715 hours of training,²³ an increase of 32% compared to the previous fiscal year. In particular, the hours of *governance training* had an increase of more than 100% compared to the previous fiscal year. It derives from the introduction of the Governance Training plan, consisting of the courses and procedures provided for by the Organizational Model of Management and Corporate Control (Legislative Decree 231/01). This training provides for the participation of all employees in basic courses and some of them in advanced courses.

TRAINING HOURS OVER THE THREE-YEAR PERIOD



To partially cover the costs of training, some projects use funds for financed training (e.g. Fondimpresa, Fondirigenti).

²³ This figure does not take into account health and safety training. For the latter, see chapter "Health and Safety" (p.59).



EMPLOYEE INVOLVEMENT ON SUSTAINABILITY ISSUES

Fater is actively engaging the corporate population to achieve ambitious sustainability goals. This commitment is shown through various initiatives aimed at spreading the culture of sustainability and encouraging virtuous behavior.

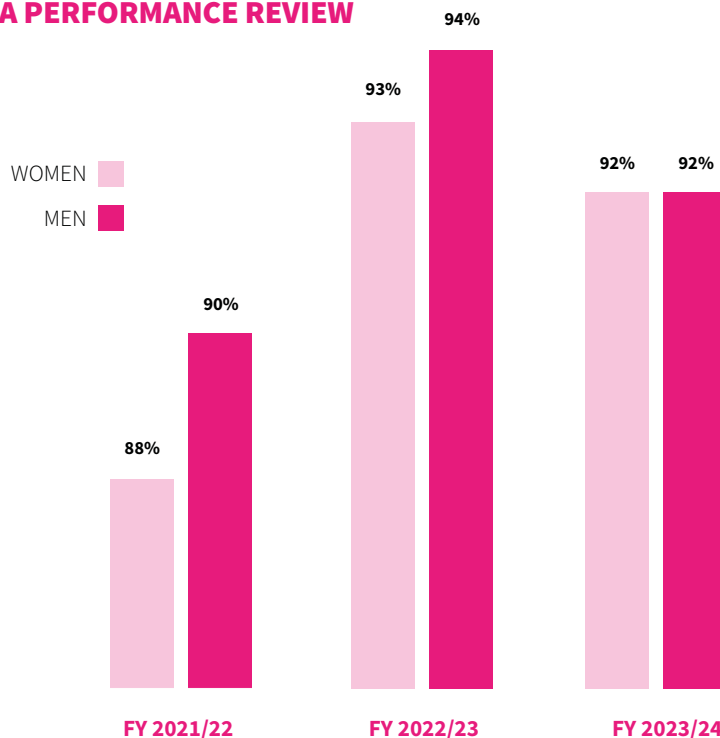
Sustainability Courses: Fater organizes two sustainability trainings at least once a month: “ESG Principles” and “Sustainability for Industries”. These training sessions are designed to raise awareness among employees about the importance of sustainable practices and to provide them with the necessary skills to actively contribute to the company's goals. In FY 2023/24, 78 employees attended the “Sustainability for Industries” course, while the “ESG Principles” training was launched in FY 2024/25.

Net Zero incentive programs: Fater has introduced sustainability objectives in MBOs (Management by Objectives). This means that part of the performance evaluation, from middle management to higher levels, depends on the results related to the CO₂ reduction achieved.

Fater's People First strategy includes two moments of structured verification and dialogue: the **Performance Review**, in which the contribution of the individual is assessed with respect to the objectives assigned at the beginning of the fiscal year, and the **Talent Development Review**, in which the development of individual talent and potential developments are assessed.

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

PERCENTAGE OF EMPLOYEES WHO HAVE RECEIVED A PERFORMANCE REVIEW



On the basis of the Talent Development Review on employees, Succession Planning is activated through which the company can develop general assessments of the future organization, understanding whether the roles from middle management to rise can be filled preferably through internal growth. Fater supports outgoing employees with a Social Plan to facilitate retirement and partnerships with outplacement companies for reskilling and reintegration into work.

COMPENSATION POLICIES

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

Fater defines compensation policies, valid for the entire organization, aiming at external competitiveness and internal fairness. Fixed compensation and employee growth path are based on **market pay curves, company role weight, and annual individual performance**.²⁴ Variable remuneration depends on company results and individual performance, with different forms of incentives: **LTI (Long Term Incentives)** for Fater Italia, **Welfare Award, Sales Incentives and Participation Bonus**²⁵ and **MBOs (Management By Objectives)**. In particular, the latter are based on annual company results – determined by economic-financial indices with relative multiplier – and on annual individual performance. **In FY 2023/24, the so-called "transformation factors" were also included among the indices, which also include criteria related to sustainability.**

The company quantitative indices of the incentive systems indicated do not overlap, determining the payment of the various bonuses separately. The severance pay is in line with current legislation and company procedures.

The revision of the fixed remuneration is approved by the Shareholders, while the variable remuneration is finalized by the Finance & Administration Department and approved by the Executive Committee.

The tables below show the data relating to the average compensation and remuneration of Fater Italia employees.²⁶

PAY AND COMPENSATION ALL EMPLOYEES (EXCLUDING THE HIGHEST PAID PERSON)²⁷

FY	Average total annual pay	Median of total annual pay	Average total annual pay ²⁸	Median of total annual compensation
2021/22	45,800	38,300	51,400	40,400
2022/23	47,400	39,400	53,100	41,900
2023/24	48,308	40,713	53,805	43,251

Overall, Fater's pays are positioned at the high end of the market. Given the complexity of the subject, Fater is committed to improving the full understanding of the corporate compensation offer by employees, with:

- **Total Reward Workshops**, training sessions addressed to the entire Group's population.
- **Total Reward Statement**, a summary document of the entire annual compensation package – both monetary and non-monetary – for Fater Italia permanent employees.

²⁴ For details, please refer to the 2023 Sustainability Report.

²⁵ See note 24.

²⁶ Total annual compensation means gross annual remuneration (fixed remuneration components), while both fixed and variable meritocratic components (incentive systems) are included in the total annual remuneration item.

²⁷ Data on the remuneration and remuneration of the highest-paid person are not reported, as these would violate the legal constraint on the confidentiality of personal data as they can be traced back to a single identifiable person.

²⁸ The total annual remuneration includes fixed components and meritocratic variable components (incentive systems) and excludes contractual allowances (overtime, travel, shifts).

Diversity, equity and inclusion

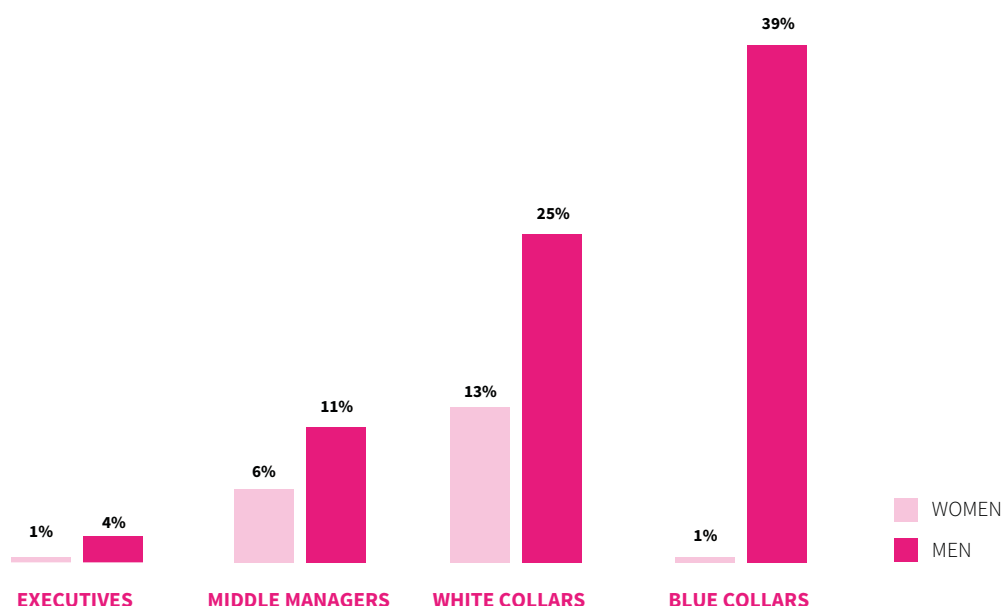
GRI 405-1, 406-1, EXTRA GRI

DIVERSITY, EQUITY & INCLUSION ARE EXTREMELY RELEVANT TO FATER, AS DEMONSTRATED BY THE COMMITMENT TO THE INCLUDE PILLAR OF THE PEOPLE FIRST STRATEGY AND THE LINES, PAMPERS AND ACE BRAND PURPOSE.

Regarding the gender composition of the workforce, women make up 22% of employees. As shown by the reported data for FY 2023/24, the overall male/female ratio is influenced by the situation in the production plants. Focusing on managerial positions from senior employees upwards, progress towards the goal of gender equality will be gradual, as meritocracy drives career developments that are preferably offered to individuals already within the organization.

Fater's inclusion journey reflects the ongoing cultural change, which is perceived in a structured manner within the organization. Fater is committed to achieving gender balance at the managerial level, following the principle of meritocracy as the criterion for growth opportunities. In the reported fiscal year, 37% of managers are women.

PERCENTAGE OF EMPLOYEES BY PROFESSIONAL PROFILE AND GENDER



In recent years, Fater has taken various steps to address pay equity and reduce the salary gap between men and women. This commitment is reflected in the significant progress made over the past year, with the gap decreasing from 2.9% to 2.4%, thanks to targeted initiatives aimed at bringing this figure closer to zero. However, Fater's historical context will influence the gradual achievement of this goal, which will also depend on the overall employment levels within the company.

In fiscal year 2023/24, the Diversity & Inclusion team began **analyzing business processes** to ensure that every moment of the work experience at Fater reflects the values of inclusion.

- **Gender Equality Certification:** start of work to obtain the Gender Equality Certification (UNI PDR 125) and focus on listening to Fater's women.
- **Qualitative listening at the Pescara Plant:** first qualitative listening session dedicated to the women of the Pescara plant.
- **Inclusive language:** Raising employee awareness about language as a transformative tool to create an inclusive work environment, adhering to the “Manifesto for Non-Hostile Communication”.



THE MANIFESTO OF NON-HOSTILE COMMUNICATION

One of the main initiatives to support progress for DE&I has been **inclusive language**. Thanks to Fater's adherence to the “**Manifesto of non-hostile communication**”, posted on all Fater sites, it is committed to ensuring an inclusive work environment.

The Manifesto of Non-Hostile Communication

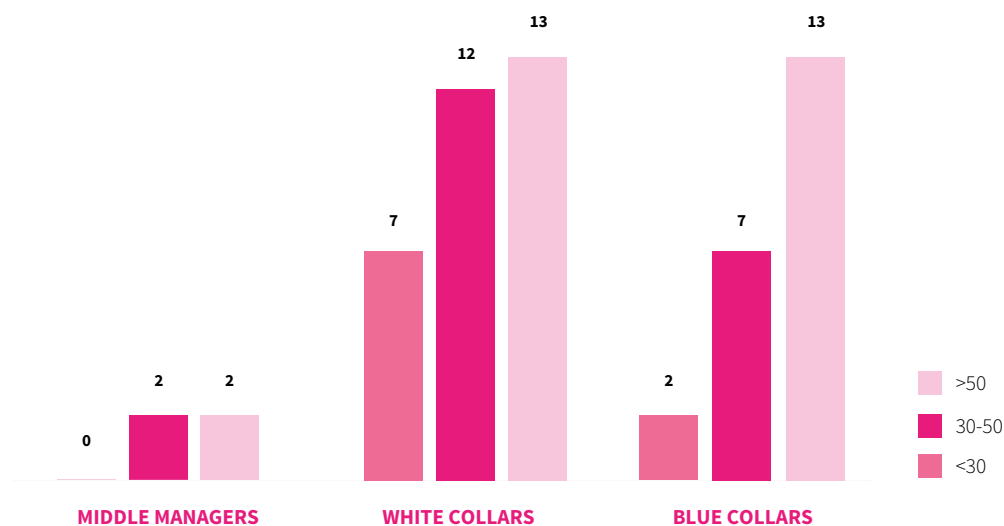
1. Virtual is real On the Internet, I only write or say what I would dare to say in person.	6. Words have consequences I am aware that what I say or write can have consequences, small or serious.
2. You are what you communicate The words I choose define who I am. They represent me.	7. Share with care I share texts and image only after I have read, assessed and understood them.
3. Words shape the way I think I take all the time I need to express my views in the best possible way.	8. Ideas can be discussed. People must be respected Those whose views and opinions differ from mine are not enemies to be destroyed.
4. Listen before you speak No one can always be right, and nor am I. I listen, with an honest and open-minded attitude.	9. An insult is not an argument I accept no offensive and aggressive words, even if they support my point of view.
5. Words are bridges I choose words to understand, make myself understood and get close to others.	10. Silence says something too When it's better to keep quiet... I do.

paroleostili.it

- **Thematic months of the Pillar Include:** May and June 2024 aimed to recognize and enhance the countless dimensions that make up the human being. Central was the dimension of Caregiving, which focuses on the concept of "care" as the basis of daily actions in the personal and professional sphere.
- **Commitment to Parks – Liberi e Uguali:** continuous commitment as a member company of Parks – Liberi e Uguali, focusing on sexual orientation and gender identity.

Among Fater's employees, 58 people belong to one of the protected categories defined by the regulations.²⁹ These are 43 men and 15 women, who hold roles of workers, employees and middle managers. 41% of employees in these categories are over 50 years old, while 38% are between 30 and 50 years old and 22% are under 30 years old, a sharp increase compared to FY 2022/23 (9%).

PROTECTED CATEGORIES BY PROFESSIONAL PROFILE



²⁹ Law no. 68 of 1999.

Health and safety

GRI 403-1, 403-2, 403-3, 403-4, 403-6, 403-7, 403-8

The Health, Safety and Environment (HS&E) policy adopted by Fater aims to protect the health of its employees, external service providers and the communities living near the sites, to allow all workers to operate safely and safeguard their health, Fater adopts a series of measures and policies aimed at:

- take and support all actions necessary to protect the health and safety of its employees;
- identify, assess and classify risks to the health and safety of workers, the environment and product quality;
- minimize the possibility for incidents, injuries and occupational diseases to occur;
- train and educate staff to make them aware and suitable to keep proper behavior in the field of health and safety, environmental and quality protection;
- educate external companies and visitors on proper behavior to be followed in the work areas and on the rules in force relating to health, safety and the environment. External companies, in order to operate at Fater sites, must issue a statement confirming that they have provided the necessary information and have subsequently trained and instructed the personnel who will be working at Fater.
- annually set goals for continuous improvement in the fields of health, safety, environment and quality.

All production plants, both in Italy and abroad, have adopted the Occupational Health and Safety Management System in compliance with the ISO 45001:2018 standard. The management systems are applicable to all activities carried out in the certified locations 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 (DVR) approved by the Executive Committee (employers). Audits of security systems are carried out on an annual basis through internal and external audits.

The Campochiaro plant falls under the Seveso regulation,³⁰ which aims to minimize the risk of major accidents within the plants.

³⁰ Legal Requirement 105/2015.



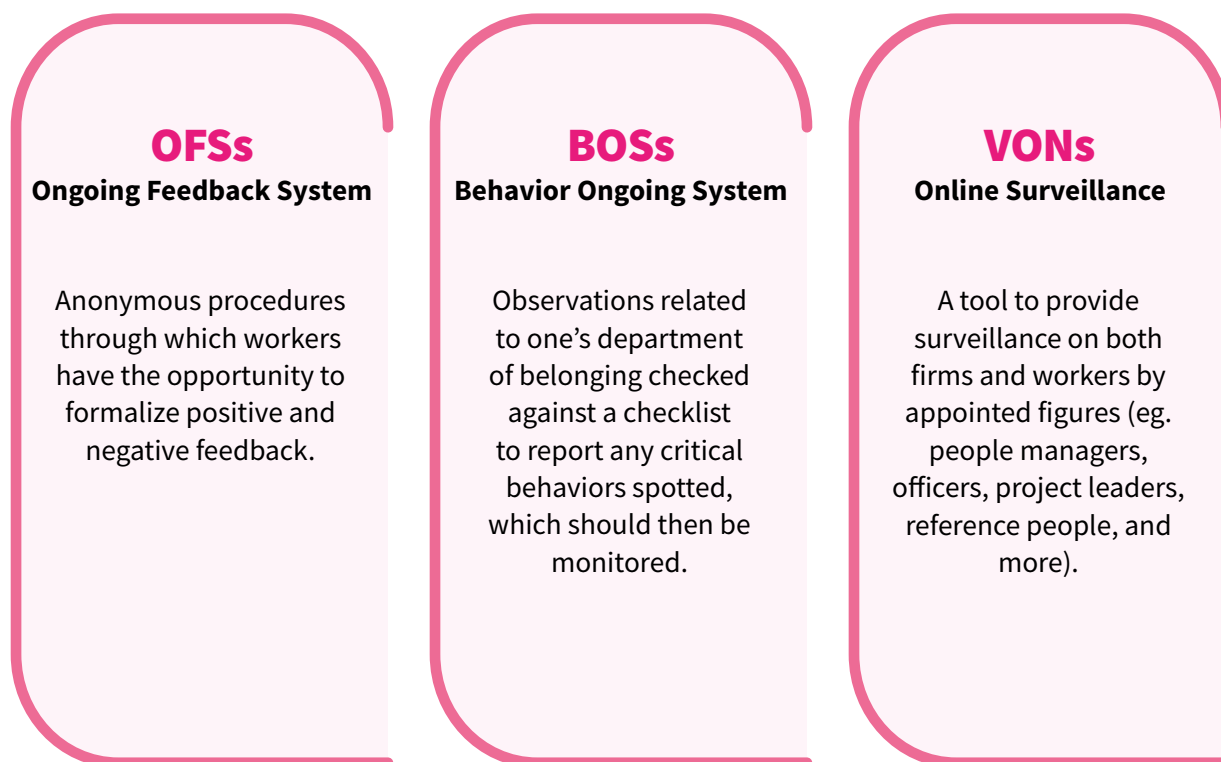
The Group has also formalized Committees that include management and employees, such as:

REVIEW WITH MANAGER³¹: here topics such as RAD, ISO 14001, 45001, the Improvement Plan, Seveso regulations, training, health protocol are discussed at least on a yearly basis or as needed. The meetings are attended by the Competent Doctor, the RLS, the Plant Manager concerned, the Prevention and Protection Service Officers (ASPP) and the Head of the Prevention and Protection Service (RSPP).

