

Sustainability Report 2020-2021



FAMECCANICA
Non stop innovation

Sustainability Report 2020-2021

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1.

Letter to stakeholders



Today the first Fameccanica Sustainability Report has been published. This is a moment which makes us particularly proud, because there can no “doing business” without paying attention to the three aspects of sustainability: the environment, society and economics.

For Fameccanica’s strategic vision, sustainability is the fundamental value on which we are building the future, not only for our work and our corporate culture, but more generally in the countries in which we operate and the society in which we live.

Through our activity we contribute to improving the lives of the people who use the end products of the production lines we design and create. They are better performing and more sustainable products, which are in line with our philosophy of putting innovation at the service of people and the planet.

However, we know we can do more. We can and will do even more to help create a more sustainability-sensitive business culture, a more evolved society and, ultimately, a better world.

These are ambitious goals which can only take shape as concrete projects and become realities with the participation of all stakeholders in the supply chain and the communities in which we operate.

We are presenting this report today on a voluntary basis with the hope that, by explaining what we do as a company, we can be a positive reference for our stakeholders, the industry and the business world.

This budget refers to the fiscal biennium 2020/2021, which saw the world facing an unexpected and unpredictable situation with the Covid-19 pandemic.

The three directors of sustainability had never faced a greater challenge than this period. We have had to learn to live and work differently and to deal with a radically new and changing society which needs rethinking.

These have been complex years, in which we have been able to operate as a company with great social responsibility in various areas. In collaboration with Treedom, we have planted a forest of 12,000 trees to neutralise the CO₂ emissions of our business units and drastically reduced the consumption of plastic, paper and electricity. But, the biggest commitment we made was to be at the forefront of addressing the social and health emergency.

In fact, in 2020, our expertise was made available to the Italian Civil Defence to develop, in record time, 25 high-speed production lines for the manufacture of masks, contributing to making the country self-sufficient in this time of extreme need. In just 3 months, we imagined, designed and put into operation the fastest lines in the world, each with a production capacity of over 800 masks per minute. It is a success we are proud of, thanks to all the people who work at Fameccanica, and to the determination, skills and talent that this company represents.

This achievement earned Fameccanica the *Le Fonti Award* in 'Innovation & Leadership 2021' in the Automation and Robotics category. This prestigious award was obtained thanks to a project of fundamental importance for our country. It attests to our ability to innovate, evolve and contribute to building a better future.

This first Fameccanica Sustainability Report, therefore, bears witness to and tells of our conviction that innovation, inclusion, talent development, environmental protection and attention to the communities in which we operate are fundamental for a new sustainable model of economic, business and social development.



Alessandro Bulfon – General Manager Fameccanica Group

2.

Methodological note

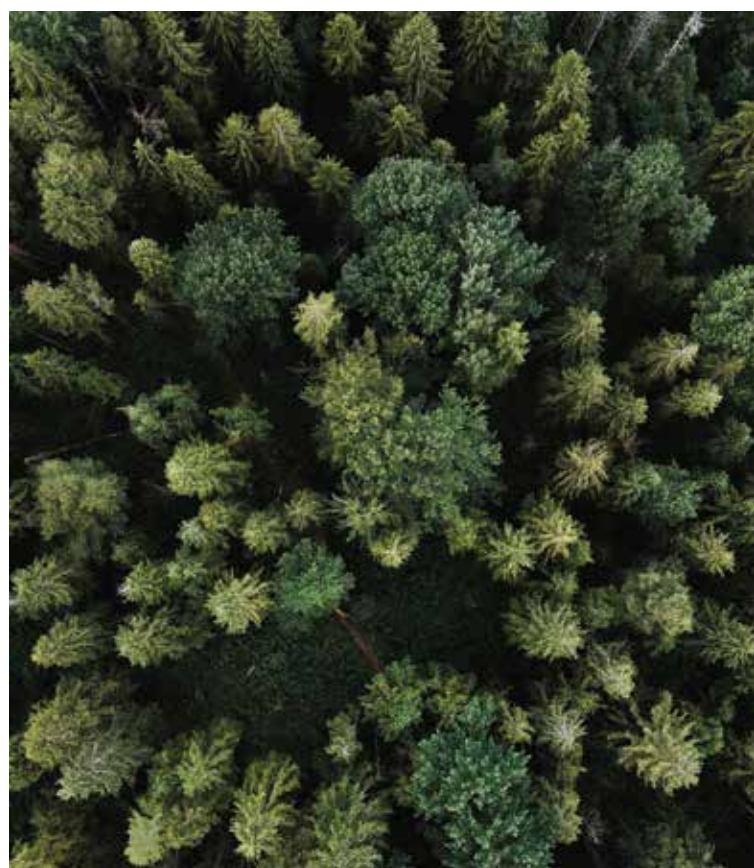


The first Sustainability Report of Fameccanica Data S.p.a. (hereinafter also “Fameccanica”) has been prepared in accordance with the GRI Standards, defined in 2016 by the Global Reporting Initiative (GRI) and subsequent editions, according to the “Core” option.

The document represents a first step in the process of reporting on sustainability issues and bears witness to the path of transparency and continuous improvement of Fameccanica, which intends to integrate sustainability drivers into its way of doing business.

The Report (unless otherwise specified) shows the situation for the period from 30 June 2020 to 30 June 2021, in order to provide the reader with a benchmark of economic, social, environmental and governance performance. There were no limitations or variations that would significantly affect comparability between periods. The reporting boundary includes the Group's Italian headquarters.

The data were calculated on the basis of the results of the general accounts and other information systems used; in the case of estimates, the method used to quantify them has been indicated when determining the indicators. The Sustainability Report is subject to *limited assurance* by KPMG S.p.A.



The structure of the Report

For Fameccanica, sustainability and social responsibility are key to its strategic development, which is aimed at growing its business and contributing, step by step, to building a better future.

The Report is divided into five main chapters:

- Identity and Governance
- Economic capital
- Human capital
- Social and relational capital
- Natural capital.

These chapters are preceded by the Letter to Stakeholders, a methodological note and the Section “Significant Contextual Events”, and conclude with the GRI Performance Indicators.



Materiality analysis

The identification of the aspects reported in the document was done following the principle of materiality and in consideration of the principles that define the content and quality of sustainability reporting: inclusiveness of stakeholders, completeness of information, sustainability context, balance, comparability, clarity, timeliness, reliability and accuracy. The three stages of the materiality analysis process:

Preliminary analysis

step
1

During the first phase, a list of material topics was defined with: an analysis of relevant topics for the sector, a benchmark analysis with some comparables, an analysis of press reviews. An issue is considered material when it can have an actual or potential impact of an economic, social and/or environmental nature on the Company, or when it can significantly influence the stakeholders' assessment of it.

