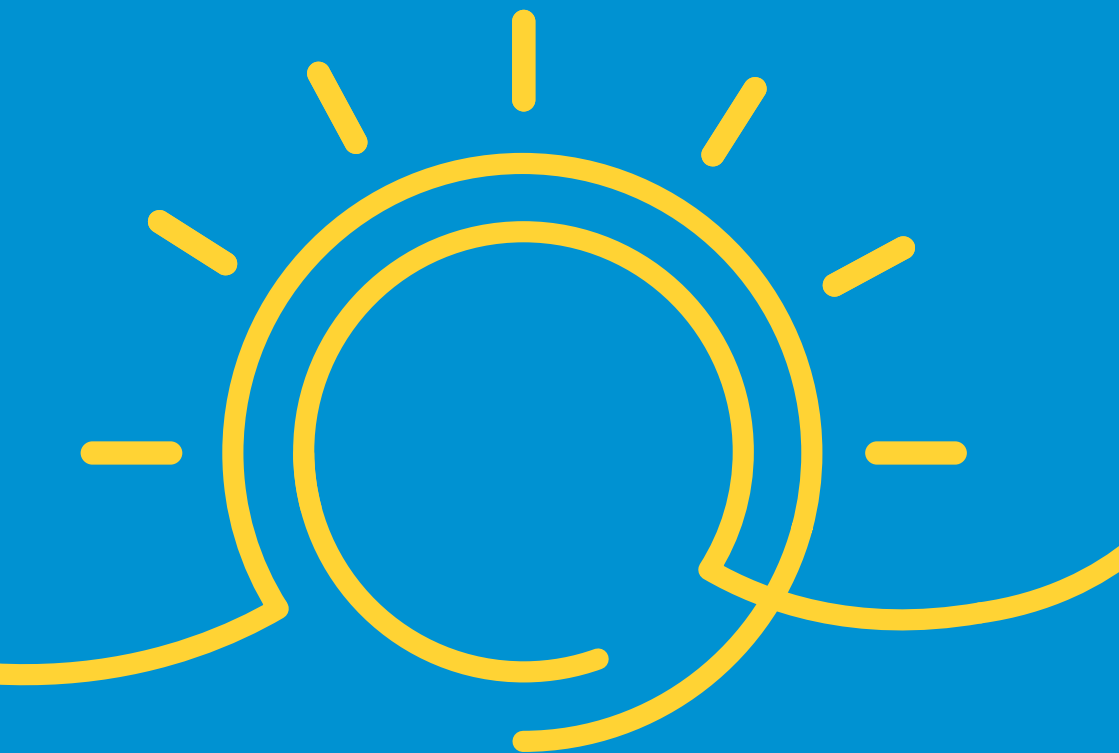


Every Day Matters

SUSTAINABILITY REPORT 2023/24



fater

Angelini Industries
P&G

Every Day Matters

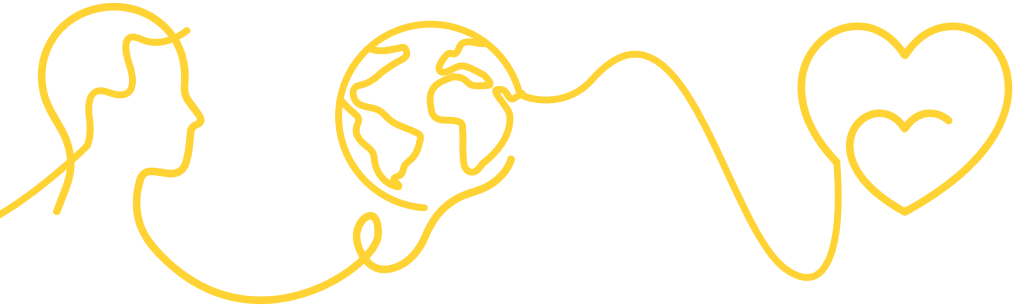
SUSTAINABILITY REPORT **2023/24**



WE WORK FOR A BETTER TOMORROW BY PROTECTING WHAT MATTERS EVERY DAY

Fater S.p.A. Sustainability Report provides a detailed overview of the actions taken and the progress made in the field of sustainability, following the United Nations principle of *“leaving no one behind.”*

This year’s feature is the special section “Every Day together”, which gathers feedback from external stakeholders to understand the company’s perception and identify areas for improvement. It encompasses the views , concerns, and ideas of key stakeholders throughout the value chain.



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 be 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.