SAFETY MEETING: monthly the HS&E (Health, Safety and Environment) group meets with site leadership to review the plant's health and safety measures.

Risk assessment is carried out through the Job Safety Analysis (JSA) and in the DVR, which also indicates the countermeasures for the reduction of any residual risks and the planned improvement plan. The main hazards and risks that workers may incur during the performance of their activities can generally be summarized in three categories:

- health risks due to exposure to chemical agents or physical agents;
- safety risks from traumatic contact with a tool or a moving equipment present in the company (mechanical risks, hot surfaces, etc.);
- transversal or organizational risks (risk of work-related stress). Workers can freely report – through specific forms, adopted independently by the various offices – any behavior that is not in line with safety rules and deviations from them.



³¹ According to art. 35 of Legislative Decree 81/08, for Italian offices.



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 analysis of **Near Misses** exploits the investigation of near misses to identify actions that can solve the problem at the base, with a view to preventing accidents. For each event a “Why-Why Analysis” form is filled in, with a related survey and Action Plan. In the course of continuous improvement, Fater makes recurring shares of Near Miss and relevant events with companies belonging to the same or similar sector, to increase its experience on the subject. Fater encourages this approach through information, training and reward mechanisms based on the identification and resolution of dangerous situations.

Occupational Safety and Prevention Network

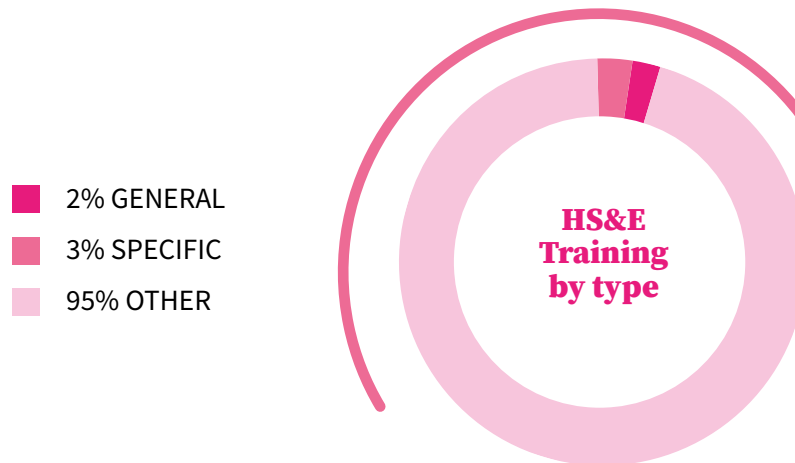
Fater is affiliated with and participates in the activities of **AIAS (Italian Association of Environment and Safety Officers)** and is a member of the scientific committee of **Assidal (Italian Trade Association of Employers)**. Fater, as part of its participation in these associations, organizes events to share good practices and takes part as a speaker in meetings in other companies in the area, deepening the issue with the intervention of nationally recognized experts. Among the beneficiaries of the events there are professionals in the field of prevention and safety at work, employers and public bodies and institutions.

In the area of workers' health and safety, Fater has launched a well-being project, integrated into the Wellbeing pillar of People First, which in the reporting year included:

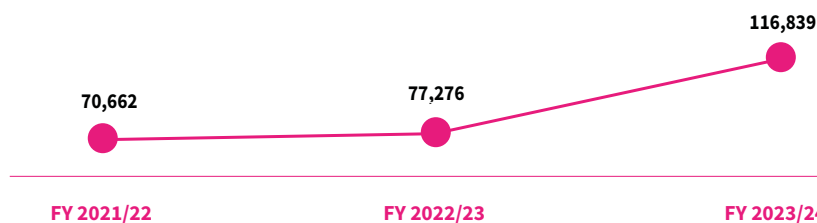
- seminars on sleep and nutrition;
- increase and sponsorship of blood chemistry tests as a company benefit;
- agreements with external professionals for specific advice (sports medicine, nutritionist, dermatologist, etc.);
- low glycemic index and cholesterolemic menus in the factory canteens available to workers. In addition, a vegetarian option is always available on the menu.

HEALTH AND SAFETY TRAINING

GRI 403-5



HSE TRAINING HOURS



Fater places great importance on training in the Health, Safety & Environment (HSE) field to ensure the safety of all workers and compliance with procedures. For this reason, **mandatory training** is provided within the first few days of the contract, during **onboarding**, and before undertaking new tasks, **ahead of the 60 days required by regulations**. In **Italy**, this training is aimed at all workers, regardless of the type of contract (including interns and trainees), and is adapted to the risk class according to current regulations. The **EasyTraining** portal allows for monitoring of attended courses, ensuring effective organization.

In **Portugal**, **EasyTraining** is also used to enable optimal management of all the plant's training plans. This tool ensures compliance with the law by cataloging the training courses to be followed and tracking attendance, but also allows employees to manage their own internal or external training plans.

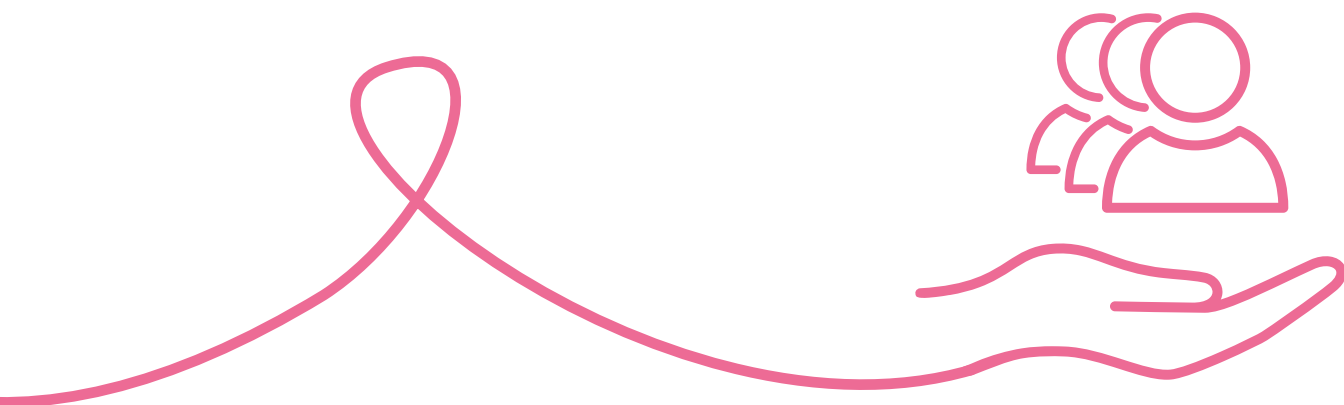
At the **Gebze** plant, all employees (staff, interns, operators) participate in a **mandatory 12-hour occupational safety course**, conducted by a legal expert in the field. Additionally, they receive a **mandatory 4-hour health course** provided by an occupational physician. The validity of the training is 1 year, with annual renewal. Workers are also required to review the Fater Integrated Policy document 45001:2018 - 14001:2015 - 9001:2015.

Special attention is given to workers with roles of responsibility, such as Supervisors and Managers, for whom training programs are customized beyond regulatory requirements.³²

³² Decree 81/08 and State-Regions Agreement 21.12.2011.

In the fiscal year 2023/24, Fater provided a total of 116,839 hours of Health and Safety training to its workers, a number that has increased over the three-year period and grown by 51% compared to the previous fiscal year.

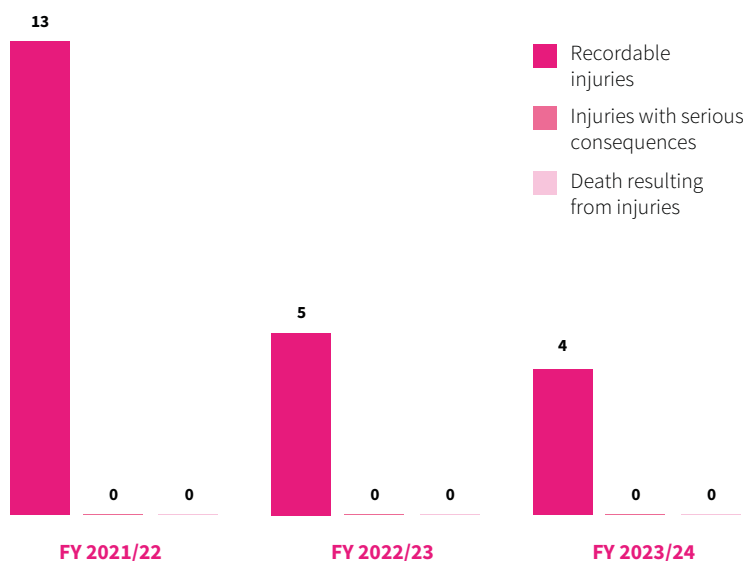
The “specific training” category includes courses on current regulations as required by the State-Regions agreement, while the “other” category includes courses related to internal procedures and regulations that are not mandatory. For example: all courses that allow safe working, including those related to department rules, rules for various employee tasks, environmental training, and training on general plant rules. Also included are courses related to procedures, on-the-job training, emergency team training, additional training for supervisors, courses for the reference person for contracted work, use of PPE, worker information and expectations, and remote work.



WORK-RELATED INJURIES AND WORK-RELATED ILL HEALTH

GRI 403-9, 403-10

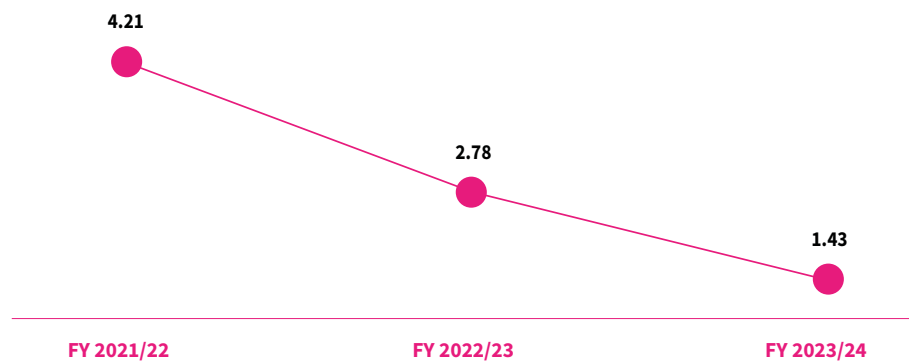
NUMBER OF WORK-RELATED INJURIES AMONG EMPLOYEES



NEAR MISS TREND



RECORDABLE WORK-RELATED INJURY RATE - EMPLOYEES



METHODS OF CALCULATING ACCIDENT RATE

In the international framework there are different accident index calculation methods. For this reason, for the first time, in this Sustainability Report, Fater, in addition to the Italian method recognized by INAIL (in which the multiplication factor is 1,000,000), includes also the OSHA recording rate and EUROSTAT calculation methods. The main differences are: the multiplier used, the reference to hours worked or the number of workers and the criteria for classifying accidents. Below are the data calculated with the two methods examined:

	FY 2021/22	FY 2022/23	FY 2023/24
EUROSTAT	863.2	321.8	250.6
OSHA	0.84	0.58	0.29

WORKPLACE INCIDENTS – NON-EMPLOYEES

	FY 2021/22	FY 2022/23	FY 2023/24
Death as a result of incidents	0	0	0
Incidents with severe consequences	0	0	0
Recordable incidents	2	0	0

During the fiscal year 2023/24, **no work-related injuries with serious consequences or cases of occupational diseases were recorded.**

At the foundation of its risk mitigation strategy, Fater aims to eliminate any health risks to employees and, when this is not possible, to prevent and reduce danger. In cases where risk reduction is not possible, the organization acts to define operational procedures that ensure employees can work safely, for example by evaluating the adoption of collective and individual protective devices.











The risk analysis is documented in the company's Risk Assessment Document (DVR), which assesses the probability and extent of damage and includes an action plan with measures to mitigate hazards. Risks related to occupational diseases (physical agents, chemicals, display screen equipment, load handling, vibrations) are also analyzed in the DVR.



Corporate welfare

GRI 401-2, 401-3

Fater makes available to its employees a competitive benefits package, customized by Country and continuously expanding:

	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: insurance aimed at covering the risk of death or severe permanent disability, with the base premium paid by the company.
	SUPPLEMENTARY PENSION FUNDS: option to join category supplementary pension funds, to which the company contributes an additional amount.
	EXTENSION OF PARENTAL LEAVE FOR DADS AND SAME/SEX FAMILIES: valid for Fater Italia's employees.
	EXTENDED BEREAVEMENT LEAVE: beyond what is required by law, for testifying in court, and for corporate volunteering.
	COMPANY SHOPPING AND AIDS: employees benefit from discounts on all Fater products and those of affiliated companies, as well as preferential rates for services with partner companies.
	SPORTS ACTIVITY CONTRIBUTION: The employee can request an annual contribution to cover expenses related to subscriptions for sports activities practiced by the employee or a family member.
	PSYCHOLOGICAL SUPPORT: offered through an external company with qualified professionals, in full compliance with Angelini4you confidentiality . ³³
	OTHER CONTRIBUTION: shopping vouchers, fuel vouchers, scholarships, rental contributions for newly hired employees working away from home.

**In Fater it is possible
to work from home
even 5 days a week**

**100%
HYBRID WORK**

³³ For details, please refer to the Fater Sustainability Report FY 2022/23.

- **100% HYBRID WORK:** Fater is among the first companies in Italy to adopt a hybrid work model with the possibility of working from home up to 5 days a week for positions that can be managed remotely. Considered a benefit by 90% of employees, it promotes work-life balance. This is made possible by **the trust-based relationship** with employees.

THE FOLLOWING ARE PROVIDED:

- **the right to disconnect, from 8:00 PM to 7:00 AM**
- **no meeting zone before 9:00 AM and after 6:00 PM**

For roles not compatible with remote work, Fater offers two additional days of vacation, and three days for workers over 50 to mitigate the impact of night shifts.

- **Vacation solidarity fund**, through which each employee has the opportunity to donate part of their vacation days to other colleagues, depending on needs and circumstances;
- **Expense solidarity fund**, an initiative aimed at helping employees who may face expenses they are unable to cover, with no requirement for repayment of the received loan.



FAMILY SUPPORT: PARENTING IN THE COMPANY

Initiatives dedicated to parents include:

Free diapers: to all employees who have had a child.

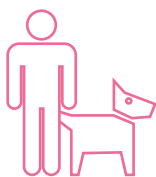
Nursery Bonus: reimbursement of up to €250 per month for 12 months for nursery expenses.

Babysitting services for employees' children

Extension of paternity leave: from 1 to 3 months.

Coaching for new mothers: coaching sessions up to one year after returning to work.

Parenting Guide: Resources on the company intranet to support parents.



Campus has been made Dog Friendly, giving those who wish the opportunity to bring their dog to work as an integral part of the family: **Dogs @work**.³⁴

³⁴ For details, please refer to the Fater Sustainability Report FY 2022/23.

PARENTAL LEAVE

Fater has structured a path to facilitate employees.

- One month before the start of maternity leave, a meeting is scheduled to organize the handover with the relevant People Manager, who remains available to offer support throughout the leave period.
- Upon return, an update meeting is organized to cover any changes in processes and organization that may have occurred during the absence.
- A specific Talent Development Review is conducted, focused on expectations upon returning from maternity leave.
- Regarding paternity, already since FY 2022/23, given the great importance of parenting and of the father role, Fater has decided to make available for new fathers a fully paid period of 3 months, to be used in the first year of the baby.

PARENTAL LEAVE (FY 2023/24)

	WOMEN	MAN	TOTAL
Employees who were entitled to parental leave ³⁵	35	47	82
Employees who used mandatory parental leave	14	2*	16
Employee who used optional parental leave	12	22**	34
Employees who used mandatory + optional parental leave	9	23	32

* due to the FY closure time range, new fathers who took advantage of the benefit in FY 2024/25 are not registered.

** 3 months benefit plus optional paternity.

RETURN TO WORK (FY 2023/24)

	WOMEN	MAN	TOTAL
Number of employees who were supposed to return from mandatory leave	23	25	48
Number of employees who actually returned	15	25	40
Number of employees who have not returned yet	8	0	8
of which resigned	3	0	3
of which dismissed	0	0	0
Return to work rate	65%	100%	83%

³⁵ At Fater, all employees are entitled to parental leave. The table only includes those who actually took advantage of it in the fiscal year 2023/24.

Dialogue with our consumers

PRODUCT QUALITY AND SAFETY³⁶

GRI 417-1

Fater ensures quality and safety at every stage, from design to after-sales. Research and development define technical specifications and analytical methods, maintaining constant dialogue with Procter & Gamble. The plants in Italy (Campochiaro and Pescara) and abroad (Porto and Gebze) adopt a responsible approach, certified ISO 9001, 14001, 45001, and, for Pescara, also ISO 13485.

Rigorous controls ensure the quality and safety of products, with periodic checks and advanced tools to detect non-conformities. Campochiaro updates quality controls, while Pescara improves the management system to align with the BRCGS Consumer Products standard.

Product safety is also ensured for the consumer through the information provided on product labeling. Fater products fall under four main categories, regulated by the respective regulations:



COSMETICS: Regulation (EC) No 1223/2009 for the production of wipers.



MEDICAL DEVICES: Regulation (EU) 2017/745 for incontinence products.



MEDICAL-SURGICAL DEVICES: D.P.R. 392/1998 and Provision of February 5, 1999 for ACE products (floor cleaner, laundry detergent, toilet gel).



DETERGENTS: Reg. 648/2004 EC, Reg. 1272/2008 EC, Law 690/1978, Reg. EU 2023/988, Reg. 1907/2006 EC (REACH) for the Home Care product line.