Categorisation and prioritisation

step
2

In the second phase, the issues identified were shared, through a dedicated workshop with Fameccanica Italia management and the company representatives involved in the process of preparing the Sustainability Report. The prioritisation of material issues took place in different ways for the internal outlook and for external stakeholders. In particular, for the internal outlook, meetings were held with management in order to assess long-term criticalities and opportunities for each issue identified. The views of external stakeholders were determined by considering the results of benchmarking, media analysis and sector documentation.

Definition of materiality matrix

step
3

The results of the materiality analysis process have been summarised:

- in the materiality matrix containing the material issues that have been explored in the Report and whose positioning has been determined through the combination of internal and external priorities;
- in the table linking material themes and GRI Standards indicators, which associates each identified prioritized theme with the GRI Standards indicators that have been reported in the Report.

Materiality matrix

The materiality matrix shows material issues, i.e. aspects that can generate significant economic, social and environmental impacts on the Company's activities and which, by influencing stakeholders' expectations, decisions and actions, are perceived as being relevant to them.

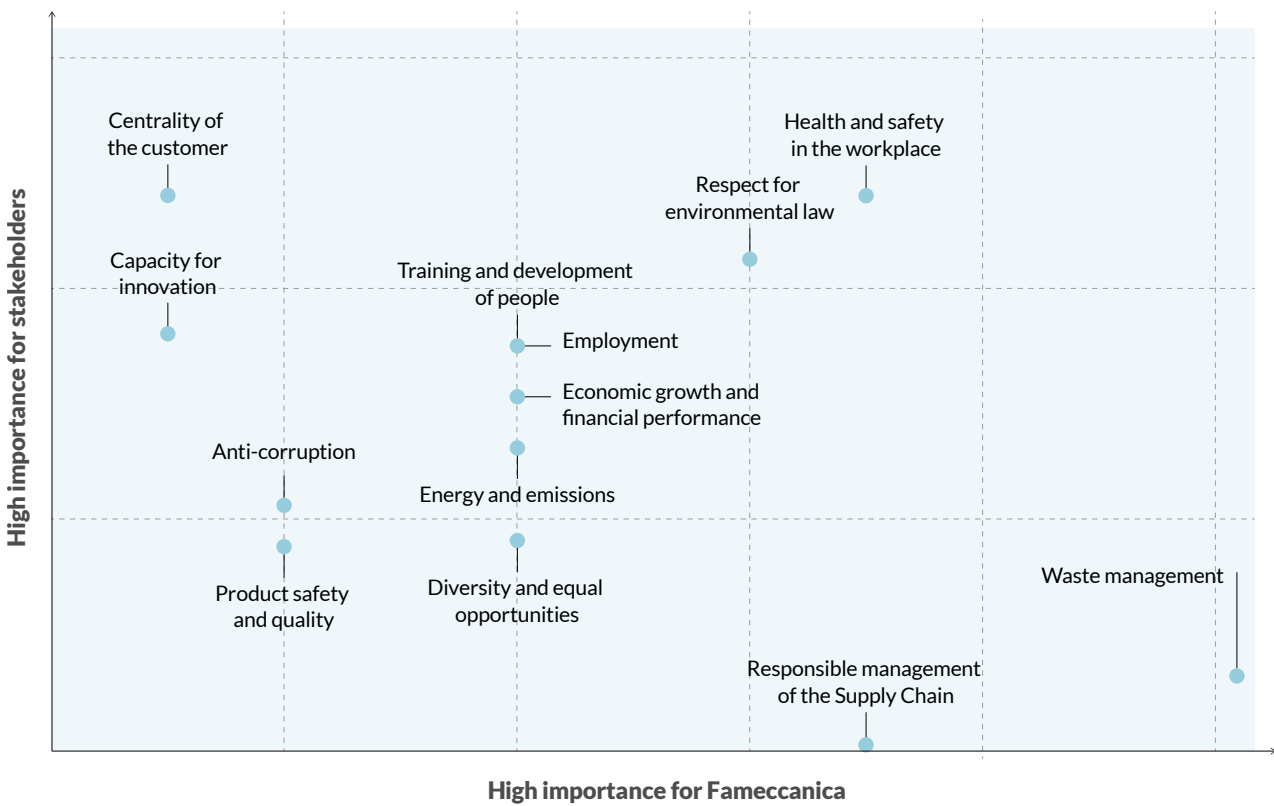


Table linking material topics and GRI standards indicators

Each material issue identified as a priority for Fameccanica Italia is associated with the relevant GRI Standards indicators reported in this Sustainability Report.

Material themes	GRI Standards indicators
Economic Performance	201-1
Procurement practices	204-1
Anti-corruption	205-3
Energy and emissions	302; 305-1;305-2
Waste	306-2
Respect for the environment	307-1
Employment	401-1
Health and safety at work	403-1 – 403-7; 403-9
Training and education	404-1
Diversity and equal opportunities	405-1
Consumer health and safety	416-1;416-2
Innovation	103-1; 103-2;103-3

3.

Significant events during the period



Covid-19 Emergency

Fameccanica adapted quickly to the consequences of the spread of the SARS-CoV-2 virus thanks to a strong team spirit and people who never gave up. They reacted and dealt with the situation by working on solutions to overcome this unexpected and exceptional circumstance.

In order to reduce the pandemic's impact on clients' activities, optimise the management of all projects, ensure shipments and limit delays, the Fameccanica Task Force worked tirelessly on safety protocols in close collaboration with the relevant health authorities. This guaranteed the highest safety and hygiene conditions in the workplace at all three sites.

Most of the company's departments continued to work full-time via smart working until 3 May 2020, ensuring continuity in administration, sales, remote support and all those services that can be provided remotely.

As far as the supply of spare parts is concerned, Fameccanica Italia was immediately involved in the search for new suppliers to guarantee the usual supply of parts and components; moreover, the Italian branch benefited from the supply chain of Fameccanica North America and Fameccanica Machinery Shanghai to fill the additional supply shortages in the country.

The company consciously and responsibly managed the pandemic with the following objective findings:

- no activation of the Ordinary Redundancy Fund for any employee;
- Smart Working extended to all workers during lockdown, including operational staff (with remote training, reporting, etc.)