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

Letter to the Stakeholders



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
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INVOLVED IN FY 2023/24
RETAKÉ EDITION

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5 DAYS OUT OF 5 WORK FROM HOME
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AS OF 30.06.2024, +3% COMPARED TO THE PREVIOUS FY

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EXTENDED TO **3 MONTHS** IN ADDITION TO
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Every Day climate protection

CO₂EQ EMISSION INTENSITY
PER TOTAL SOLD PRODUCTS VOLUME
INDEX 93 VS FY 2022/23 ²

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
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**98% OF PRIMARY
PACKAGING⁴** OF ALL FATER PRODUCTS
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Every Day responsibility

**€1,086 MILLION ECONOMIC
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² Total corporate carbon footprint value per volume of products sold in the reference year.

³ Total water withdrawal value per volume of products 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.

The Fater Group

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. Moreover, 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



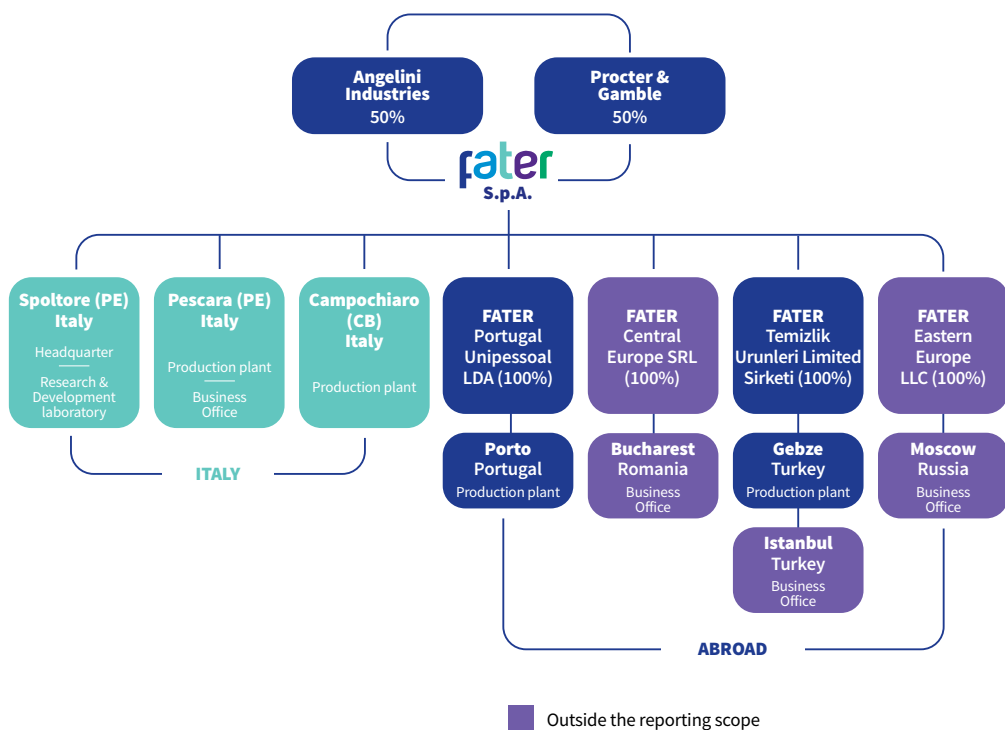
TAMPAX

Incontinence products

**LINES
SPECIALIST**

Fabric & Home Care





Every Day together

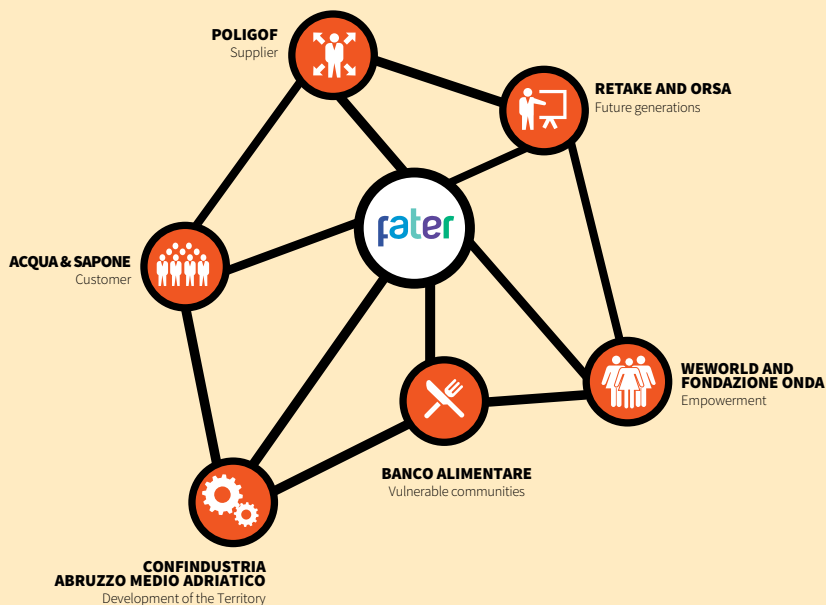
Fater recognizes that collaboration and openness with its stakeholders are essential for achieving concrete and long-lasting results.