Each regulation specifies the mandatory information for product labeling, including type, use, batch number, instructions for use, ingredient list, storage/handling conditions, and warnings. Additionally, Legislative Decree 152/2006 requires indicating the nature of the packaging materials used.

³⁶ For further details on Fater's commitment to quality and safety, please refer to the corresponding section in Fater Sustainability Report FY 2022/23. In fact, the procedures remain unchanged from the previous reporting year.

Community

FOR FATER, BEING A COMPANY ALSO MEANS CONTRIBUTING POSITIVELY FOR THE BENEFIT OF THE COMMUNITIES IN WHICH IT OPERATES, TOGETHER WITH CITIZENS AND INSTITUTIONS.





BRAND PURPOSE

Each Fater brand has established a social purpose that can concretely support communities, in collaboration with external associations.

For Fater, partnerships are **long-term collaborations to ensure the consistency of commitment and results over time**. For this reason, social responsibility projects, guided by social purposes, have a long-term horizon and are supported through annual brand investments. Each social responsibility project is also subject to periodic review and discussion with third-sector partners to assess its impact on society and identify possible areas for improvement.

Fater adopts the principle of **“we communicate exactly what we do”**. Through press releases, social channels, and brand websites, Fater provides **a snapshot of reality**: a clear vision of future milestones, commitments, and achieved results.

Below, we briefly recall the purposes, extensively described in previous years' reports to which reference is made, and the social responsibility projects implemented in the reporting year.

	ACE, the clean that unites
PAMPERS close to families	
	A world free from stereotypes and gender discrimination
“-PAUSA +TE”	



ACE, the clean that unites

Promote a new culture of cleanliness, where we can all team up and take care of our common spaces.



RETAKÉ PROJECT

Ace, an expert in home and fabric cleaning, extends its care to public spaces by promoting an active movement of citizens who take personal responsibility. In 2022, the brand initiated a partnership with the association Retake to raise awareness about the importance of reclaiming urban spaces through the project **“Scendiamo in piazza”** (Let's Go to the Square).

Fater questioned how it could make an even greater difference and found the answer in future generations. At the beginning of 2023, the project enhanced its educational component by directly involving 500 primary and lower secondary schools in four Italian cities: Rome, Pescara, Milan, and Palermo involving 1100 people among students and teachers. Around 50 of these schools actively participated in a competition organized by Ace and the educational agency “La Fabbrica”, where they identified their “Beloved Spaces” for revitalization and proposed concrete ideas for improvement during the FY 2023/24 edition. The four beloved spaces, chosen by the students, were revitalized during public events involving active participation from citizens and school students, and were returned to the community as new places for socializing and sharing.

Not only environmental sustainability but also social sustainability

During wall cleaning events in previous years, volunteers noticed that many writings contained hate messages. In response, in FY 2023/24, Fater promoted a new initiative with Retake to remove them using a product developed by the company's R&D department: an anti-hate formulation not marketed but specifically used for this activity. This project was accompanied by:

- An awareness campaign called **“Anti-Hate Formula”**, which shares real stories of discrimination experienced by four young individuals related to homophobia, body shaming, fatphobia, racism, and antisemitism. This campaign was developed with the guidance of Diversity Lab, an organization that promotes inclusive culture. It was shared on social media channels to raise awareness and encourage participation in activities aimed at removing hate speech.



- Activities in collaboration with **Diversity Lab to build inclusive language workshops for the students involved in urban revitalization events.**

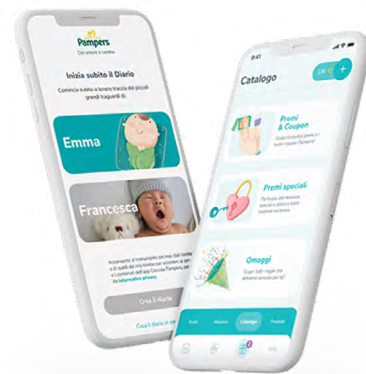


PAMPERS close to families

Being alongside families in their parenting journey, supporting them and helping them overcome doubts and uncertainties to fully enjoy the most beautiful adventure of life: raising a child.

The “Pampers Village” Project

In the reporting year, the "Pampers Village" project, launched in 2021 in partnership with Heart4Children, continued. Pampers Village is based on a digital platform within the **Coccole Pampers app** that offers support services to parents, including podcasts with expert advice and a **free listening and psychological support service**. The **Coccole Pampers app** currently has 535k registered users.



LINES SPECIALIST

“-PAUSA +TE”

Lines Specialist supports incontinent and menopausal women with innovative products and communication campaigns to promote the normalization and acceptance of these conditions. The **“-PAUSA +TE” campaign** highlights the positive aspects of menopause, promoting awareness, freedom and confidence. In collaboration with Fondazione Onda, Lines Specialist has created a dedicated portal that offers support, practical advice, and free consultations to help women experience menopause positively.

On the website **menopausa.lines-specialist.it**, every woman can find a series of in-depth articles that cover different aspects of this life stage in a simple yet comprehensive manner, as well as many practical tips (such as how to deal with hot flashes, insomnia, and mood swings) and a **free and personalized consultation service from a team of specialists, including a sexologist, psychologist, sleep medicine experts, and nutritionists**.

menopausa.lines-specialist.it



**Free
consultation
service**



LINES

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.

Awareness | The “**Domande Scomode @School**” initiative continues, through which the brand has involved a total of 250,000 students in educational programs on gender respect, from **442 middle and high schools**, covering **a total of 3,039 classes**. Approximately 100,000 students participated in the fiscal year 2023/24 alone. The initiative includes an educational program that promotes gender respect, developed with experts and professionals who delve into topics such as affection, stereotypes and gender discrimination, consent, and more. Several Fater managers, both women and men, also participated in the program as “Ambassadors” in schools. In February 2024, the first free training course for teachers was launched, aiming to educate them on the topics covered within the **Domande Scomode @School** platform, thereby making communication with students continuous and even more effective.



"I PANNI SPORCHI STENDILI FUORI" (i.e. HANG YOUR DIRTY LAUNDRY OUTSIDE)

Internally, Fater also organizes awareness sessions to spread the culture derived from the brands' purpose. In the fiscal year 2023/24, **Lines brought the theatrical performance “I Panni Sporchi Stendili Fuori” to the Pescara Plant and the Business Campus**. The performance originates from a group of women of different ages and geographical backgrounds who come together to create the work with a single intent: to counter the stereotypes ingrained in their culture, propose a new idea of femininity, and stimulate critical reflection on gender discrimination.

WeWorld Project | Lines collaborates with the NGO WeWorld, which has been active for over 50 years to ensure the rights of women, girls, and boys in more than 25 countries worldwide. In particular, Lines has contributed to the opening of “**Spazi Donna**” (**Women's Spaces**) in Bologna in 2021 and Pescara in 2022, which have welcomed and supported over **700 women in difficulty** since their opening (**407 women welcomed in FY 2023/24**), focusing on women's empowerment and the prevention of gender-based violence.

PARENTING: EXTERNAL VISION

Italy is going through a critical phase concerning birth rates, and because Fater has always cared for children and their families, it wanted to investigate even more closely the challenges that parents face today when deciding to embark on this experience or for those who are already living it.



PAMPERS VILLAGE PARENTING OBSERVATORY

Fater has launched the Pampers Village Observatory, **a research project in collaboration with the social research institute Eumetra**. This observatory aims to **analyze the factors that hinder the well-being of Italian parents and the reasons why many couples do not consider the possibility of having children**.

Through an in-depth analysis of official data, dialogue with experts, and a community of parents, the Observatory aims to support the purpose of the Pampers brand, positioning itself as a credible and authoritative interlocutor on the topic of parenting. The collected **evidence** reveals a picture of **loneliness and perceived inadequacy among parents, especially women, and the lack of a community support network**.

In response, Pampers is working on expanding the **Pampers Village**. This project represents a concrete **commitment by Fater to support parenting not only within its own corporate population but also externally, contributing to creating a more favorable environment for Italian families**.

Fater participated in the **General States of Natality** by taking part in the activities of the Foundation for Natality and being among the speakers to share the initiatives promoted in support of parents, both concerning employees and the broader community.

RELATIONSHIP WITH THE LOCAL COMMUNITY

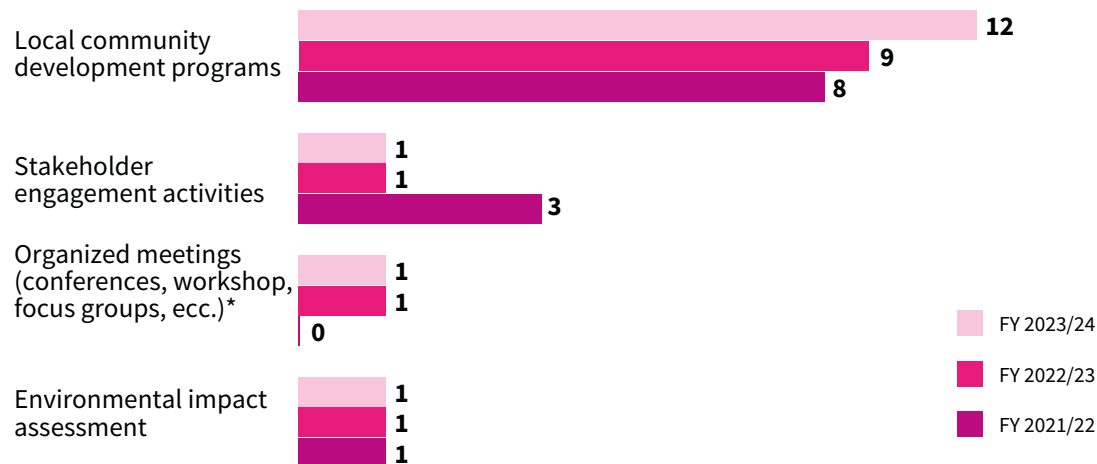
GRI 413-1

THE RELATIONSHIP WITH THE LOCAL COMMUNITY IS ESSENTIAL FOR FATER, AND IT NURTURES THIS RELATIONSHIP THROUGH CORPORATE VOLUNTEERING AND ACTIVITIES THAT INVOLVE LOCAL COMMUNITIES, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS.

CORPORATE VOLUNTEERING

Fater promotes corporate volunteering, making it a benefit: 8 paid hours are provided for employees who want to volunteer with associations operating in the area, promoted by the employees themselves and encountered at site events. In particular, in December and January, Fater held the Community Months, two months dedicated to showcasing community projects and discovering how to contribute personally.

ACTIVITIES INVOLVING LOCAL COMMUNITIES, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS



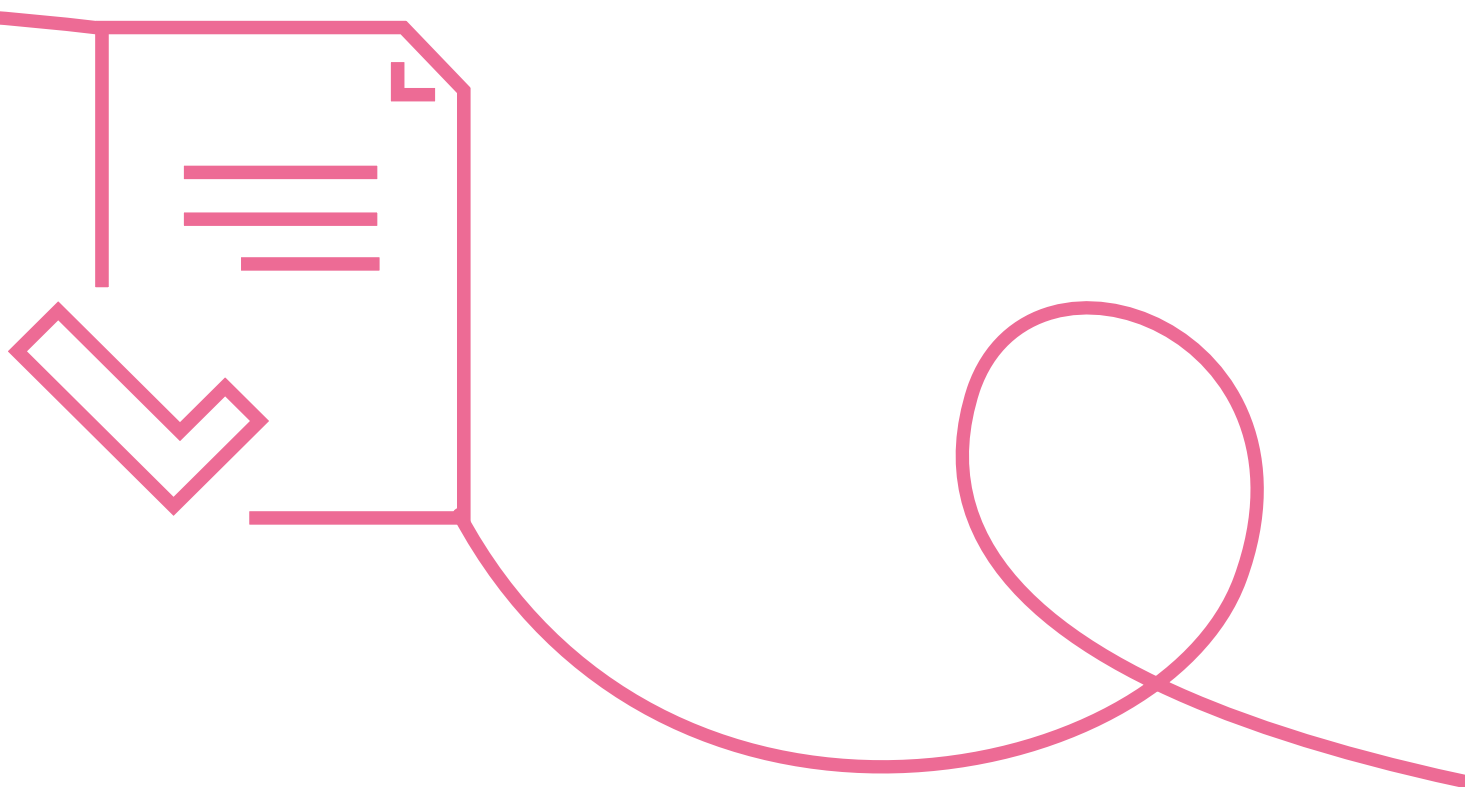
* The data for the fiscal year 2022/23 has been corrected compared to what was reported in the Fater Sustainability Report FY 2022/23 for organized meetings (conferences, workshops, focus groups, etc.) and stakeholder engagement activities.

Among the local community development programs in continuity with previous years, in addition to those already mentioned in the “Brand Purpose” section (p. 70), we find:

➤ **BANCO ALIMENTARE:** Fater has been collaborating for many years with Banco Alimentare in both Abruzzo and Molise donating any quantities of products no longer listed (diapers, sanitary pads, household and fabric cleaning products) for the purpose of their redistribution in the community. Banco Alimentare (Food Bank), limited to Fater products, helps meet the needs of about 100 charitable third-sector organizations in the two regions, assisting approximately 19,000 people.

For programs supporting people during the year 2023/24, Fater also supported:

- **COOPERATIVA IO C'ENTRO FABRIANO:** through product donation;
- **COMMUNITY OF SANT'EGIDIO FOR UKRAINE:** contributed, through product donation, to the activities of the Community of Sant'Egidio in favor of some cities in Ukraine experiencing the nightmare of war.
- **“G” GENERATION:** in collaboration with Prenatal, Fater contributed, along with other companies, to the initiative of the MOIGE to support about 500 families through the network of expert parents of the association.



ASSOCIATIONS

GRI 2-28

FATER IS A MEMBER OF NUMEROUS SECTOR ASSOCIATIONS THAT STRENGTHEN ITS NETWORK OF COLLABORATIONS AND REPRESENTATION IN VARIOUS AREAS OF BUSINESS ACTIVITY. AMONG THESE, AS AN EXAMPLE:

ASSOCASA: represents producers of cleaning and hygiene products.

CENTROMARCA: promotes brand culture in markets and society.

CONFINDUSTRIA PESCARA - CHIETI: groups together Italian companies of various sizes.

CONFINDUSTRIA DISPOSITIVI MEDICI: enhances companies in the medical devices sector.

EDANA: the global voice of the nonwovens industry.

FEDERCHIMICA: protects and develops the Italian chemical industry.

For human resources management, health, and safety:

AIAS: promotes the culture of workplace safety.

ASSIDAL: supports professionals in workplace safety.

In the logistics, supply chain, and packaging sector:

AILOG: a reference point in Italy for logistics and supply chain.

ASSOLOGISTICA: associates logistics companies and ensures logistical integration.

CONAI: a private consortium that manages packaging recycling.

GS1: develops global standards for communication between businesses.

For market research, communication, and omnichannel:

ASSIRM: represents the market research sector in Italy.

NETCOMM: a reference point for e-commerce and digital retail.

UPA: associates companies that invest in advertising and communication.

In the sustainability field:

SUSTAINABILITY MAKERS: brings together sustainability professionals, promoting competence and authority in the sector.



CO₂EQ EMISSION INTENSITY

PER TOTAL SOLD PRODUCTS VOLUME

INDEX 93 VS FY 2022/23³⁷

0% WASTE SENT
DIRECTLY TO LANDFILL

TOTAL WATER WITHDRAWAL

ON TOTAL SOLD PRODUCTS VOLUME

INDEX 95 VS FY 2022/23³⁸

75% WASTE DESTINED FOR RECOVERY OR
RECYCLING OPERATIONS

**98% OF PRIMARY
PACKAGING³⁹** OF ALL FATER PRODUCTS
IS RECYCLABLE

**ESG-RELATED OBJECTIVES
INTEGRATED INTO THE MBO
SYSTEM**

Every Day climate protection

³⁷ Total Corporate Carbon Footprint value on product volumes sold in the reference year

³⁸ Total water withdrawal value on product volumes sold in the reference year

³⁹ According to "Plastic Packaging List" published by CONAI.



Goals: Where are we?