- Smart Working for the following months for jobs that could be carried out in full remotely;
- travel blocked and reasoned when allowed, with support from Embassies, Farnesina and International SOS.

“

I would like to thank the leading Italian companies that have stood by us in managing this emergency and in particular Fameccanica of the Angelini group. This agreement is a virtuous example of collaboration between the private and public sector in the exclusive interest of citizens

”

Domenico Arcuri
Special Commissioner

“

This project is based on major industrial, technological and human commitments and was born out of service to the country at a time of extreme difficulty

”

Alessandro Bulfon
General Manager of Fameccanica

Highlights

April 2020

“fpm-e fameccanica protective mask” founded

During the first wave of Covid-19, Fameccanica developed the technology to produce plants capable of delivering 800 masks per minute in just 3 months, making it the highest capacity plant in the world.

May-August 2020

Agreement between Special Commissioner and Fameccanica - an important step to support Italy

Fameccanica signed an agreement with the Italian Government's Special Commissioner for the COVID-19 Emergency, Domenico Arcuri, for the supply of 25 high-speed production lines for surgical masks entirely designed by the Commissioner's team and authorised by the Istituto Superiore di Sanità in accordance with the Decree-Law of 27 March 2020 and subsequent amendments. In addition to supplying the equipment, Fameccanica was directly involved in producing 200,000 masks per day for the Civil Defence.

December 2019

Fameccanica introduced its new values

Angelini Holding provided a psychological support service for Group employees



June 2021

Adhesion to the “Rivending” project

In cooperation with our partner for the supply of vending machines for the recovery of PET materials (pallets and cups).

April 2021

Launch of ISO 27001 Information Security Certification project

Kickoff for the start of the project to design and implement the information security management system to the international ISO 27001 standard.

January 2021

Confirmation of ISO 45001 health and safety certification

Maintenance audit to verify compliance of the health and safety management system with the international standard ISO 45001.

May 2021

The latest update of the Code of Ethics, inspired by the Codes of Ethics of the reference shareholders, Angelini Holding and Procter&Gamble Italia

February 2021

Confirmation of ISO 9001 Quality Certification

Maintenance audit to verify compliance of the quality management system with the international ISO 9001 standard.

The following are the most significant events that took place in 2019-2020. They reflect Fameccanica's commitment to sustainability in its environmental, social and economic forms.

from May 2020

Unity is strength! Fameccanica and Fater team up to fight the spread of the virus

Fameccanica collaborated with Fater SpA in 2020 by supporting the adaptation of its lines into the production of surgical masks. The two companies decided to donate the first 250,000 masks produced to the Italian Civil Defence.

June 2020

Welfare: extraordinary contributions for employees

As part of the Angelini Group's welfare initiative, support was offered to employees following the Covid impact, such as reimbursement of babysitting or summer camp expenses, psychological support, insurance coverage, and subsidised loans.

July 2020

IMQ Covid-19 Restriction certification

Audit to verify compliance with Covid-19 security protocols

December 2020

Confirmation of ISO 50001 Energy Management Certification

Maintenance audit to verify compliance of the energy management system with the international standard ISO 50001.

Confirmation of ISO 14001 environmental certification

Maintenance audit to verify compliance of the environmental management system with the international standard ISO 14001.

9 September 2020

Luxottica and Fameccanica started national production of masks at the PalaLuxottica in Agordo

Fameccanica and Luxottica started large-scale production of surgical masks with the delivery of the first batch comprising over 3.5 million items. In order to comply with the government's decision, Luxottica temporarily converted the PalaLuxottica - a centre for social and cultural events in the area before the pandemic, close to the Group's historic headquarters in Agordo (BL), at the foot of the Dolomites - into a technologically advanced outpost for the production of masks; four special fully automated production lines were installed and started, which had been designed and built in record time by the Italian branch of Fameccanica, whose machines guarantee the best production speed on the market today and the necessary flexibility in using different sets of materials. In order to make the new technologies available in the shortest possible time and complete the authorisation and certification procedures, two teams of specialised technicians from the two companies worked non-stop for two months, identifying needs and solutions in close cooperation and under the supervision of Commissioner Arcuri's structure. The collaboration between Fameccanica and Luxottica ensured a continuous production cycle of three million masks per day, employing around one hundred people in shifts to protect the correct functioning of the processes and the necessary quality control.

4.

Identity and Governance



Highlights 2021



517

employees
(Italy)



3

3 locations
(IT, NAM, China)



600

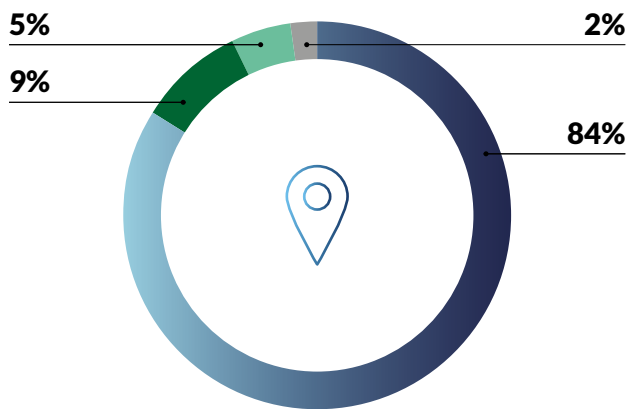
patents



1,200

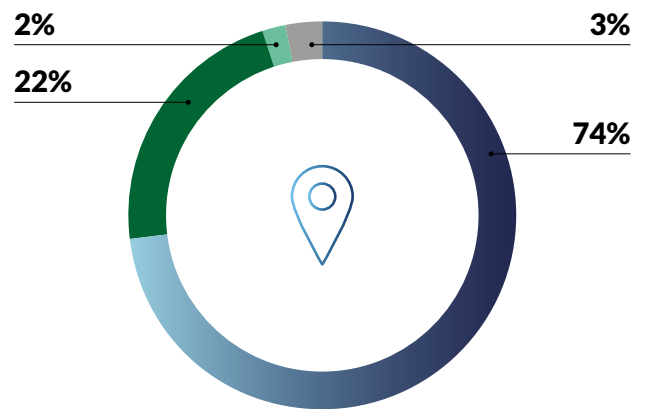
machines delivered
worldwide

Fameccanica.Data S.p.a. operates on the world market.
Breakdown of turnover 2020/2021



● EMEA ● NAM ● LAM ● APAC

Breakdown of turnover 2019/2020



● EMEA ● NAM ● LAM ● APAC

Fameccanica's main customers. Data S.p.a. are multinational, medium/large private companies mainly serving local markets and public sector companies.