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.

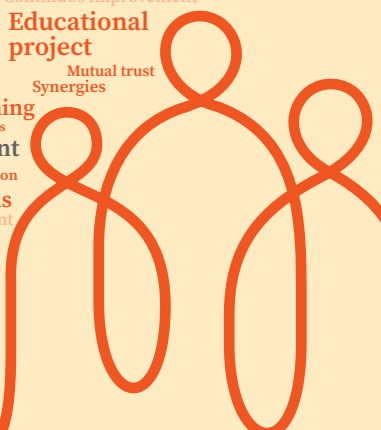
From the feedback received, several key themes have emerged that are broadly shared among the different stakeholder representatives: a commitment to partnership, a sincere intention to create a positive impact, and a willingness to listen that encourages flexibility and adaptability in project design.

The recurrence of these themes provides Fater with encouraging feedback on shared principles and the initiatives that stem from them. At the same time, listening to stakeholders has offered an opportunity to highlight areas for improvement that will be the focus of attention in order to strengthen the process of continuous mutual exchange that Fater has established with its stakeholders.

In particular, Fater is committed to further strengthening its efforts to build collaborative activities that deliver lasting positive impacts over time, and to involving partners from the outset of project design, ensuring their suggestions and expectations are integrated from the start.



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



POLIGOF | Supplier



“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

“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.”



Alejandra Alfaro Alfieri
Retake contact person for Italy

ORSA | D'Annunzio University of Chieti-Pescara

“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.”



Michele Antonio Rea
Full Professor of Business Administration at Gabriele d'Annunzio University of Chieti-Pescara

WeWorld | Onlus

“Also through Fater's ongoing support, we enhance our tangible and enduring impact on women victims of violence or who endure social, economic, and cultural hardships, as well as on the communities in which these projects are executed.”



Rosaria Costanza
Corporate WeWorld Representative

Fondazione Onda | Foundation

“We share with Fater the goal of “transforming” information into awareness through access to health issues, support for people, attention to prevention and correct lifestyles.”



Nicoletta Orthmann

Medical-Scientific Director of the Onda ETS Foundation

Banco Alimentare (Food Bank) ODV | Onlus

“The relationship with Fater and the management systems it employs have facilitated the professionalization of our operations. Our collaboration is characterized as a model of a valuable partnership.”



Mimmo Trivisani

Director of the Banco Alimentare (Food Bank)

Confindustria Abruzzo Medio Adriatico | Trade Association

“In the direction of change that Confindustria is outlining, it is desirable to further integrate Fater with the local entrepreneurial ecosystem, creating synergies that can stimulate new opportunities for the entire industrial landscape.”



Luigi Di Giosaffatte

Serves as the General Manager of Confindustria Abruzzo Medio Adriatico

Acqua & Sapone | Customer

“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.”



Nando Barbarossa

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

Every Day sustainability

For Fater, **sustainability is a way of working** to achieve its “Every Day Matters” ambition. 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.



THE SUSTAINABILITY PATH⁶

FY 2023/24: A TRANSITION YEAR

During FY 2023/24, an analysis was conducted, with the support of an external consultant, aimed at strengthening ESG processes and areas. With particular attention to regulatory developments, by the end of 2024 (FY 2024/25), Fater's sustainability governance has evolved to enhance the effectiveness and efficiency of its processes.

The main change is that **the Corporate Sustainability function**, which was previously part of the Communications area, **will now report directly to the Chief Financial Officer (CFO)**, becoming part of the Financial & Administration department. This decision strengthens the integration of sustainability into business processes, ensuring alignment of strategy and objectives within the industrial plan and building new capabilities in line with the CSRD.

Additionally, a **Sustainability Steering Team** has been established, 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 the brands; **Pillar G**: CFO). The committee develops the strategy and monitors its implementation. The shared responsibility of HR and the Category Leader in the Social pillar highlights the connection between the internal corporate environment and the external world: **“Outside-in” and “Inside-out”**.

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



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**Every Day
a better society**

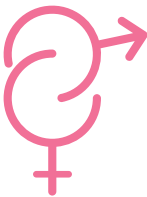
Goals: Where are we?

WHILE FULLY AWARE OF THE JOURNEY STILL AHEAD, FATER HAS MADE PROGRESS IN THE REPORTED FISCAL YEAR. THE COMPANY HAS ADVANCED IN KEY AREAS, INCLUDING REDUCING THE GENDER PAY GAP, IMPROVING GENDER BALANCE AT THE MANAGERIAL LEVEL, AND INCREASING EMPLOYEE ENGAGEMENT IN CORPORATE SOCIAL INITIATIVES AND BRAND PURPOSE ACTIVITIES.