FY 2023/24 REPRESENTED A SIGNIFICANT YEAR OF PROGRESS IN FATER DECARBONIZATION PROCESS; IN PARTICULAR, THE OVERALL CARBON FOOTPRINT CONTINUES ITS DOWNWARD TREND DESPITE AN INCREASE IN THE TOTAL PRODUCT VOLUMES SOLD:

	BASELINE FY 2020/21	FY 2022/23	FY 2023/24
Total generated emissions (ktons CO₂eq)	602	600	577
Product standard unit (Million)	38.848	42.119	43.012
Index vs Baseline*	100	92	87

* CO₂eq emission intensity index calculated as the ratio of total generated emissions to product standard units, compared to baseline ratio.

Below, find the update on Climate Protection KPIs, related to the SBTi targets for 2030 and 2040 and also on the reduction of virgin plastic in primary packaging:

CLIMATE PROTECTION								
Sustainability topics	KPI	BASELINE	FY 2022/23	FY 2023/24	Target 2024/25	Target 2029/30	Target 2034/35	Target 2039/40
CLIMATE CHANGE MITIGATION - SBTi	Reduction of Scope 1 and 2 emissions*	31 ktCO ₂ eq	34 ktCO ₂ eq	45 ktCO ₂ eq	-	18 ktCO ₂ eq -42%	-	-
	Reduction of Scope 3 emissions (Target Categories)⁴⁰	403 ktCO ₂ eq	391 ktCO ₂ eq	363 ktCO ₂ eq	-	302 ktCO ₂ eq -25%	-	-
	Net Zero 2040 (Target Categories)⁴¹	567 ktCO ₂ eq	572 ktCO ₂ eq	554 ktCO ₂ eq	-	-	-	57 ktCO ₂ eq -90%
SUSTAINABLE PACKAGING	Virgin plastic reduction in packaging	-	-10.6%	-8.7%**	-	-60%	-75%	-

* Scope 1&2 emissions growth in the reporting year results from increased use of energy purchases from the grid to compensate for the drastic reduction of self-produced energy through the cogeneration plant in Pescara, powered by palm oil, subject to discharge. This project has resulted in a significant reduction of the overall carbon footprint associated with energy use. In fact, with volumes growing by 11% in the 4 years considered, total emissions from Scope 1&2 and those related to upstream activities of fuel production (Scope 3.1) decrease by 31%.

** The reduction in the data for FY 2023/24 towards the previous year is not due to plans slowdown, but rather to a contingency linked to major packaging changes that have affected some lines of Paper products.

⁴⁰ Target categories: 3.1 Raw Materials and Purchased Services; 3.3 Fuel-related Activities; 3.4 Upstream Logistics.

⁴¹ Target categories: Scope 1; Scope 2; Scope 3.1 Raw Materials and Purchased Services; 3.3 Fuel-related Activities; 3.4 Upstream Logistics; 3.12 End-of-life of sold products.

Alongside the metrics that have changed, find below the methodologies for calculating the remaining KPIs:



OPPOSE CLIMATE CHANGE – SBTi

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



VIRGIN PLASTIC REDUCTION IN PACKAGING

Decrease in virgin plastic used during the fiscal year for primary packaging of products, calculated in relation to the volumes of production and Fabric & Home Care purchased finished goods, on the basis of fiscal year 2020/21. The new plan provides for a solid project, which will have a significant impact on the next three years, making it possible to reach the new shared targets.

Environmental strategy

Fater considers **respect for the environment an important factor in its business decisions** and is committed **to reducing the impacts resulting from its activities**, combining environmental awareness with the development of innovative and safe products and services.

OUR COMMITMENT TO ENVIRONMENTAL PROTECTION

- Implementation, maintenance and continuous improvement of **Environmental Management Systems**.
- Constant attention to the **reduction of atmospheric emissions** generated by the company's activities.
- Application of a **monitoring and control plan** aimed at an increasingly efficient use of the energy and material resources.

IMPORTANCE FOR STAKEHOLDERS

Actions to reduce CO₂ emissions respond to the needs of stakeholders. The measurement of the impact of Fater's activities, both internal (**Scope 1&2**) and external (**Scope 3**), covers all phases of the value chain, from product design to end-of-life.

WORKING TOGETHER WITH SUPPLY CHAIN PLAYERS

Reducing upstream emissions has a positive impact on downstream stakeholders due to the direct **interconnections** among different players in the value chain, following the Supplier - Fater - Customers - Consumers framework. Fater's decarbonization goals, validated by SBTi in FY 2022/23, are in line with the Paris Agreement's aim to limit global temperature rise to below 1.5°C.

THE SCIENCE BASED TARGETS INITIATIVE

SBTi supports companies in defining a sustainable path to reduce greenhouse gas emissions. The goal is to help companies to contribute to limiting rising global warming and guide them on a path of sustainable growth in the future.

With SBTi adhesion, coherently with GHG protocol, **Fater has set challenging targets to reduce emissions of Scope 1&2, and 3** in categories 3.1, 3.3, 3.4, 3.12, to which Scope 3.12 is added for Net Zero target in FY 2039/40.

FATER'S COMMITMENT BY FISCAL YEAR 2029/30, BASED ON FY 2020/21

The strategy to reduce Scope 1 emissions focuses on optimizing energy production and transitioning to renewable sources. For Scope 3 emissions, which constitute 92% of the total emissions, collaboration with suppliers is crucial. The "Net-Zero Team," a cross-functional group, is responsible for overseeing the achievement of these ambitious targets.

Climate change

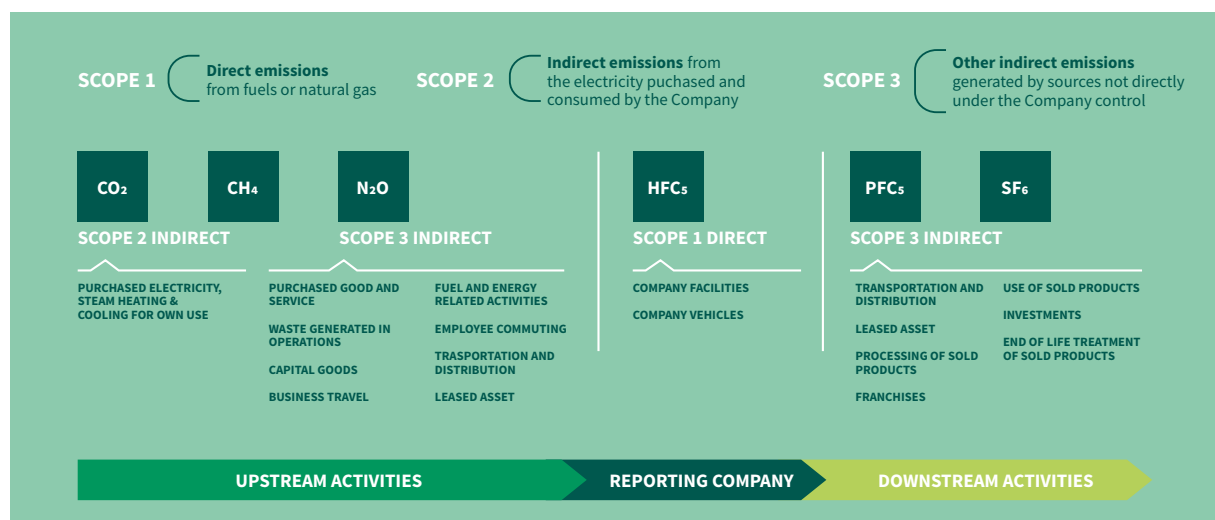
CO₂

EMISSIONS

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

To establish quantitative parameters, timelines, and actions required to meet the decarbonization goals communicated to the *Science Based Target initiative*, a Carbon Footprint analysis based on the *Greenhouse Gas Protocol* (GHG Protocol) was initiated in the 2020/21 fiscal year. This analysis quantifies the total emission impacts of the organization, estimating greenhouse gas emissions in tons of CO₂ equivalent throughout the life cycle of the analyzed system.

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

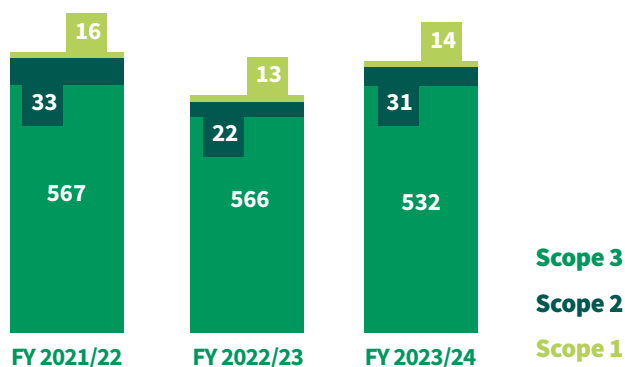


Fater considers all CO₂ equivalent emissions along the entire supply chain, including production, energy consumption, raw materials, investments and employee travel. The analysis covers all four production plants. In the 2023/24 fiscal year, **the total carbon impact was approximately 577 thousand tons of CO₂ equivalent**. Since Fater does not sell products that generate direct emissions during use, these emissions were not included in the calculation, in accordance with the SBTi guidelines.

GENERATED EMISSIONS (KTCO₂EQ)

	Baseline FY 2020/21	FY 2022/23	FY 2023/24	Target SBTi FY 2029/30 (reduction vs baseline)	SBTi net zero target FY 2039/40 (reduction vs baseline)
Scope 1 e 2	31	34	45	18 (-42%)	3 (-90%)
Scope 3 Total	571	566	532	NA	NA
TOTAL	602	600	577	NA	NA
Scope 3 Target Categories 2029/30 ⁴²	403	391	363	302 (-25%)	NA
Scope 3 Net Zero Target Categories 2039/40 ⁴³	536	538	509	NA	54 (-90%)
Scope 1, 2, 3 Net Zero Target Categories 2039/40 ⁴⁴	567	572	554	NA	57 (-90%)

Corporate footprint (ktCO₂eq)



Total Scope 3 emissions decreased by 6% compared to last year. The detailed analysis of **Scope 1** emissions shows a **decrease in natural gas consumption** (-12% compared to FY 2022/23)⁴⁵, although the lower amount of gas used, Scope 1 emissions increase due to the slight increase of the related emission factor.

⁴² Target Categories: 3.1 Purchased Goods and Services; 3.3 Fuel-related Activities; 3.4 Upstream Logistics.

⁴³ Target Categories: 3.1 Purchased Goods and Services; 3.3 Fuel-related Activities; 3.4 Upstream Logistics; 3.12 End-of-life of sold products.

⁴⁴ 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.

⁴⁵ Despite the decrease in natural gas consumption, this reduction is not evident in the Scope 1 emissions graph due to the increase in the emission factor compared to that used for conversions in previous years.

SCOPE 1 EMISSIONS (tCO₂eq)

	FY 2021/22	FY 2022/23	FY 2023/24
Natural Gas	15,539	12,520	13,517
Diesel for power generator	10	5	10
Automotive fuel/fleet fuel	557	258	289
Diesel	554	258	289
Petrol	3	0	0
GPL	0	0	0
Fuel oil for emergency pumps	2	0	0
F-GAS leaks	93	174	117
Total	16,201	12,957	14,222

In accordance with DEFRA guidelines, data on direct CO₂ emissions from biologically sequestered carbon—such as CO₂ from the combustion of biomass/biofuels—are reported separately from Scope 1 emissions. The values refer to CO₂ equivalent emissions. However, as per DEFRA and GHG Protocol guidelines, the net CO₂ emissions are considered to be zero.

BIOFUEL (tCO₂eq)

	FY 2021/22	FY 2022/23	FY 2023/24
Biomass (palm oil)	0	0	0
Biodiesel	0.3	19.8	0.02

To fully adhere to GRI Standards, **Scope 2 emissions related to the purchase and consumption of electricity** have been calculated using both the “**location-based**” and “**market-based**” approaches. The location-based methodology considers the average greenhouse gas emissions intensity of the grids where energy consumption occurs, primarily using data related to the average grid emission factor. In contrast, the market-based methodology accounts for emissions from electricity that the organization has intentionally chosen through contractual agreements. For the purposes of SBTi targets, the market-based methodology is used, as required.

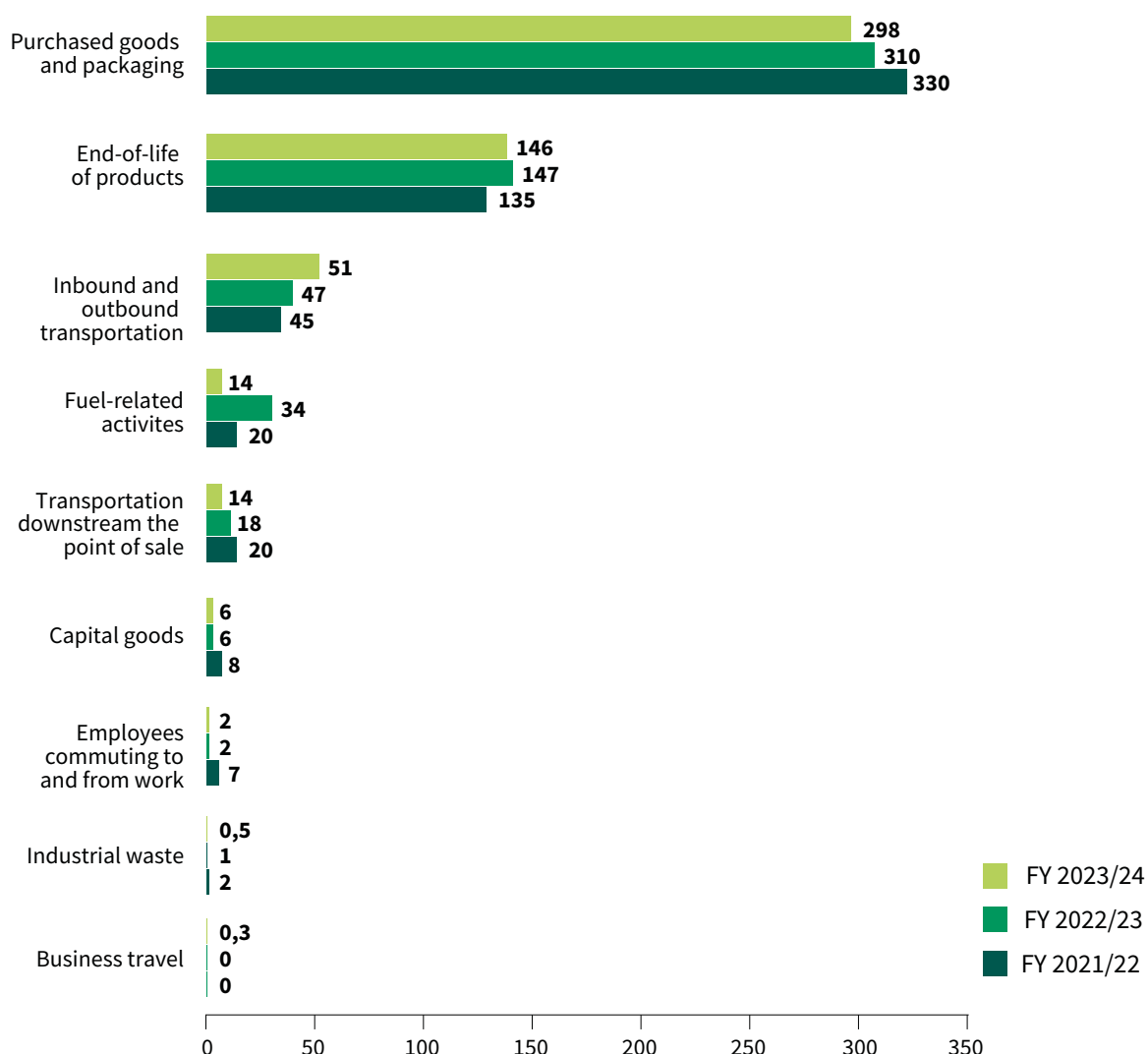
SCOPE 2 EMISSIONS (tCO₂eq)

	FY 2021/22	FY 2022/23	FY 2023/24
Electricity - Location based	21,308	14,295	16,803
Electricity - Market based	33,131	21,598	30,980

The variability in Scope 2 emissions over the past three years is due to changes in the use of cogenerators for self-production of electricity at the Campochiaro and Pescara plants, powered by natural gas and palm oil, respectively. In detail, in FY 2023/24 there is a 40% increase in Scope 2 emissions. This reduction is partly attributed to the increased use of purchased electricity, particularly in Pescara plant (+44% vs FY 2022/23) plants, following the decommissioning of the biomass cogeneration plant. Fater is implementing initiatives to reduce Scope 1 and 2 emissions through energy efficiency projects, such as replacing outdated compressors with more efficient models and incandescent lamps with LED units. In the past year, the entire “Femcare” department has been converted to LED, while in Campochiaro plant, a process has been initiated to lower boiler temperatures.

Scope 3 emissions account for 92% of total emissions, with 532 thousand tons of CO₂eq in the fiscal year 2023/24, a 6% decrease from the previous year (566 thousand tons). This reduction is due to a decrease in fuel-related emissions (from 34 ktCO₂eq to 14 ktCO₂eq) and a 4% reduction in emissions related to the purchase of goods and services (from 310 to 298 ktCO₂eq).

SCOPE 3 EMISSIONS BY CATEGORY (tCO₂eq)



The significance of raw material and packaging purchases (56% of total Scope 3 emissions in the last fiscal year) has driven – and will increasingly drive – Fater to place sustainability at the core of its relationships with partner suppliers. The ambitious SBTi target for reducing CO₂ equivalent emissions can only be achieved through increasingly virtuous collaboration between suppliers and customers within the same value chain. Fater is actively working on an analysis of the CO₂ emissions associated with the raw materials it uses. This analysis is aimed at identifying hotspots and establishing decarbonization programs, with the goal of replacing high-impact materials with lower-impact alternatives or sourcing them from suppliers capable of ensuring reduced emission profiles.

The positive result in the reduction of Scope 3.1 is indeed the result of an **increasingly collaborative approach with suppliers**, which has led to a more detailed analysis of primary emission factors and some material changes.