Fameccanica today

Fameccanica is the joint venture company between the Angelini Group and Procter&Gamble, which operates in the field of automation and robotics for the consumer goods industry.

Founded in 1975, today it is a solid, well-structured industrial reality with 517 employees, creating solutions, production plants and technologies for the production, logistics and packaging of consumer goods, with offices and plants in Italy, China and North America.

An internationally recognised leader in the hygiene sector, it has a long-standing specialisation in the production of equipment for the manufacture of absorbent products for children and personal hygiene.

Today, guided by the 'Non Stop Innovation' philosophy, Fameccanica is a sustainable innovation engine capable of ranging from digital services (Internet of Things - IoT) to the design and production of innovative, 100% sustainable and recyclable packaging for consumer goods.

This vision strongly integrates innovation and sustainability, creating a multifunctional business and technological player able to apply its know-how and skills in different sectors, devising solutions that can improve the lives of end consumers.

This includes robotic solutions for the recognition, retrieval and handling of products and packages, innovative solutions for the feeding of raw materials to production plants, automated solutions and plants for 'assembled products', digital solutions for the connection of production plants (IoT) and, finally, solutions and plants for the production of sustainable packaging.

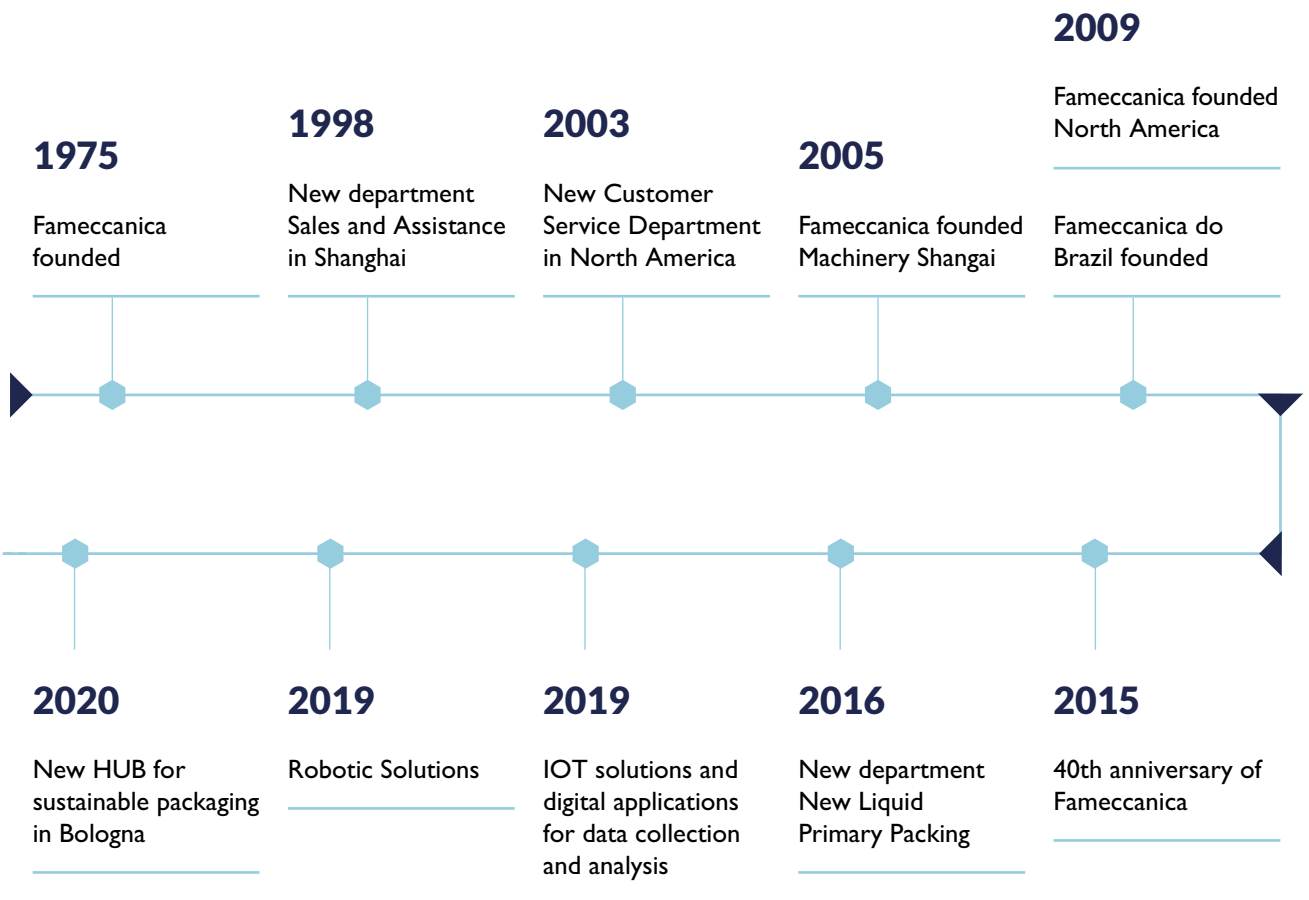
Thanks to these skills and an ambitious Strategic Plan 2025, Fameccanica aims to become an increasingly cross-sectoral player, a technological reference point for the market, who is able to support its customers at all stages of the modern production chain, offering innovative solutions that can significantly improve not only production (quality, efficiency, productivity) but also the quality of life of end users.



History

Founded in 1975, in the province of Chieti, thanks to the intuition of a young engineer and the Angelini family, Fameccanica today is an international Group with great ambitions. Since its inception, it has become synonymous with quality, innovation and reliability, thanks to strategic alliances across the supply chain, partnerships with higher education institutions and universities, and major investments in research and development. Its history tells of important awards and innovations, with more than 1,200 machines delivered worldwide and 600 recognised patents.

Some examples include the design of the world's fastest nappy machine, which is capable of producing 1,000 pieces per minute; the construction of the world's first machines equipped with a robotic orientator; and, in May 2020, the design, production and installation, in agreement with the Italian Civil Protection during the Covid-19 emergency, of the world's 25 fastest production lines which make 800 pieces per minute for the production of surgical masks. The main milestones in Fameccanica's history attest to its important and unique path of development and innovation in the field of automation and industrial robotics.



Operating companies

Fameccanica Italy

The company's central European headquarters and research, design and development centre for all technological platforms, machines and highly automated systems.