Additionally, a process has been established to measure the impact of all Brand Purpose initiatives, with the aim of creating a structured and validated system that enables the monitoring and reporting of social activities, highlighting their effectiveness and contributions through the identification of 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 are the calculation methodologies for the remaining KPIs, which remained unchanged in FY 2023/24:



GENDER PAY GAP

The percentage difference between the average salaries of men and women, calculated as the arithmetic mean of the pay gaps observed within each job classification, excluding variations due to seniority. The calculation includes permanent contract levels: Executives, Managers, Supervisors, and Office Employees. Blue-collar workers are excluded, as the significant numerical disparity would make the gap non-representative.

WOMEN WITH A MANAGERIAL ROLE

The ratio of women to men in managerial positions, considering the contractual classifications outlined in the national labor agreement for Office Employees, Supervisors, Managers, and Executives, including the Leadership Team.

PEOPLE INVOLVED

The estimated number of individuals involved in the corporate social responsibility projects detailed in the “Community” section (Lines WeWorld, Lines Domande Scomode, Pampers Village, Ace Retake, Banco Alimentare). The target of 600,000 by 2025 is intended as a cumulative year-over-year figure of impacted individuals.



CO₂EQ EMISSION INTENSITY

PER TOTAL SOLD PRODUCTS VOLUME

INDEX 93 VS FY 2022/23 ⁷

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⁷ Total corporate Carbon Footprint value based on product volumes sold in the reference year.

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⁹ According to the "Plastic Packaging List" published by CONAI.



**Every Day
climate
protection**

Goals: Where are we?

FY 2023/24 REPRESENTED A YEAR OF SIGNIFICANT PROGRESS IN FATER’S DECARBONIZATION PATH; IN PARTICULAR, THE OVERALL CARBON FOOTPRINT CONTINUES ITS DOWNWARD TREND, DESPITE AN INCREASE IN THE TOTAL VOLUMES OF PRODUCT 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 is the update on the Climate Protection KPIs, related to the SBTi targets for 2030 and 2040, as well as the reduction of virgin plastic in primary packaging.

Carbon footprint
577 thousand
tons
CO₂eq

CO₂

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) ¹⁰	403 ktCO ₂ eq	391 ktCO ₂ eq	363 ktCO ₂ eq	-	302 ktCO ₂ eq -25%	-	-
	Net Zero 2040 (Target Categories) ¹¹	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%	-

* The increase in Scope 1&2 emissions in the reported year is due to a higher reliance on energy purchases from the grid to compensate for the drastic reduction in self-generated energy from the cogeneration plant in Pescara, which was powered by palm oil and is undergoing a decommissioning process. This project has led to a significant reduction in the overall carbon impact related to energy source usage. In fact, despite an 11% increase in volumes over the four-year period considered, the total Scope 1&2 emissions, as well as those related to upstream fuel production activities (Scope 3.1), have decreased by 31%.

**The reduction in the final figure for FY 2023/24 compared to the previous year is not determined by a slowdown in plans, but by a contingency linked to important packaging changes that affected some Paper product lines.

Alongside the metrics that have changed, below are the calculation methodologies of the remaining KPIs:



CLIMATE CHANGE MITIGATION – SBTi

Reduction of the emission impact (Scope 1, 2 and 3).



REDUCTION OF VIRGIN PLASTIC IN PACKAGING

Reduction of virgin plastic used during the fiscal year for primary product packaging, calculated in relation to production volumes and finished products purchased for home care and textiles, based on the FY 2020/21. The plan includes a solid roadmap, which will have a significant impact on reducing virgin plastic within the next three years, making the targets achievable.

¹⁰ Target categories: 3.1 Raw Materials and Purchased Services; 3.3 Fuel-related Activities; 3.4 Upstream Logistics.

¹¹ 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.

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¹² 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 ¹³ 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%	-

The following outlines the methodologies used to calculate the KPIs:

SUPPLIERS ADHERING TO ESG POLICIES

Percentage of suppliers required to adhere to the company's ESG policy, which encompasses the most critical sustainability topics.

Fater recognizes the critical role that the procurement area plays in achieving medium- and long-term ESG goals. Therefore, in addition to reporting on the social and environmental criteria used to evaluate suppliers for production activities, a KPI and corresponding targets have been established. These targets encompass the ESG assessment of significant direct and indirect suppliers, specifically those representing at least 0.1% of the group's total expenditure. This is an ongoing initiative aimed at engaging suppliers on ESG matters to achieve common objectives.

SUSTAINABLE BY DESIGN

Percentage of new products and material or packaging modifications to existing products where the associated carbon footprint and virgin plastic content in primary packaging are equal to or lower than previous levels—or, in exceptional cases where they are higher, offset through parallel initiatives.

¹³ Suppliers accounting for at least 0.1% of Fater's total spending are considered relevant.

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