27%
**Self-produced
electricity**

ENERGY CONSUMPTION

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

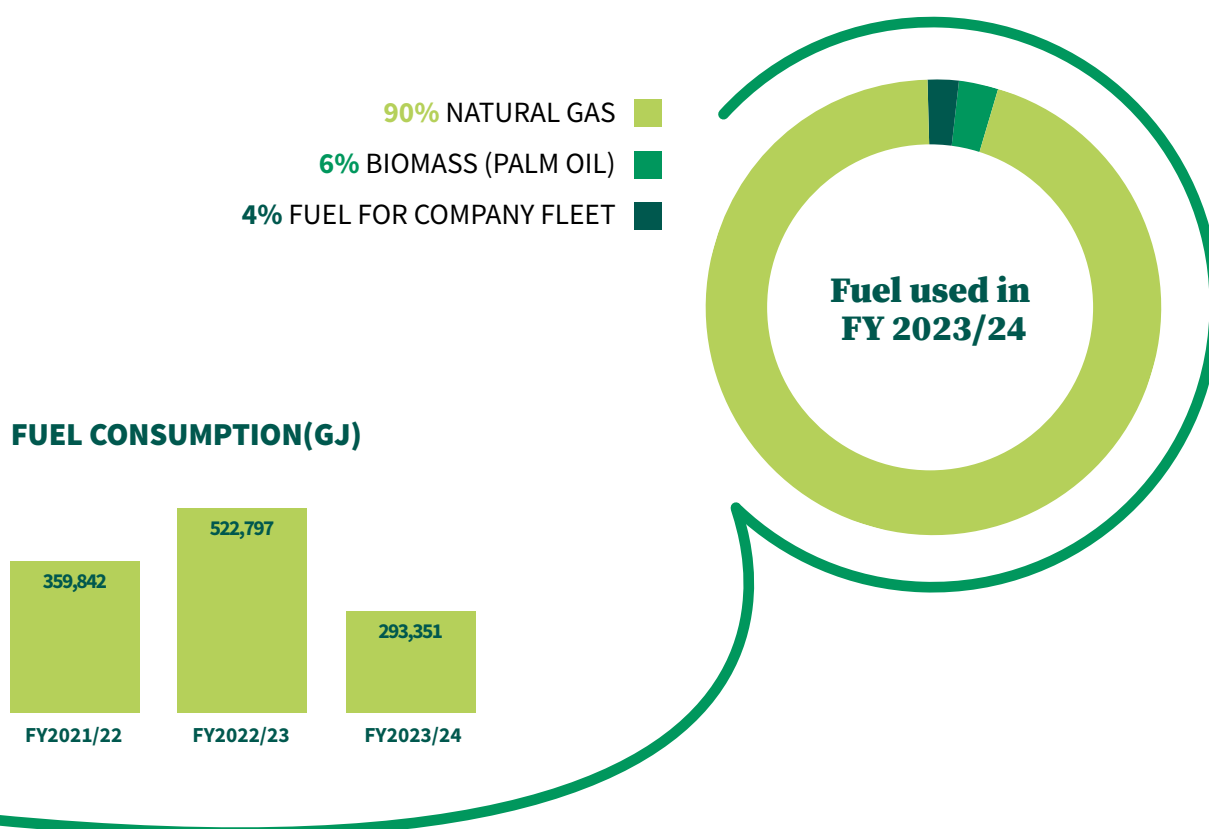
All four Fater facilities are committed to decarbonization and energy efficiency initiatives. To achieve these goals, shared strategic actions have been implemented. Efforts are underway to modify existing processes and optimize line operating hours, including through the automation of production cycles.

Each facility implements specific actions tailored to its unique characteristics and production processes. The Pescara facility stands out for holding the ISO 50001 certification for its Energy Management System, reflecting detailed consumption analyses and improvement opportunities. At the Campochiaro facility, a continuous monitoring system is being implemented with the aim of obtaining certification, alongside the installation of two new cogenerators and the renovation of the internal district heating network.

In the reference year, both the Campochiaro and Pescara facilities use fuel for cogeneration systems dedicated to the self-production of electricity: Campochiaro relies on natural gas, while Pescara currently uses palm oil, which is in the process of being phased out.

Regarding employee mobility, Fater provides charging stations for electric vehicles at the Pescara facility and the Campus, with a total of 24 charging points distributed across 13 charging stations/wallboxes.

In the last fiscal year, the Fater Group consumed 293,351 GJ of fuels, 90% of which was natural gas and 6% palm oil. The remaining 4% consisted of fuel for the company fleet. Total fuel consumption saw a significant decrease of 44% compared to FY 2022/23. This marked variability is due to changes in the quantities of energy self-produced.



Purchased electricity has increased compared to the previous year, while self-produced electricity has decreased. The total electricity consumption continues to decline, amounting to 338,397 GJ, which represents a 3% decrease compared to last year and a 9% decrease compared to FY 2021/22.

SELF-GENERATED ELECTRICITY AND PURCHASED ELECTRICITY (GJ)

	FY 2021/22	FY 2022/23	FY 2023/24
Electricity purchased	265,382	189,077	247,784
from non-renewable sources	265,382	189,077	247,784
from renewable sources	0	0	0
Self-generated electricity	124,255	192,980	92,909
of which consumed	106,418	159,310	90,613
of which sold	17,837	33,670	2,295
Total electricity consumed	371,800	348,386	338,397

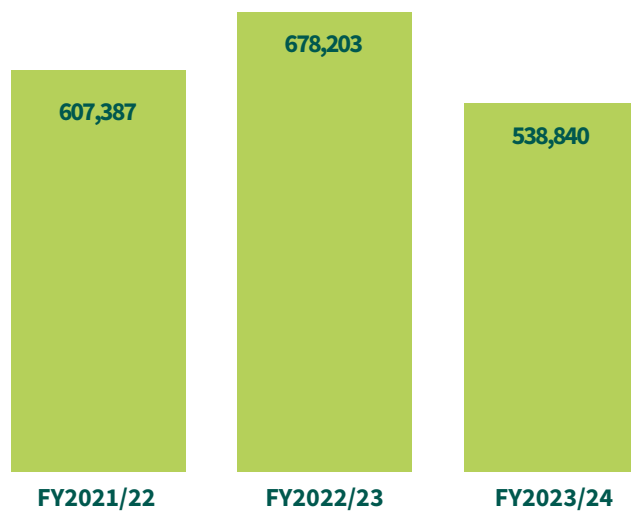
In the last fiscal year, moreover, 27% of the electricity consumed was self-produced. Approximately 26 million kWh were generated through the cogeneration plants of Pescara and Campochiaro. In the years 2021/24, self-produced electricity from the biomass cogenerator has undergone significant changes, going from 43% of self-produced electricity consumption in 2021/22, to a peak of 80% in 2022/23, and then falling to 26% in 2023/24.

This fluctuation, in the first years of reporting, was mainly influenced by difficulties related to the supply chain, while in the last year it is due to the process of decommissioning the biomass cogenerator infrastructure. Considering the total consumption of fuels and electricity purchased, and subtracting the electricity sold, the Group's net energy consumption in FY 2023/24 was 538,840 GJ, showing a decrease compared to FY 2022/23, when the total reached 678,203 GJ.

NET ENERGY CONSUMPTION (GJ)

	FY 2021/22	FY 2022/23	FY 2023/24
Natural Gas	274,234	304,416	264,658
for heating	41,805	16,536	25,823
for cogenerator and other	232,429	287,881	238,835
Biomass (palm oil)	77,942	208,361	18,228
Fuel for vehicles/corporate fleet	7,450	9,539	10,149
Diesel	7,412	9,539	10,149
Gasoline	38	0	0
LPG	0	0	0
Biodiesel	59	344	0
Diesel for engine-generators	133	113	305
Fuel oil for emergency pumps	23	23	12
Electricity purchased	265,382	189,077	247,784
Electricity sold	-17,837	-33,670	2,295
Total overall	607,387	678,203	538,840

TOTAL NET ENERGY CONSUMPTION IN THE THREE YEARS (GJ)



Water resources

GRI 303-1, 303-3, 303-4, 303-5

PESCARA PLANT

In FY 2023-24, in line with total water withdrawal reduction, Pescara plant **reduces water withdrawal quantity**, going from 207 megalitres to 170. 76.6 % of its water comes from artesian wells.

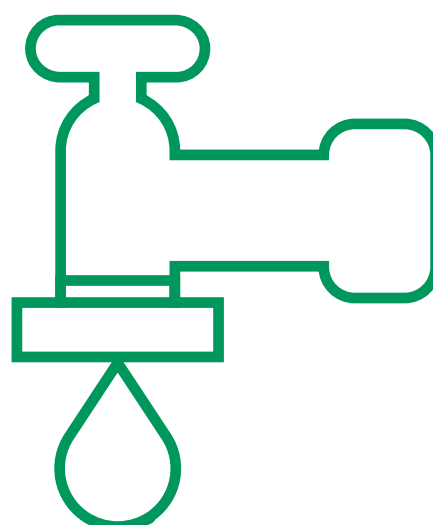
The facility's water supply is managed as follows:

- **Potable water:** drawn from the municipal network via two extraction points, it is used for domestic purposes within the facility (sinks, showers, canteen, etc.).
- **Well water:** extracted from three artesian wells, it undergoes deferrization, filtration, chlorination, and reverse osmosis treatment for industrial use (evaporative towers, closed circuit replenishment, department humidification systems, etc.).
- **Irrigation water:** drawn from a distribution point managed by the Consorzio, it is used for irrigation and to replenish firefighting pump stations.

A study is currently underway to open a **fourth artesian well**, which will further reduce potable water consumption from the municipal network and provide a backup supply in case of failure of one of the existing wells.

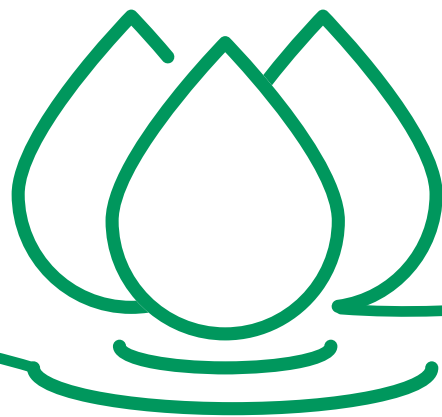
Additionally, the facility is equipped with tanks for treating first flush rainwater, and a new wastewater flow meter has been installed. Water extraction and discharge are closely monitored in compliance with the requirements set by the Integrated Environmental Authorization.

76,6%
Water from
artesian wells



CAMPOCHIARO PLANT

Fater sources industrial water from wells owned by the “Consorzio per lo Sviluppo Industriale Campobasso-Bojano”. Process water, wastewater from sanitary facilities, and first flush and cleaning water from external areas are discharged into the Consortium’s sewer system, where they are treated at its wastewater treatment plant. Both the water extracted from the wells and the discharged wastewater undergo **chemical analysis** in accordance with the Monitoring and Control Plan (PMC), defined in agreement with the relevant authorities and in compliance with the Integrated Environmental Authorization (A.I.A.)⁴⁶ and the Environmental Impact Assessment (VIA). Additionally, projects are being developed to reduce water consumption by creating more concentrated formulas and using raw materials that lower the water content in finished products. The Campochiaro facility recorded the highest water extraction in FY 2023/24, 453.7 megaliters . However, the facility’s **total water consumption** decreased year-on-year, reaching 277.5 megaliters (down from 335.7 megaliters), **representing a 17.34% reduction**.



PORTO PLANT (Portugal)

The Porto facility sources water from two main sources: well water, used in the production process, and the public water supply, used for sanitary services in social areas. The construction of **a new well has further reduced the use of potable water from the public network**.

The facility also holds an Environmental Impact Declaration, which includes annual reports of hydrogeological analyses conducted on all water sources withdrawn and discharged to verify their quality and compliance with legal limits. In particular, water extraction from artesian wells saw a slight 2% decrease compared to the previous year, dropping from 133.89 megaliters to 131 megaliters in FY 2023/24. However, the facility’s total water withdrawal reached 79.35 megaliters (up from 62 megaliters in FY 2022/23), marking a significant 27.98% increase. Total water consumption was 79 megaliters in FY 2023/24 (down from 61.7 megaliters in FY 2022/23), showing a 21.9% decrease.

GEBZE PLANT (Turkey)

The water used at the Gebze facility is supplied exclusively by the **municipal network**. Industrial wastewater generated is treated by an external provider and is not discharged directly. Domestic wastewater, on the other hand, is discharged directly into the sewer system of the industrial area. In the last fiscal year, industrial water consumption totaled 50 megaliters, consistent with the previous fiscal year, when consumption was 51 megaliters.

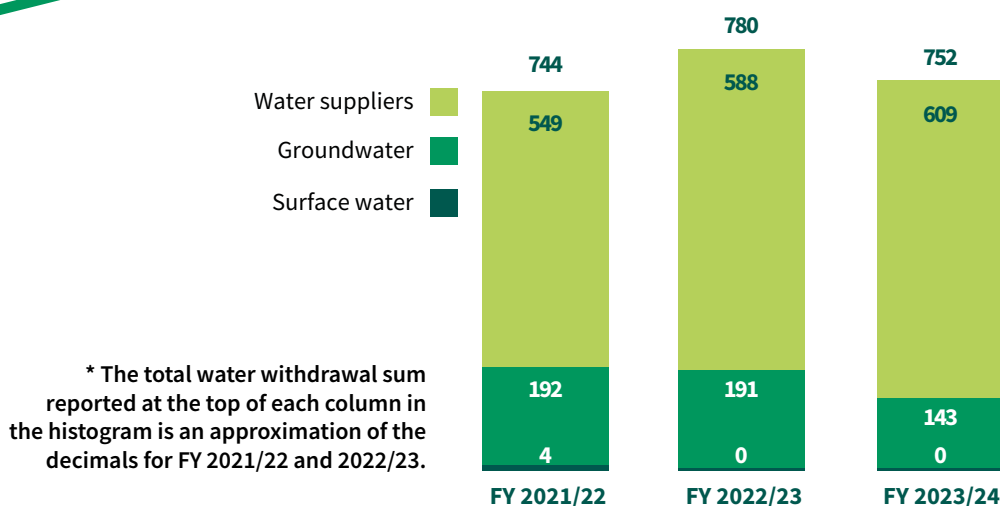
⁴⁶ No. 4614 of 29.09.2016 and subsequent amendments and additions.

GROUP'S WITHDRAWAL AND CONSUMPTION

In the last fiscal year, **81% of the water withdrawn by the Fater Group came from third-party water networks, while the remaining 19% was sourced from groundwater.** These values have remained relatively stable over the three-year period. The main differences include a reduction in total water withdrawal (from 780 to 753 megaliters, marking a 3.5% decrease), a slight 3.7% increase in water sourced from suppliers (from 588 to 610 megaliters in FY 2023/24), and a significant 25% reduction in groundwater withdrawal. Total water withdrawal stands at 753 megalitres (recording a decrease of 3.59%) and discharge at 297 megalitres.⁴⁷ Therefore, total water consumption, calculated as the difference between the amount of water withdrawn and water discharged, is equal to 406 megalitres,⁴⁸ a decrease of 18.31%, compared to the previous Fiscal Year.

Despite the increase in total sales volumes (as shown at the beginning of the section), Fater decreased consumption mainly due to the production mix of references from the Campochiaro plant.

TOTAL WATER WITHDRAWAL (MEGALITERS)*



TOTAL WATER CONSUMPTION (MEGALITERS)



⁴⁷ The total water discharge does not take into account the Gezbe plant, for which the only data available for FY 2023/24 is related to industrial water.

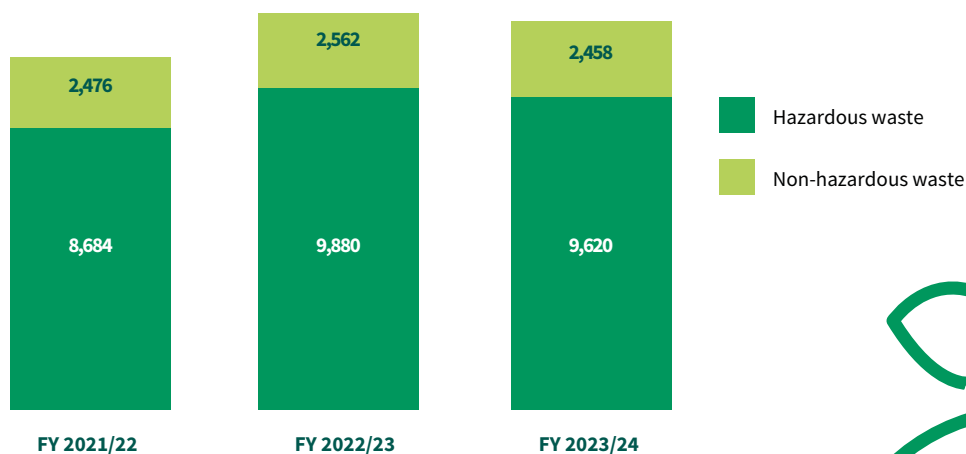
⁴⁸ All plants were considered for the calculation of the water withdrawal. However, for the calculation of total water consumption, the Gezbe plant was excluded in continuity with previous years.

Waste

GRI 306-2, 306-3, 306-4, 306-5

All waste produced by the facilities is disposed of and/or recycled at external sites. Thanks to efforts ensuring that the entity responsible for the initial waste treatment does not send it to landfills, **this reporting year also recorded a 0% rate of waste directly sent to landfill**. In the last fiscal year, **Fater generated 12,078 tons of waste, 80% of which was non-hazardous** (a figure that has remained stable over the past three years).

WASTE GENERATED (ton)



Due to the specific production activities carried out, the Campochiaro and Gebze facilities stand out for generating the highest percentages of hazardous waste. The use of chemical or hazardous materials in production processes contributes to a higher volume of hazardous waste compared to other facilities.

At Campochiaro, to further reduce waste materials, two compactors for paper and cardboard have been installed, integrated into the production process to reduce volumes. This initiative has optimized both logistical and environmental management.