The distinguishing feature of Fameccanica's Italian headquarters is the constant process of innovation that guarantees clients a real competitive advantage and a high level of expertise in design, creativity, engineering, production and the testing of machines with the most efficient performance.

Fameccanica Shanghai

The centre for the production and marketing of high-tech machines, mainly for Asian markets. Quality, reliability, performance and innovative cost-efficient solutions are the hallmarks of the products offered to customers.

The Chinese site is characterised by production efficiency, a high standard of quality and maximisation of the life cycle of the machinery used.

Fameccanica North America

It is the point of reference for know-how on machinery, upgrade kits and pre- and after-sales services.

In addition to advanced manufacturing technologies, the US facility is distinguished by collaborative processes in design, consulting, sales and parts service involving local professionals.

Customer loyalty and the continuous improvement of business relations and after-sales service, as well as high quality and competitive prices are goals which are constantly being pursued.



ITALY



CHINA



USA

Governance structure

Fameccanica.Data S.p.a., with a single shareholder, is a joint-stock company wholly owned by Fater S.p.a.

It is part of the Fameccanica Group, a joint venture controlled in equal shares by Angelini Holding and Procter & Gamble S.p.a. with a fully paid-up share

capital of € 18,592,560.00, consisting of 36,000 ordinary shares. Pursuant to Article 2428 of the Italian Civil Code, the company does not hold any of its own shares or shares in parent companies and did not acquire or dispose of any of its own shares and/or shares in parent companies during the year.

The Company adopts an administration and control system structured according to the traditional model.

The **Board of Directors** is the body exclusively entrusted with the power to decide which persons are to be granted the power to represent Fameccanica vis-à-vis third parties, the limits within which they may use its economic resources and the persons who perform the functions supporting the decisions of the Board of Directors. This body, made up of four members, intervenes in all decision-making processes by establishing the hierarchical relationship for each of them, the methods for distributing tasks, the measures to be taken, the control principles and the persons to be held responsible for non-compliance or incorrect compliance.

100%



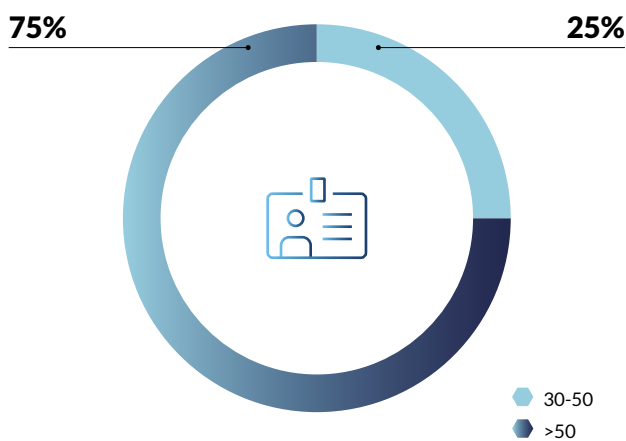
◆ Fater S.p.A.



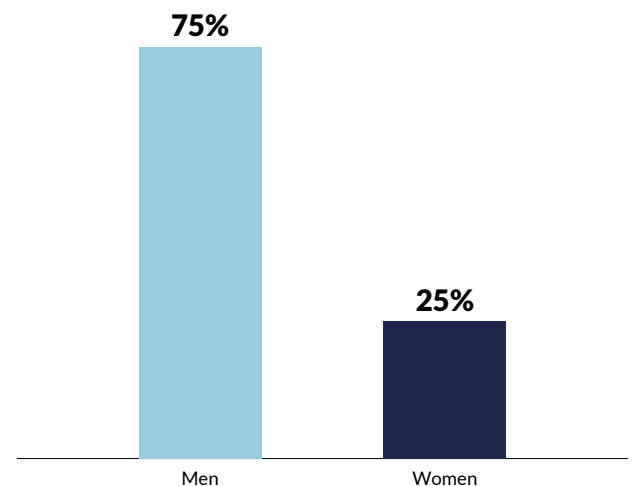
Board of Directors 30/06/2021

Composition	Gender	Age group
Morbidelli Marco	Man	>50 years
Reynaert Luc	Man	>50 years
Marin Massimo	Man	30-50 years
Gaeta Cinzia	Woman	>50 years

Composition of the Board of Directors 2021 by age (%)



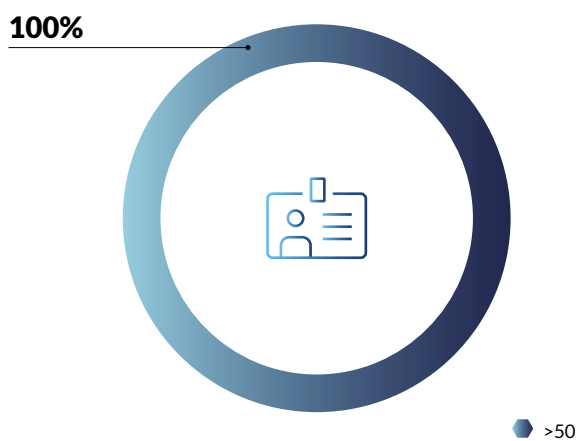
Composition of the Board of Directors 2021 by gender (%)



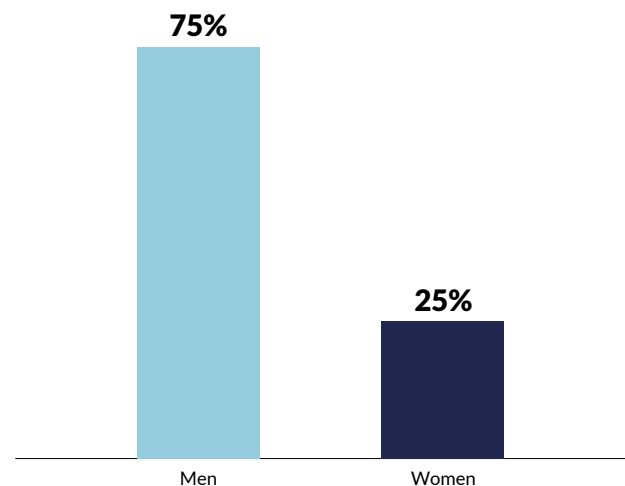
Board of Directors 30/06/2020

Composition	Gender	Age group
De Angelis Giampiero	Man	>50 years
Reynaert Luc	Man	>50 years
Capponi Alberto	Man	>50 years
Gaeta Cinzia	Woman	>50 years

Composition of the 2020 Board of Directors by age (%)



Composition of the 2020 Board of Directors by gender (%)

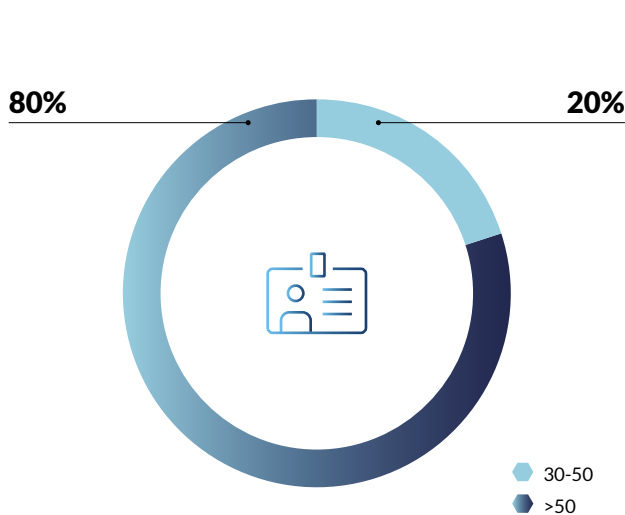


The **Board of Statutory Auditors**, consisting of five auditors, is responsible for supervising the activities of the directors and checking that the management and administration of the company are carried out in accordance with the law and the articles of incorporation.

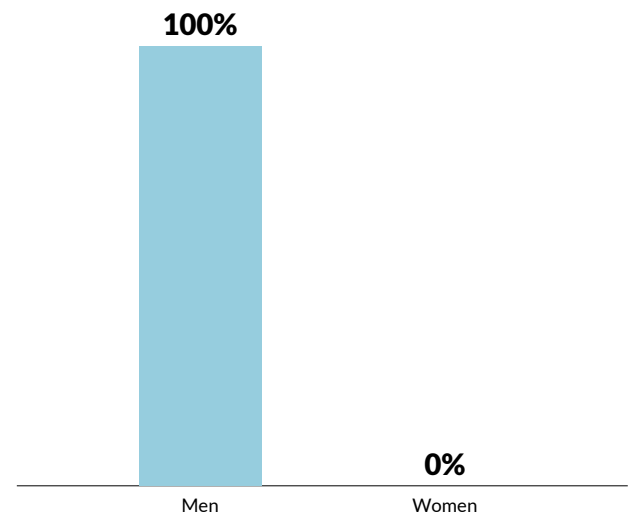
Board of Statutory Auditors 30/06/2021

Composition	Gender	Age group
Massa Marco	Man	>50 years
Mandolesi Luigi	Man	>50 years
Giuliano Mandolesi	Man	30-50 years
Marchetti Fabrizio	Man	>50 years
Barbone Lorenzo	Man	>50 years

Composition of the Board of Statutory Auditors 2021 by age (%)



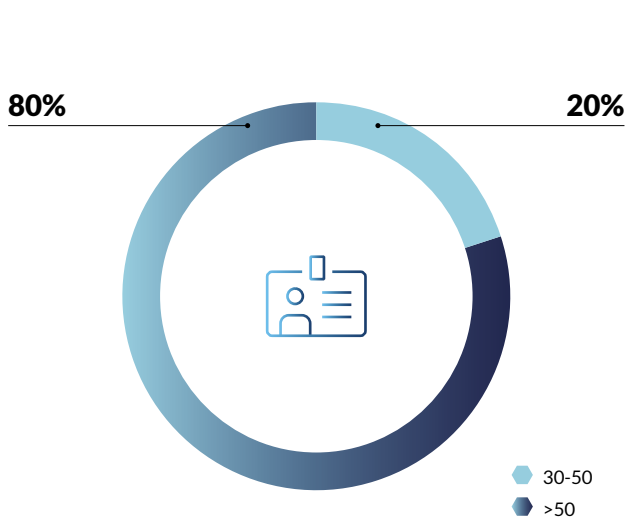
Composition of the Board of Statutory Auditors 2021 by gender (%)



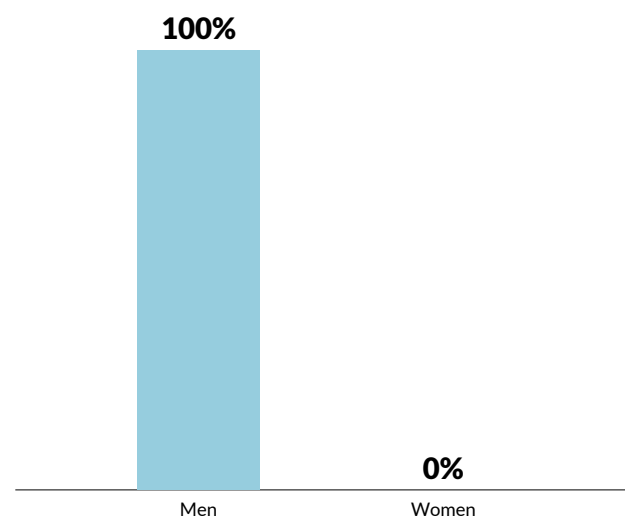
Board of Statutory Auditors 30/06/2020

Composition	Gender	Age group
Marchetti Fabrizio	Man	>50 years
Giuliano Mandolesi	Man	30-50 years
Massa Marco	Man	>50 years
Barbone Lorenzo	Man	>50 years
Mandolesi Luigi	Man	>50 years

Composition of the 2020 Board of Statutory Auditors by age (%)



Composition of the 2020 Board of Statutory Auditors by gender (%)



Vision, Mission and Values

The fundamental values that inspire and guide Fameccanica's organisational culture, strategic decisions, operations and relations with clients and stakeholders, as well as the management of its human capital, are at the foundations of its vision, mission and corporate identity.

Vision, mission and values are translated into the daily life of the company and are constantly shared and promoted through internal communication campaigns, engagement projects and training activities.

Vision

“Non stop innovation
is the culture of Fameccanica”

We aim to innovate to build a better future for everyone, every day.

Advanced technology, state-of-the-art products and solutions, and human capital are the concrete expression of our culture of innovation.



Mission

Research, innovation, internationality, well-being and respect are the objectives on which Fameccanica operates today and looks to the future.

RESEARCH

- Aiming for **perfection** by exploring the unbeaten paths of research and technology.
- Making products more and more **advanced** and **innovative** by investing in research and development and constantly stimulating the creativity of its people.
- Creating **integrated** and **customised** solutions for its customers is the most significant challenge.