In the last fiscal year, the Group allocated **75% of its waste to recycling or recovery operations**, with the remaining portion sent for disposal. Specifically, **57%** of the waste generated in the last fiscal year was directed to recycling.

WASTE GENERATED (ton)

	FY 2021/22	FY 2022/23	FY 2023/24
Non-hazardous waste	8,684	9,880	9,620
Directed to disposal	86	1,052	224
incineration with energy recovery	0	0	0
incineration without energy recovery	0	0	0
landfilling	0	0	0
other disposal operations	86	1,052	224
Diverted from disposal	8,598	8,828	8,557
preparation for reuse	0	0	0
recycling	7,307	7,596	6,822
other recovery operations	1,290	1,232	1,735
Hazardous waste	2,476	2,562	2,458
Directed to disposal	2,055	2,049	1,991
incineration with energy recovery	61	37	0
incineration without energy recovery	0	0	0
landfilling	0	0	0
other disposal operations	1,994	2,012	1,991
Diverted from disposal	421	513	446
preparation for reuse	0	0	0
recycling	51	127	17
other recovery operations	370	386	429
TOTAL	11,160	12,442	12,078

Regarding the Italian facilities in Campochiaro and Pescara, the monitoring and tracking of waste are carried out through an electronic load/unload register, which enables the control of production volumes and cost management. Before entrusting their waste to a transporter, the facilities verify the technical and professional suitability of the transporter in accordance with Article 26 of Legislative Decree 81/08, ensuring the validity of transport authorizations. The same verification of valid authorization is conducted for destination facilities, where a documentary review of technical and professional requirements related to health, safety, and environmental standards is performed.

Chemicals

IN THE PRODUCTION PROCESSES AND RESEARCH ACTIVITIES CONDUCTED IN FATER'S LABORATORIES, ONLY AUTHORIZED CHEMICALS ARE USED, CLASSIFIED BASED ON THEIR USE AND CORRESPONDING SAFETY DATA SHEETS. THE MAIN CATEGORIES INCLUDE RESINS, FRAGRANCES, SURFACTANTS, AS WELL AS ADDITIVES, PRESERVATIVES, AND COLORANTS.

The **Technology Innovation** function is responsible for the **development and definition of product formulations**, sending the necessary safety data sheets to the plants for risk assessment and compliance with current regulations. The **chemical risk assessment is managed** through an internal HSE portal, which allows for the definition of prevention and protection measures. For substances that present a risk higher than negligible, additional environmental and/or personal monitoring is conducted.

Fater ensures a five-year training program on chemical risk for the involved employees. Additionally, the introduction of new chemicals is subject to specific approval and evaluation, involving the Prevention and Protection Service (SPP) and the Competent Doctor. In case of non-compliance, an internal investigative analysis is initiated through the Near Miss tool integrated into the HSE portal.

The parameters relating to discharges into wastewater are constantly monitored in accordance with the procedures established by the competent bodies.



THE CHEMICALS OF ACE

The Campochiaro plant is dedicated to the production of the ACE product line, for which the use of sodium hypochlorite is essential. This chemical, produced in large quantities and stored as a finished product, subjects the plant to Seveso regulations. Consequently, all chemicals regulated by this directive must be notified in advance to the competent authorities before their use.

Additionally, the plant is subject to the AIA (Integrated Environmental Authorization) regulations, which require the annual preparation of a quantitative balance of the raw materials used in the production process, to be submitted to the relevant authorities through the IPPC (Integrated Pollution Prevention and Control) system. Any production waste containing unused chemicals is managed as waste, in compliance with Legislative Decree 152/2006 and subsequent amendments, without any internal treatment at the plant.

Sustainable innovation

The strategy is to reduce CO₂ emissions according to the predefined path (see scorecard objectives), addressing both emissions from production operations and those from the products themselves. To achieve this goal, Fater relies on the 4Rs, which form the foundation of the actions implemented to introduce product innovations and enhance user experience, considering not only the economic aspect but also the related emission factor.

The company focuses on product and process innovations to design line-ups with a lower environmental impact. Every new project includes a dedicated sustainability section that gathers information on the environmental impact of the initiative, with a focus on CO₂ emissions. The emission impact plays an increasingly significant role in the decision-making process for the approval and implementation of new projects.

The 4Rs of Fater's strategy in FY 2023/24:

- **DisRupt**: development of products with a lower environmental impact and that involve consumers in new behaviors of use.
- **Replace**: replacement with new materials with a lower environmental impact.
- **PaRtnr**: reducing environmental impact along the supply chain.
- **Reduce**: more efficient use of resources.

RESEARCH AND DEVELOPMENT

Fater uses the Campus' R&D laboratories to develop new products with attention to environmental impact. Activities include research on consumer needs, formulation and analysis of products, study of new materials, development of packaging with 3D prototyping, performance tests, simulation of extreme environmental conditions and study of industrialization phases through Pilot Plants.

In this context, the “Net Zero” sustainable innovation projects are positioned. The greatest challenge is achieving carbon neutrality for Fater's products, thereby reducing Scope 3.1 - *Purchased Goods and Services (raw materials and packaging purchased for production)*, which accounts for approximately half of Fater's carbon footprint, without compromising the quality and accessibility of the product offerings.

An example of this approach is **Lines Cotone by Natura**. It is a line designed to meet the needs of women who are more attentive to the gentleness of the materials in contact with their skin, thanks to its cotton filter. Additionally, the absorbent is biodegradable and compostable in accordance with the EN13432 standard, such that if treated in a composting facility, it disintegrates by over 90%, in less than 90 days.

98%
of the primary packaging
is recyclable



SUSTAINABLE PACKAGING⁴⁹

Starting from 2021/22, Fater began using recycled plastic in the packaging of its products to reduce the use of virgin plastic. Both industrial plastic waste (PIR) and post-consumer plastic waste (PCR) are used. In 2023/24, **the reduction in virgin plastic usage was 8.7% compared to FY 2020/21.**

THE PARTNER PLAN

The relevance of raw material and packaging purchases, which constitute the majority of Scope 3 emissions, has led Fater to place sustainability at the center of relationships with partner suppliers. The ambitious SBTi goal of reducing equivalent CO₂ emissions can only be achieved through increasingly virtuous collaboration between suppliers and customers within the same value chain. This commitment is realized through an open and constant dialogue to support them in achieving decarbonization goals.

Fater has communicated its sustainability objectives to relevant raw and pack materials suppliers, requesting them a medium-term strategic plan that demonstrates a concrete commitment to decarbonization: some larger suppliers already have significant plans, while others are still in the early stages.

The Group is available toward its suppliers in this adjustment process, initiating dialogues on environmental impact studies of their products, which in some cases have been conducted for the first time. This has allowed them to better understand the impact of their activities and identify areas for improvement to reduce emissions in their processes.



Top2Top MEETING

The Top2Top meetings are dialogues between Fater's top management and the top management of suppliers in the Partner Plan. The meeting agenda includes:

- Presentation of Fater's decarbonization strategy for the period 2030-2040, with a focus on expectations regarding the Supplier's commitment.
- Presentation of the Supplier's sustainability strategy.
- Supplier innovation proposals to meet decarbonisation objectives.

These discussions and strategies outline a constructive dialogue with the Supplier to achieve the common goal of decarbonization.

⁴⁹ For further details, please refer to the Fater Sustainability Report FY 2022/23.

SUSTAINABLE LOGISTICS

Upstream logistics represents 8% of Fater's Carbon Footprint, of which 52% is due to inbound logistics (flows of raw materials and finished product to Fater) and 48% due to outbound logistics (flows of finished product from Fater to customers and distributors). Downstream logistics, related to consumers travel, represents 2% of Fater's Carbon Footprint.

Outbound Logistics

Over years, Fater has followed two main guidelines from the point of view of the development of sustainable logistics:

1. **Packaging and product efficiency:** in order to have more product transported for the same volume of load units.
2. **Lean network with saturation of means of transport and intermodal transport use:** focusing on vehicles with high load capacity and their volumetric filling through the overlapping of load units (up to 42 equivalent pallets versus the market standard of 33-34 pallets), leveraging, where possible, on intermodal transport and designing a direct distribution network between the plant and the customer, through an exploitation of the market scale, Fater has managed to build highly efficient flows from the point of view of CO₂ emissions compared to the volume transported.

Despite the mastery of the historically pursued solutions, however, Fater faces a scenario that, having no further margins for physical optimization, is not able to compensate for the growth in sales volumes by reducing CO₂ emissions in absolute terms; precisely for this reason, a third line guideline has been introduced through the use of:

3. **Green fuels:** three years ago Fater transportation suppliers have begun to introduce the use of biomethane on some routes. Fater aims to encourage HVO* use to contribute to the goal of reducing scope 3 emissions by 25% by 2030.



SUSTAINABLE INBOUND LOGISTICS

Fater's inbound logistics is managed by the suppliers of the various materials and finished products and is implemented by truck, ship, train and in some cases by plane. Fater is significantly improving the monitoring of these processes and in fiscal 2023/24, it completed a detailed inbound mapping to identify which suppliers to focus on.

Currently, Fater is committing to a well-defined plan, moving from occasional actions to systematic planning, through a more intentional and pragmatic dialogue with relevant suppliers through the sharing of expectations on the decarbonization of the transport they provide.

* Hydrotreated vegetable oil.



€1,086 MILLION ECONOMIC VALUE GENERATED, INDEX 106⁵⁰ VS FY 2022/23

0 INCIDENTS OF CORRUPTION AND LEGAL ACTIONS FOR VIOLATIONS OF ANTITRUST REGULATIONS

96% OF ECONOMIC VALUE GENERATED IS DISTRIBUTED TO STAKEHOLDERS

209 SUPPLIERS FOR PRODUCTION ACTIVITIES, OF WHICH **81%** ARE ASSESSED ACCORDING TO SOCIAL CRITERIA

52% LOCAL SUPPLIERS COMPARED TO THE LOCATION OF THE PLANTS (PRODUCTION ACTIVITY)

10 DIFFERENT CERTIFICATIONS HELD

⁵⁰ Economic value generated in the reporting fiscal year on economic value generated in FY 2022/23.

Every Day responsibility



Goals: Where are we?

RESPONSIBILITY					
Sustainability Issues	KPI	FY 2022/23	FY 2023/24	Target 2024/25	Target 2029/30
RESPONSIBLE SOURCING	Suppliers adhering to ESG policies	Involvement on climate strategy On track	50% Weighted relevant suppliers ⁵¹ with an ESG rating	80% Weighted relevant suppliers with an ESG rating	100% relevant suppliers adhering to ESG policies
SUSTAINABLE BY DESIGN	% New product and/or material/ packaging changes consistent with the CO₂ reduction target and virgin plastic	-	100%	100%	-

Find below the methodologies for calculating KPIs.

SUPPLIERS ADHERING TO ESG POLICIES

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

Fater is aware of how fundamentals procurement is to achieve medium-long term ESG targets. For this reason, in addition to reporting environmental and social criteria adopted to evaluate production activities suppliers, the company has defined a specific KPI involving ESG evaluation of both direct and indirect suppliers considered as relevant, which means developing at least 0.1% of total spending.

It is a journey still under construction, which aims to involve suppliers on ESG topics for the achievement of common objectives.

SUSTAINABLE BY DESIGN

Percentage of new products and material/packaging changes on existing products with carbon impact generated and quantities of virgin plastic in primary packaging less than or equal to the previous products, or, if by exception higher, netted by parallel activities.

⁵¹ Relevant suppliers are the ones developing at least 0.1% of Fater total spending.

Business ethics and transparency

GRI 2-26, 205-2, 205-3, 206-1

Fater has a **Governance Team** made up of corporate risk experts and representatives of all functions, which shares and proposes changes to internal policies and procedures in consideration of the needs of the functional areas and external needs.

The **Governance Board** – a select committee composed of CFO, CHRO, Head of Internal Audit, Head of Legal – defines the company's compliance and risk management strategies and areas of focus for the organization, analyzes the proposals coming from the Governance Team regarding the management of new potential risks and changes to policies and procedures with the involvement of the relevant departments.

A qualifying and essential element of Fater's Corporate Governance is represented by the **Internal Control System**. This is defined as the set of rules, procedures and organizational structures aimed at enabling the identification, measurement, management and monitoring of the main business risks. This system plays a central role in the company's organization, favouring the making of informed decisions consistent with the company's values and risk appetite, the safeguarding of shareholder investments and the Company's assets, the efficiency and effectiveness of corporate processes and operations, as well as the reliability of financial information, compliance with the relevant laws, rules and regulations, of the Articles of Association and internal regulatory instruments.

Fater's Internal Control System is overseen at the following levels:

1. **Business functions**
2. **Area Risk Experts / Governance Team / Governance Board**
3. **Internal Audit**

The third level of control is carried out in Fater by the Internal Auditing function, which carries out verification of the organization's processes, assessing the effectiveness and operation of the control measures implemented and ensuring that company policies and procedures are respected.

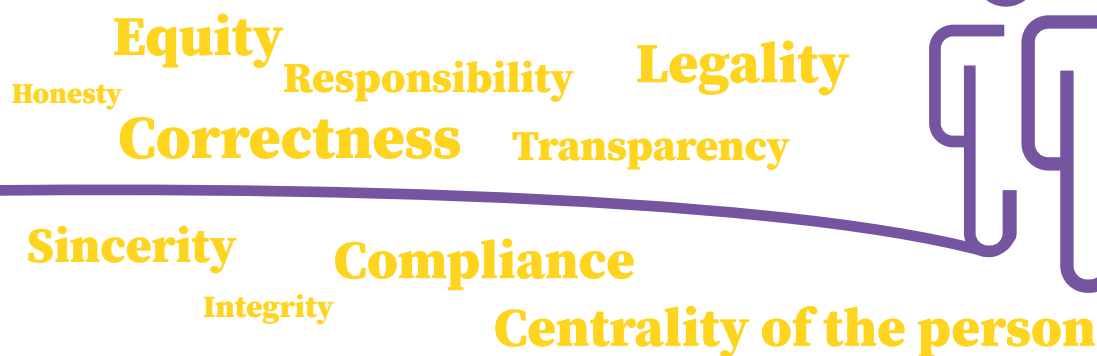
To ensure the objectivity of the assessments, the Internal Auditing function is independent and reports directly to the General Manager. Corporate Governance ensures that Internal Auditing has the independence necessary to carry out its work objectively.

CODE OF ETHICS AND MODEL 231

Fater adopted an Organization, Management and Control Model pursuant to Legislative Decree 231/01 (hereinafter “Model 231”) in 2004 and adopted a Code of Ethics, both available on the www.fatergroup.com website. Ethics in the conduct of business is a value that cannot be waived.

FATER CODE OF ETHICS AND PRINCIPLES

The Code of Ethics sets out the general principles and rules of conduct that apply, without exception, to corporate bodies, management, employees and third parties. The set of ethical principles of business guides the activities of all those who work in – or with – Fater, taking into account the importance of the roles, the complexity of the functions and the responsibilities entrusted to each one for the pursuit of corporate objectives. It is based on the principles of **Honesty, Sincerity and Fairness, Integrity, Responsibility, Legality and Compliance, Transparency, Centrality of the person**. For details, please refer to the 2022/23 Sustainability Report. The last update of the Code of Ethics was approved in January 2024.



MODEL 231

The Model 231 guides the internal organization and external relations, preventing crimes identified in Legislative Decree 231/01 and ensuring transparency and fairness.

It is constantly updated in relation to the introduction of new predicate crimes. **In 2024, Fater's Board of Directors approved a new version of Model 231 following an in-depth risk assessment and the creation of new company procedures and policies aimed at preventing predicate crimes.**

In order to verify the effective and correct functioning of Model 231, the Shareholders' Meeting appointed the Supervisory Body (SB), composed of three members, which reports to the Board of Directors every six months on its activities.

Fater, in order to effectively implement Model 231, ensures the **correct dissemination of its contents** – including anti-corruption policies and procedures – inside and outside the organization. In fact, this disclosure is extended not only to employees, but to all subjects who work to achieve Fater's objectives by virtue of contractual relationships. The communication and training activity is based on the principles of completeness, clarity, accessibility and continuity and diversified according to the recipients, so as to allow full awareness of the provisions they are required to comply with and the ethical rules that must inspire their behavior.

In the contracts signed, there is a specific clause informing the counterparty that Fater has adopted a Code of Ethics and an Organizational Model pursuant to Legislative Decree 231/01. The counterparty undertakes to maintain conduct in line with the principles contained in the Model, as well as to make them known and respected by its employees, collaborators and anyone involved in the execution of the contract.

The general training on Legislative Decree 231/01 includes anti-corruption policies and procedures. This training is mandatory for all employees and is delivered in asynchronous e-learning mode, with final qualification tests. The training offer on the subject has been integrated with a module dedicated to tax and customs crimes, aimed at employees trained when these crimes did not yet fall within the perimeter of the decree. A dedicated training activity is provided for new hires.



DO THE RIGHT THING MONTH

As part of the homonymous pillar of the People First strategy, Fater organized the second edition of the **“Do the Right Thing Month”**, in which compliance functions gave life to a series of events open to all employees. In particular, awareness and training initiatives were proposed – also in the form of gamification – which covered the following thematic areas: **Model 231; Health and Safety; Anti-corruption; Public funding; Protection of personal data; Cybersecurity; Sustainability; Regulations in the field of advertising.**

Fater has revised and updated the process of collecting and managing reports (so-called “Whistleblowing”), merging the two previous reporting channels, the one referring to Model 231 and the one relating to the SA 8000 certification on Corporate Social Responsibility.

In order to ensure wide and indiscriminate access to all those who wish to make a report concerning Fater S.p.A., a plurality of alternative channels are available, specifically: (i) an IT platform, accessible by all internal and external whistleblowers; (ii) a telephone number, at which a voice message may be left and recorded;; (iii) a face-to-face meeting (at the request of the whistleblower). All the aforementioned channels guarantee the highest degree of transparency, clarity and confidentiality. It is also possible to send reports anonymously.

In the last three years, no episodes of corruption have been detected or legal actions for anti-competitive behavior, violations of antitrust regulations or monopolistic practices.