Innovation

- Pursuing **continuous innovation** as the trigger for people's development.
- Providing training programmes for both **professional** and **personal growth** in an international ecosystem.
- Making a difference by guiding young people towards professional and personal achievements.
- Providing people with the freedom to express their potential in order to grow together.

Internationality

- Making decisions that have a **global impact**.
- Believing in the importance of walking alongside customers all over the world to support them in their activities.
- Bringing creativity and values linked to one's origins to every corner of the world.
- Cultivating partnerships in more than **70 countries**.

RESPECT

- Living in a **relaxed and informal** environment where people are respected regardless of their differences.
- Stimulating participation at all levels through **collaboration, respect and team spirit**.
- Paying close attention to the **desires of one's own people**, taking care of their needs as a real family would.

COMFORT

- Caring about the **well-being** of people and their families.
- Listening and **caring for people** to create the conditions for success.
- Ensuring **the best working conditions** to allow everyone to reach their full potential and be fulfilled and satisfied in both their personal and professional lives.

Values

Ethics and responsibility, Performance, Innovation and Involvement are the pillars that guide the company every day and get translated into behaviours that consciously inspire the growth of Fameccanica's people.

Ethics and responsibility



We take care of our employees, patients and consumers. Respect for the highest ethical principles already underpins all our actions, and our decisions are guided by a long-term outlook. We are committed to ensuring the sustainable economic development of the company and to safeguarding the environment and the communities in which we operate.

Performance



Each of us is responsible for achieving team and personal goals. We are determined to make things happen and to give our best in all circumstances, with speed, rigour and transparency. We strive for excellence, constantly looking to reach ambitious goals. We face difficulties with determination and resilience.

Innovation



We encourage the development and testing of new, effective and concrete solutions. We challenge the status quo. We manage the complexity and demands of an ever-changing world. We take responsibility for courageous choices for the growth and development of the company. We learn from our mistakes and pursue continuous improvement.

Involvement



We are positive, motivated and open to new ideas, styles and perspectives. We promote collaboration within the group. We value skills and reward merit. We share and celebrate the successes of our company and our people.

Ethics and Transparency in Business

Fameccanica's actions are based on the ethical principles specified in the Code of Ethics and Model 231, which contain all the guidelines that inspire the Company's strategy. These same business ethics principles also guide the activities of those working with Fameccanica.

Having a Code of Ethics does not simply mean adhering to what is legally required in a given situation, but also and above all doing what is morally correct and responsible in the day-to-day running of the business, without compromising any of the founding principles.

Although the Company does not have a specific anti-corruption model, it follows the rules of conduct specifically addressed both in the Company's Code of Ethics and in the Organisation and Management Model, which govern relations with the Public Administration and between private parties.

Training is provided to all staff on these aspects and, as of 2019, a mandatory training course on Legislative Decree no. 231/01 has been implemented, focusing on the issue of corruption with some concrete examples (example films).

The releasing of money from the Company is only possible by following specific procedures, which guarantee an adequate decision-making process and above all the segregation of functions; in particular, all processes must be characterised by the following elements:

- separation, within each process, between the person who makes the decision (decision-making impetus), the person who carries out that decision and the person entrusted with controlling the process (so-called "segregation of duties");
- written record of each relevant step in the process (so-called "traceability");
- adequate level of formalisation.

A whistleblowing system has been set up for reporting alleged irregularities or wrongdoings of which one has become aware, and governs the procedures for making and managing reports, whether sent or transmitted by anyone, including those made anonymously.

Code of Ethics

For Fameccanica, the Code of Ethics is not a mere bureaucratic requirement, nor is it a simple list of general and abstract rules. It represents a tool that clearly expresses the set of values, principles and responsibilities that the Group to which it belongs recognises, accepts, shares and adopts. In drawing up its Code of Ethics, Fameccanica was inspired by the Codes of Ethics of its reference shareholders, Angelini Holding and Procter & Gamble Italia.

The Code of Ethics was last updated in June 2021.

The Code of Ethics represents a guideline for the company that is capable of satisfying, in the best possible way, the needs and expectations of ethical and moral conduct of stakeholders such as employees, the community, the market, society as a whole and future generations.

The highest ethical principles of business, such as honesty, sincerity, fairness, integrity, responsibility, fairness, legality, transparency, anti-corruption and the centrality of the person are part of Fameccanica's daily actions: these principles guide the company in doing what is morally correct and responsible in business.

All Fameccanica personnel, without distinction or exception, shall conform their actions and conduct to

the principles and contents of the Code of Ethics within the scope of their functions and responsibilities, in the awareness that compliance with the Code is an essential part of the quality of their work and professional performance.

Model 231

By decree no. 231 of 2001, a form of administrative liability was introduced for companies.

The adoption of an organisational, management and control model and its effective and constant implementation, in addition to representing a reason for exempting the company from liability with reference to certain types of offence, is an act of social responsibility which benefits all stakeholders: from shareholders, users, employees, creditors and all other parties whose interests are linked to the fate of the Company. The Model was last updated in June 2021.

One of the aims of the Model is to instil in employees, corporate bodies, consultants and business partners, who work on behalf of and in the interest of the Company within the scope of cases of sensitive activities, respect for the roles, operating methods, protocols and the organisational module adopted and awareness of the social and procedural value of this Model in order to prevent offences. Consequently, the effective implementation of the Model is ensured through the constant control of the supervisory body and the combination of sanctions, whether disciplinary or contractual, which make the primary intent to effectively stop all unlawful conduct undeniable.



Management Systems and Certifications

Compliance and Certifications

The policy of concern and respect for all those who come into contact with the company, together with the recent requirements of the global market, have led Fameccanica to increase particular sensitivity to the aspects of quality and customer satisfaction, health and safety at work, environment and energy. In this regard, the company has implemented the relevant management systems referring to international standards of reference, which have been adopted voluntarily, aimed at measuring performance in this perspective by obtaining the relevant certifications via periodic third-party audits carried out by accredited bodies. Certifications ensure quality, environmental protection and the health and safety of people through energy-efficient processes.

CSQ ISO 9001

ISO 9000 identifies a series of standards and guidelines that define the requirements for the implementation of a quality management system.

CSQ ISO 14001

UNI EN ISO 14001:2015 certifies that the company has an adequate management system to control the environmental impacts of its activities, and systematically seeks to improve it in a consistent, effective and sustainable manner.