Management systems and certifications

The continuous improvement pursued by Fater in business management – in compliance with quality and safety rules and standards – is supported by a structured management system and various certifications. To verify the correctness of the formal procedures and practices implemented, periodic checks are conducted through regular audits certified by external bodies.

The policies and certifications adopted by Fater - which can be consulted on the company's website - are listed below, for each location.

CERTIFICATION	HQ (SPOLTORE)	PESCARA	CAMPOCHIARO	PORTO (PORTUGAL)	GEBZE (TURKEY)
ISO 9001:2015	Yes	Yes	Yes	Yes	Yes
ISO 14001:2015	Yes	Yes	Yes	Yes	Yes
ISO 45001:2018	Yes	Yes	Yes	Yes	Yes
ISO 13485:2016	Yes	Yes			
ISO 27001:2013	Yes	Yes			
ISO 50001:2011		Yes			
SA 8000:2014	Yes	Yes	Yes		
PEFC ST 2002:2013	Yes	Yes			
EMAS		Yes	Yes		
CHEP				Yes	



THE CHEP SUSTAINABILITY CERTIFICATE

Fater has been awarded CHEP's sustainability certification for using the company's services in Portugal. **CHEP (Commonwealth Handling Equipment Pool)** is a leading global provider of reusable pallets, crates and containers for the transport and handling of goods. Pallet and container pooling allows businesses to share and reuse resources, thereby reducing waste and the use of virgin materials.

The main associated environmental benefits are:

- Waste reduction of 5,219 kg and 4,011 waste per person/day.
- Conservation of resources: wood savings of 56,156 dm³ and 54 trees saved.
- Reduction of CO₂ emissions by 66,159 kg and 60,419 km traveled by truck.
- Supply chain efficiency.

DATA PROTECTION

Fater has adopted an organizational model for data protection⁵², appointing a Data Protection Officer, privacy delegates, data processors and system administrators. It has implemented policies for the management of data subjects' rights, data breaches, privacy by default and by design, risk analysis, data retention and management of external processors. He has also trained employees and collaborators on data regulation.

In the field of cybersecurity, Fater has obtained ISO 27001 certification, defined a roadmap to improve security and created a new organization to manage it. It publishes the **Cyber Security Bulletin** annually to inform top management on security scenarios, risks, strategies, incidents and actions.

Fater's data protection strategy is divided into four pillars: data, devices, people, governance and control, with a three-year plan reviewed annually.

RESPECT FOR HUMAN RIGHTS

GRI 2-23, 2-24

Fater's SA 8000 policy certifies the Social Responsibility System in the Italian offices, guaranteeing respect for human rights, workplace safety laws, the minimum age to work, fair pay and rest hours.⁵³ Fater is subject to annual audits by an accredited third party.

The SA 8000 policy applies to all workers involved in production, including contractors and suppliers. Fater ensures responsible business conduct through:

- **Assigning roles and responsibilities**
- **Action plans and individual objectives**
- **Operating performance**
- **Supplier qualification**
- **Mandatory training in Health, Safety, and Environment**

Fater provides training on the SA 8000 and provides information material on the intranet. The Supervisory Body monitors any reports of crimes or illegal conduct.

In foreign offices, not covered by SA 8000, Fater guarantees respect for human rights through compliance with local regulations and corporate HR processes, ensuring uniformity in the processing and monitoring of reports.

⁵² For more details, please refer to the Fater Sustainability Report FY 2022/23.

⁵³ Declaration of Human Rights and ILO documents for the respect of workers' rights; State laws on safety in the workplace, compliance with the minimum age for starting work, fair remuneration, regularity of contributions, rest hours between one shift and the next. For further details, please refer to the Fater Sustainability Report FY 2022/23.

Responsible economic performance



OPERATING PERFORMANCE

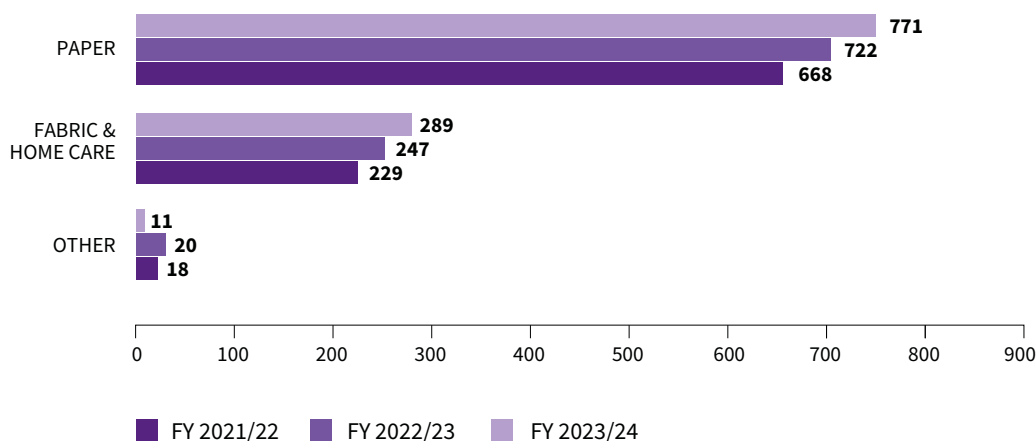
As already reported in “Markets & Value chain” section (p. 15), last FY was positive for Fater and its brands, thanks to innovations.

The raw materials market for Fater has had mixed trends: the price of cellulose, after an initial decline, has risen and stabilized, while the price of plastics has increased and then decreased in recent months.

Fater's manufacturing facilities have improved customer service levels, finished product quality, reduced manufacturing costs and inventory levels. **Investments have been made in machinery, plants and structures, respecting safety and quality times and procedures.** The technological upgrade and modernization of the production lines continued.

Despite the difficult socio-economic context, **Fater's revenues in the last three fiscal years have grown (+17% FY 2021/22).**

REVENUES BY SECTOR



The majority of revenue comes steadily from Paper products: 72% in the last fiscal year. With respect to geographical distribution, 95% of Fater's revenues are concentrated on the Italian market, with a stable trend over the three-year period. In absolute terms, the foreign market recorded a turnover of approximately 57 million euros, with an increase of 2.5% compared to the previous fiscal year.

REVENUE BY GEOGRAPHIC AREA (mln €)

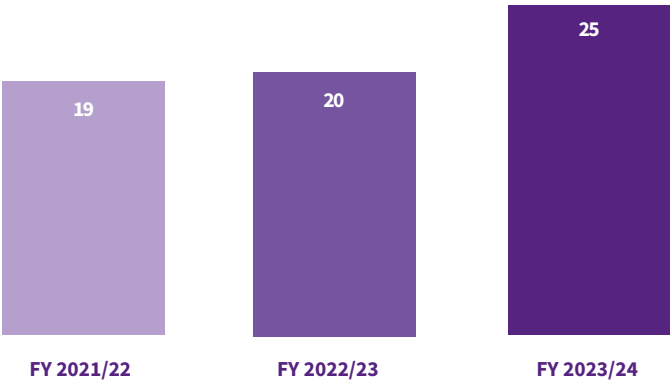


INVESTMENTS

GRI 203-1

Fater **has invested over 64 million euros in the three-year period** to increase its market share and maintain a competitive positioning. The main investments concerned **machinery, plants, structures, technological upgrades and modernization of production departments**. In addition, Research and Development activities for product innovation have been strengthened, with the support of the Technology Innovation Department, researchers and consultants. **In the evaluation of investments, Fater also considers sustainability impacts.**

INVESTMENTS (mln €)



ECONOMIC VALUE GENERATED AND DISTRIBUTED⁵⁴

GRI 201-1

The economic value distributed is the part of the economic value generated that Fater distributes to the different categories of stakeholders, including:

- **SUPPLIERS:** all costs for the purchase of resources, materials, goods and services intended for suppliers;
- **PERSONNEL:** wages, salaries, social security and welfare charges of Fater employees;
- **LENDERS:** interest and other financial charges paid to lenders;
- **SHAREHOLDERS:** the portion of dividends, deriving from the profit for the year, that Fater distributes to its shareholders;
- **PUBLIC ADMINISTRATION:** all current taxes⁵⁵ paid, in compliance with the taxation of the countries in which Fater operates, net of public contributions received;
- **COMMUNITY:** the share of economic value generated that is allocated to the local community, including any disbursements, donations, sponsorships and collaborations.

The economic value retained, resulting from the difference between the economic value generated and the value distributed, represents the financial resources dedicated to economic growth, the Group's financial stability and the creation of new wealth for the benefit of stakeholders.



⁵⁴ The economic value generated and distributed represents the ability of a company to create wealth and distribute it among its different stakeholders. The economic value generated by fater is largely distributed to the various stakeholders with whom we interact in carrying out our activities, with the aim of ensuring medium and long-term economic sustainability and meeting stakeholders' expectations of us.

⁵⁵ Only current taxes are reported, and not deferred and prepaid taxes, to comply with the accrual principle required by the GRI standard.

VALUE ADDED €	FY 2021/22	FY 2022/23	FY 2023/24
Production value	912,260,636	990,768,944	1,068,060,191
Other revenues and income	23,117,478	25,745,054	15,702,335
Financial income	134,159,883	3,392,319	2,260,352
Economic value generated	1,069,537,997	1,019,906,317	1,086,022,878
Operating costs	679,737,274	767,018,295	788,659,979
Employee wages and benefits	119,527,382	129,678,500	133,177,800
Payments to providers of capital	565,827	2,670,250	1,791,663
Payments to shareholders	199,818,108	60,929,138	87,311,472
Payments to government	10,079,073	8,096,448	28,140,588,95
Community investments	578,000	553,451	507,916,64
Economic value distributed	1,010,305,664	968,946,082	1,039,589,419
Amortization, depreciation and adjustments	59,511,834	44,820,099	41,337,968,19
Provisions for risks and other provisions	-279,500	6,140,136	5,095,490,51
Fiscal year results allocated to reserves ⁵⁶ (Profit – distributed dividends)	0	0	0
Economic value retained	59,232,334	50,960,235	46,433,459

In the 2023/24 fiscal year, the economic value generated amounted to over 1,086 million euros, while the economic value distributed amounted to over 1,039 million euros: **Fater therefore distributed 96% of the wealth it generated to its various stakeholders.** The economic value retained in the 2023/24 fiscal year is equal to over 46 million euros.

ECONOMIC VALUE GENERATED

1,086
millions euros

⁵⁶The result for the year is included in Payments to shareholders.



FATER'S ABILITY TO CREATE EMPLOYMENT

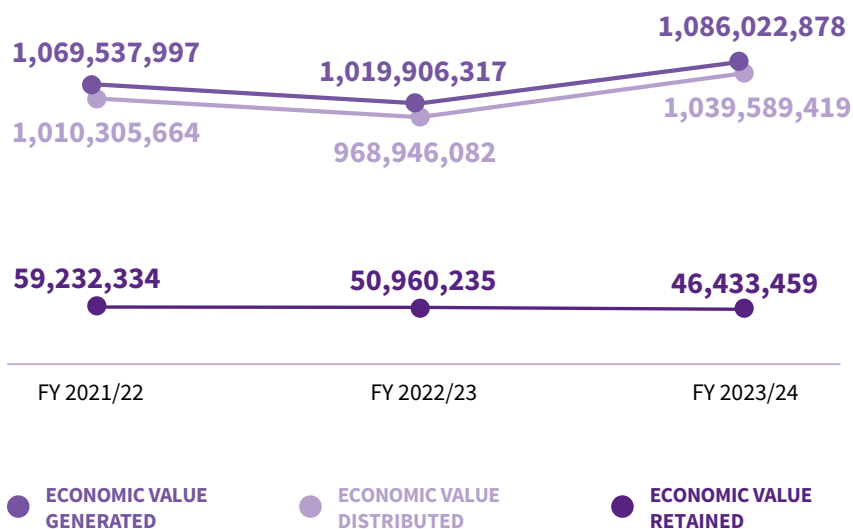
Fater confirms itself as a contributor to the creation of jobs and employment in the communities in which it operates, thereby fostering the economic growth of the regions.

Fater today employs about 1,600 people. Founded in 1958, in its history, Fater has progressively expanded its own occupational area, starting from Pescara territory, then spreading in Molise and abroad thanks to its foreign plants.

Only in the Abruzzo area, in the last fiscal year, the global company figure recorded +3% of employees, higher than the 2.6% growth in employment recorded in Abruzzo according to ISTAT.

In the Molise area, the Campochiaro plant has recorded significant growth over the years, which has seen the number of employees more than quadruple in a decade, going from 104 people in the 2014/15 fiscal year to 428 active contracts in the 2023/24 fiscal year.

ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED

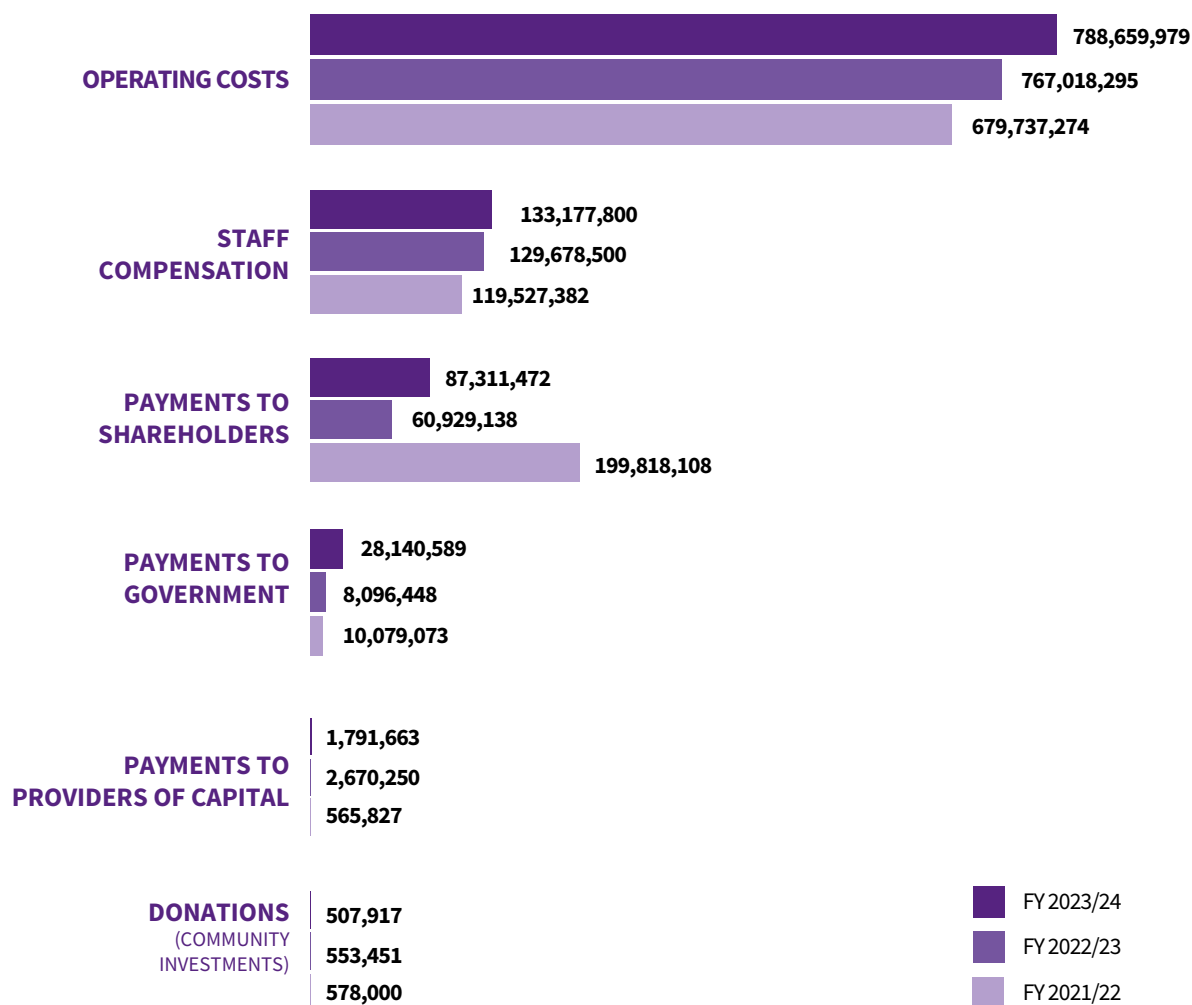


ECONOMIC VALUE
DISTRIBUTED

96%

of the wealth generated

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 legislation**. The approach adopted is based on the principles of **prudence, accountability and transparency** towards tax administrations and all stakeholders.

In particular, Fater's **objectives** in the approach to taxation concern:

the control of tax risks and the protection of corporate reputation

the correct quantification and timely fulfilment of tax obligations

the dissemination of a corporate culture that respects tax legislation

**the training of people involved in business processes
to which tax risks are associated**

At the organizational level, the tax area is chaired by the CFO (Chief Financial Officer), who is the legal representative of the Organization in the tax field. The organizational unit that deals with taxation is constantly updated on changes in the relevant legislation and, in case of doubts about the correct interpretation of the relevant legislation, makes use of the support of leading professional firms.

The tax function is constantly involved in ordinary and extraordinary business transactions (M&A), both in the contractual definition phase and in the execution phase, in order to ensure that transactions are carried out in compliance with the regulations. To this end, adequate control measures are in place within **the Organization in compliance with the principles of segregation, traceability, and the execution of checks**.

The Organization, Management and Control Model is updated with the provision of tax and customs crimes, in line with the reference legislation that provides for the administrative liability of companies also for the aforementioned crimes.

Fater has therefore developed a precise internal control system for the prevention of tax crimes relevant for the purposes of the administrative liability regime pursuant to Legislative Decree 231/2001, in correlation with its risk profile. Fater also has consolidated procedures and operational processes that guarantee the formal and substantial correctness of the declarations, defining the methods of verification. A segregated authorization process is provided for the approval of the content of the declaration and payment forms, and the sending of the same to the Tax Authority. Tax returns are checked in advance and signed by a leading auditing firm before being transmitted electronically.

Fater, as a company of significant size, is annually subjected to tutoring and monitoring activities by the Italian Revenue Agency. Through this tool, the Organization maintains a constant and transparent dialogue with the Tax Authority, with a view to the correct fulfilment of its tax obligations.

Responsible supply chain management

GRI 204-1, 308-1, 414-1

THE GROUP'S SUSTAINABILITY PATH EXTENDS TO SUPPLY CHAIN MANAGEMENT, AIMING TO REDUCE NEGATIVE ENVIRONMENTAL AND SOCIAL IMPACTS ALONG THE ENTIRE VALUE CHAIN. THE PROCUREMENT PROCESS EMPHASIZES THE SELECTION OF SUPPLIERS WHO COMPLY WITH HIGH ESG (ENVIRONMENTAL, SOCIAL, AND GOVERNANCE) STANDARDS.

The Group is working on three main projects: i) development of a **Supplier Code of Conduct** to raise awareness among suppliers on ethical and behavioral principles, ii) the integration of **ESG criteria in the selection of suppliers** with the support of external tools or providers (e.g. Ecovadis), iii) a key supplier **engagement program to share sustainability strategies** and objectives with a specific focus on CO₂ emissions. These latest efforts are part of a broader effort to achieve decarbonization goals and reduce environmental impact. In addition, Fater pays great attention to respect for human rights, health and safety and the fight against corruption, in line with its Code of Ethics. Suppliers are required to comply with these principles and, during qualification, are requested to demonstrate compliance with **SA 8000 certification** or to sign a declaration of compliance with Fater's SA 8000 requirements.



SA 8000
Certification

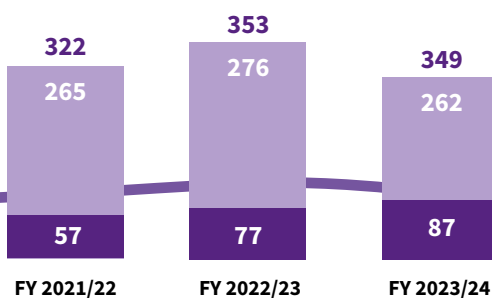
SUPPLIES FOR PRODUCTION OPERATIONS

Taking into consideration the supply chain for the production activity of the plants, Fater in the last fiscal year made use of the collaboration of 209 suppliers of raw materials, packaging and 20 suppliers of finished products (contractors and subsidiary).

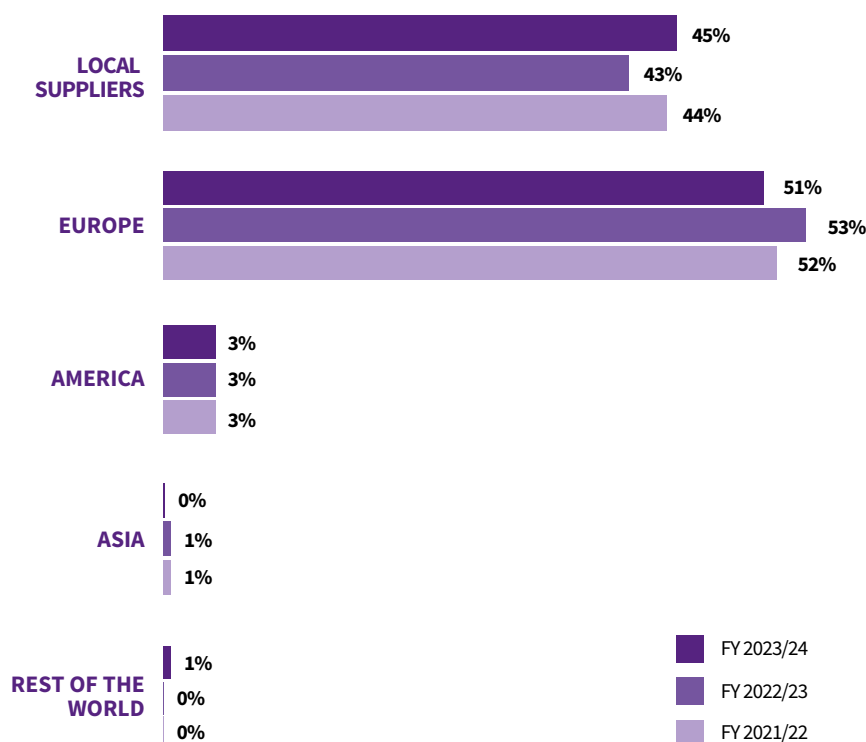
In total, in the 2023/24 fiscal year, the expenditure for the production-related procurement process amounted to 349 million euros, down 1% from the previous FY. Purchases of raw materials and packaging amounted to 262 million euros and accounted for 75% of total expenditure considered, in line with previous fiscal years.

VALUE OF SUPPLIES FOR PRODUCTION OPERATIONS (mln€)

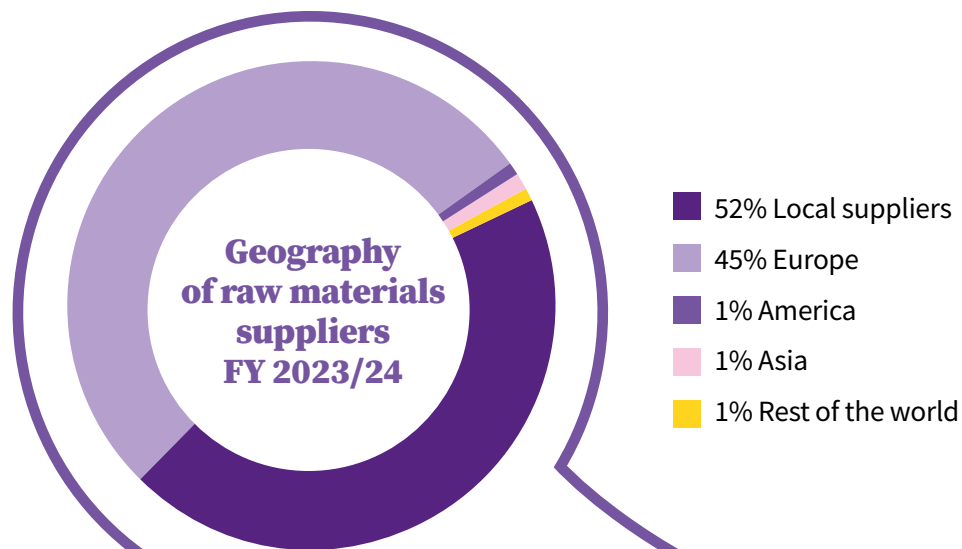
Raw materials
Finished products



PERCENTAGE OF SPEND FOR GOODS AND PACKAGING SUPPLIERS BY GEOGRAPHY



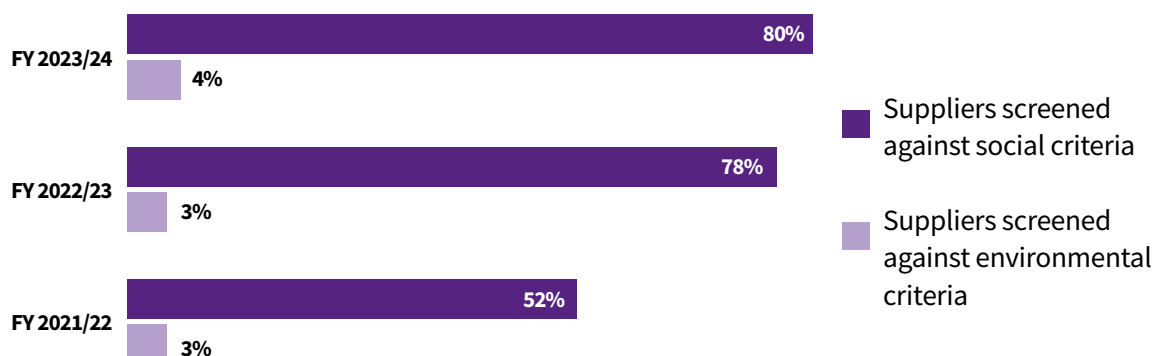
Looking at the last fiscal year, about **52% of raw material and packaging suppliers are based in the state where Fater plants are located and are therefore considered local**, while 45% are not considered local but are located in Europe. Spending on local suppliers amounts to 45%.



Considering **suppliers of finished products, 55% come from local areas**, which corresponds to 27% of the budget, compared to 73% of the expenditure allocated to European (non-local) and non-European suppliers.

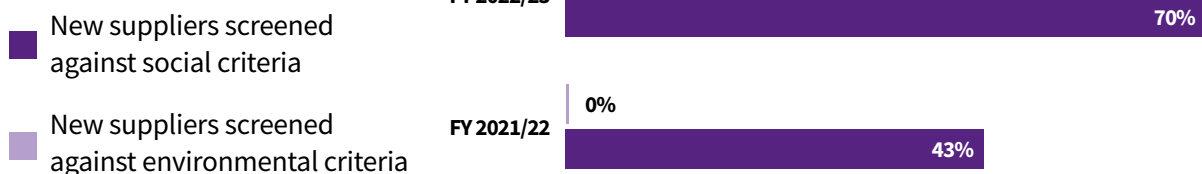
The supplier selection process pays particular attention to the evaluation of social criteria. In the last fiscal year, 81% of suppliers were evaluated according to these criteria, with a significant increase in the three-year period, compared to 4% evaluated according to environmental criteria.

SUPPLIER SOCIAL AND ENVIRONMENTAL ASSESSMENT



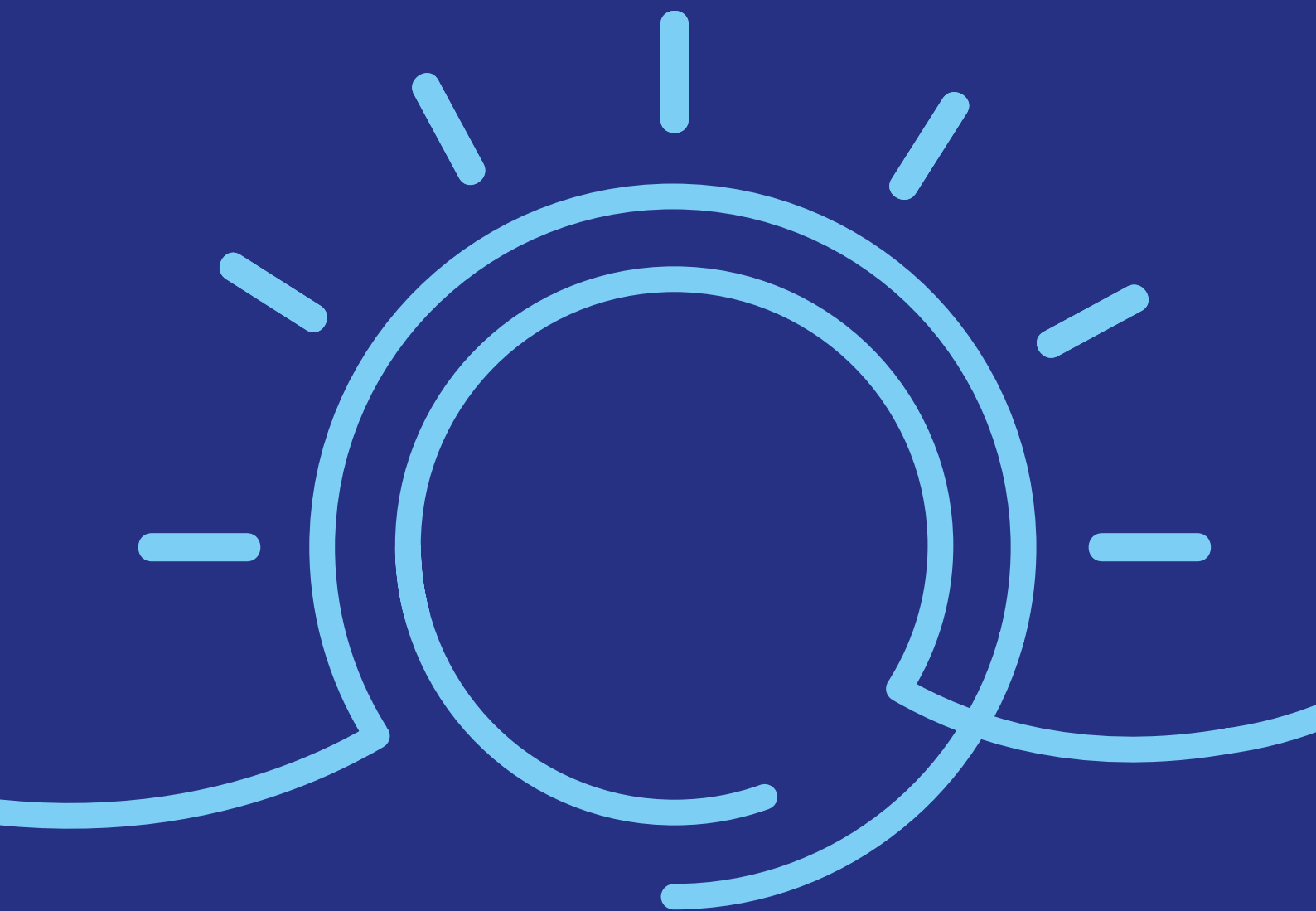
The implementation of environmental indicators in the selection process has in fact been launched in recent years, starting with the procurement of cellulose, a material of particular importance for the Group's production process. As far as the purchases of this raw material are concerned, in fact, Fater has chosen to source only from **PEFC (Programme for the Endorsement of Forest Certification)** certified suppliers for sustainable forest management. In addition, for the primary packaging of some of its best-selling products, Fater buys high-quality recycled plastic. In FY 2023/24, 7% of new suppliers were assessed according to environmental criteria.

SOCIAL AND ENVIRONMENTAL ASSESSMENT OF NEW SUPPLIERS





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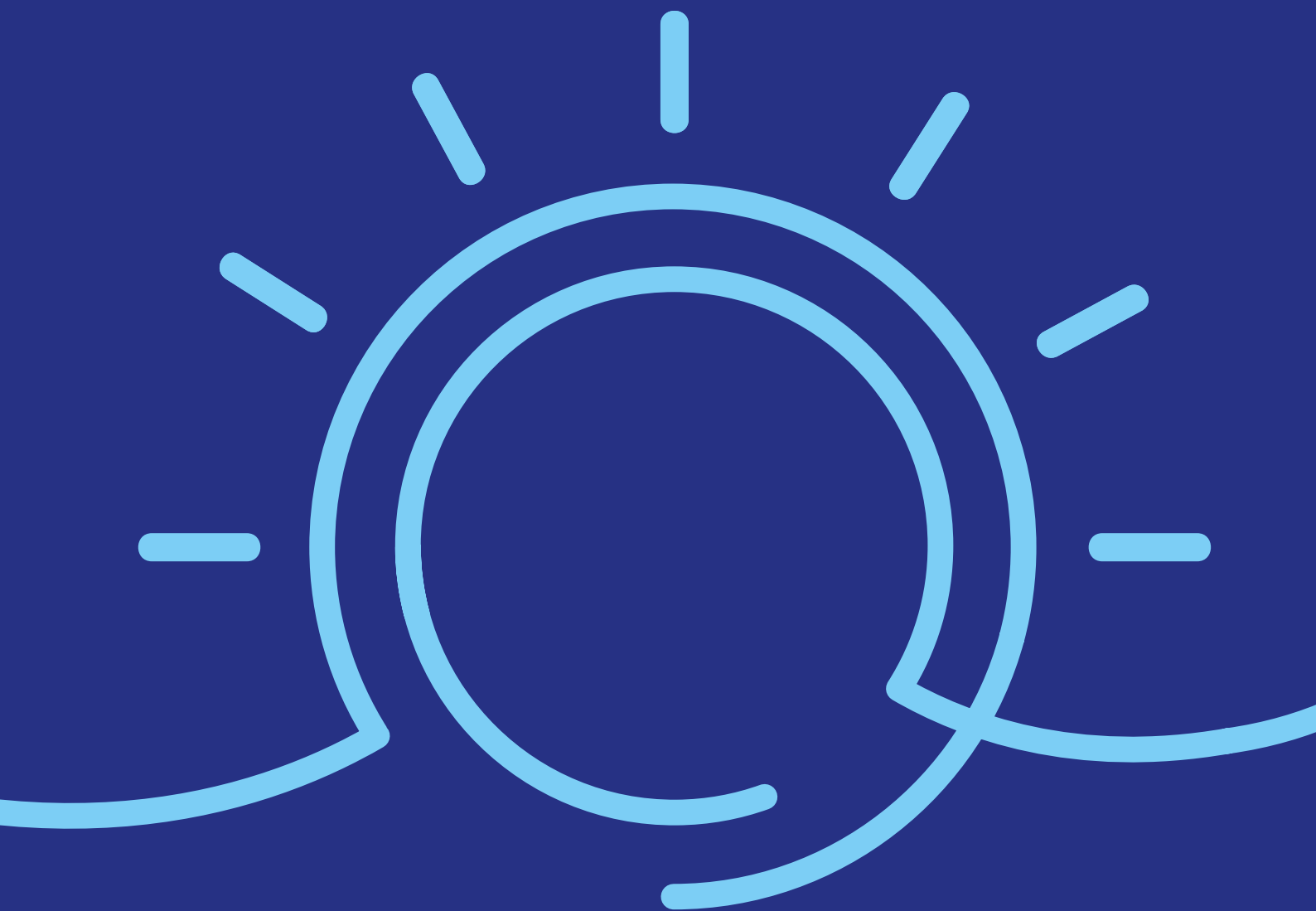
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Auditor's report



FATER S.p.A.

**Independent auditors' report
on the Sustainability Report 2024**

Sustainability Report 30 June 2024

VLNE/GPCQ/sac - RC036892024BD1545

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Independent Auditors' Report on the Sustainability Report 2024

To the Executive Committee of
Fater S.p.A.

We have been engaged to perform a limited assurance engagement on the Sustainability Report of Fater Group for the year ended on June, 30 2024.

Responsibilities of the Executive Committee for the Sustainability Report

The Executive Committee 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 Executive Committee 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 Executive Committee 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.

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

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Pag. 1 di 2



Specifically, we carried out the following procedures:

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 ABC 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 2024 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, 10 April 2025

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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