CSQ ISO 45001

UNI EN ISO 45001:2018 is the first international standard for occupational health and safety. ISO 45001's ultimate goal is to help companies provide a healthy and safe working environment for their employees and all those who visit their workplaces.

CSQ ISO 50001

The UNI CEI EN ISO 50001:2018 standard specifies the requirements for creating, launching, maintaining and improving an energy management system.

IQNET

IQNET is the world's largest network of certification bodies operating in the field of certification of management systems for quality, environment, safety and social responsibility.

IMQ COVID 19 RESTRICTION

The IMQ COVID 19 RESTRICTION scheme is aimed at monitoring the application of the measures, foreseen by the applicable national protocols, for combating and containing the spread of the Covid-19 virus in the workplace through third party feedback and evaluation.

AEO

The AEO (Authorised Economic Operator) status certifies a specific situation of trustworthiness of a particular entity vis-à-vis customs authorities and is part of the new computerisation procedures in the relations between private entities and authorities in charge of control activities in international trade.

DIGITAL STAR

The German Institute for Quality and Finance (ITQF) conducts market surveys to analyse the economic and qualitative aspects of companies active in various sectors.

In 2021, the company started the project of integrating the Management Systems in order to avoid duplication or overlapping of procedures, to create synergies between important management phases, to absorb existing activities that serve different purposes and that can be used, combined and distributed in the integration process. The Group's aim is to operate more effectively and efficiently by adopting tools that enable it to keep corporate processes and activities under control.

Also in 2021 and with reference to Management Systems, Fameccanica launched the Management System Certification Project according to the ISO 27001 standard "Information Security Management". Obtaining accredited ISO 27001 certification allows you to demonstrate that your organisation is following information security best practices and provides an independent and qualified check that information security is being managed in line with international best practices and corporate objectives. This certification also includes specific controls (which may also cover aspects of stakeholders such as employees, suppliers and customers) including human resources security, asset management, logical access control, encryption, physical and environmental security, operational security, communications security, application security management, relations with suppliers involved in information security management, incident management (relating to information security), regulatory compliance and Business Continuity management.

With regard to the information security process, the company manages this issue in different ways:

- employee training and involvement policy (all employees attend cyber security courses, through an online security education platform; newsletters are sent with practical examples);
- continuous measurement of the security level with external assessments;
- investments in technology for digital identity protection, physical protection and logical protection.

In 2020, Fameccanica was granted AEO (Authorised Economic Operator) status for both Customs Simplifications (AEOC) and Security (AEOS). The AEO concept is based on internationally recognised standards and is a partnership programme between Customs Authorities, the European Organisation and Trading Companies.

The status is recognised in the 28 Member States of the European Union.

The advantages of such an organisation include:

- fewer security checks;
- priority in customs clearance;
- business continuity mechanism;
- access to a faster and more reliable supply chain.

In addition to the above-mentioned advantages, AEO-authorised companies also enjoy a preferential channel in all those countries where mutual recognition of AEO status has already been extended: Norway, Switzerland, Japan, Andorra, the United States and China.

Building a Better Future: an approach to sustainability

In line with its vision, mission and founding values, Fameccanica has made a concrete commitment to sustainability, meaning responsibility towards the future and future generations which today also represents a competitive edge.

For Fameccanica sustainability means on the one hand reducing the impact of the company's activities, and on the other implementing initiatives aimed at the 'well-being' of people, the company and the environment.

Fameccanica considers sustainability both a duty and an opportunity to constantly improve the quality of its products and services, guaranteeing responsible sourcing of raw materials throughout the entire supply chain, ensuring respect for human rights and promoting sustainable practices to preserve natural resources.

The Angelini Group's approach to sustainability



Responsibility

Taking responsibility for the Group's stakeholders



Concrete commitment

Concrete actions and initiatives to produce positive effects on people and the environment



Growth potential

Sustainability as a competitive edge to support business diversification and growth



Innovation

Sustainability as an innovation accelerator



Consistence with the European Green Deal

Adherence to European objectives and challenges

Sustainable Development Goals

As part of the 2030 Agenda - an action programme signed in 2015 by 193 nations - the UN launched the 17 Sustainable Development Goals (SDGs), divided into 169 targets to be achieved by 2030 and covering sustainability issues. The agenda requires strong involvement and support from everyone: individuals, countries, public and private sector companies, with the ultimate aim of “leaving no one behind”.

Fameccanica Italy is actively pursuing almost all of the SDGs. In particular:



Ensuring the health and well-being for all and all ages

Fameccanica Italia cares about the well-being of people, starting with its employees.



Providing quality, equitable and inclusive education and learning opportunities for all

Fameccanica contributes to the achievement of these SDGs in several ways.



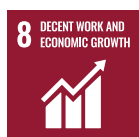
Achieving gender equality and empowering all women and girls

Fameccanica supports equal opportunities for leadership at all levels of decision-making in political, economic and public life.



Ensuring access to affordable, reliable, sustainable and modern energy systems for all

Fameccanica is constantly striving for efficient energy management.



Promoting durable, inclusive and sustainable economic growth, full and productive employment and decent work for all

The effects of Fameccanica on the territory are positive.



Resilient infrastructure, sustainable industrialisation and innovation

Fameccanica is strongly committed to sustainable solutions for overall health and well-being.



Ensuring sustainable patterns of production and consumption

By ensuring an efficient use of natural resources throughout the entire production process, including the supply chain in the sustainable approach, Fameccanica is able to actively contribute to the achievement of these SDGs.



Promoting action at all levels to combat climate change

Fameccanica's concern for the environment is inextricably linked to its business, and the Group is continuously committed to fighting climate change.



Economic capital



Highlights 2021

205,815,207
euro

2020
revenues

+16%

increase
in revenue
compared
to 2019

128,052
euro

investments
in the
community

870

no.
of suppliers

0.2%

share of
distributed
value paid to
suppliers

Economic value generated and distributed

Fameccanica's overriding commitment is to create long-term value for both shareholders and stakeholders. The achievement of sustainable economic performance supports the growth, investment and innovation decisions of shareholders, and enables them to build and maintain relationships based on trust with customers and their supply chain with a view to cooperation and mutual development.

Thanks to its positive economic performance, the Company is able to attract talent, take care of the professional development of its people and at the same time protect them with employment and welfare policies for job security, as well as personal and family support. To this end, the Company has built and maintains a fruitful dialogue with trade union representatives to find the best solutions and reconcile the needs of workers with the company's productivity objectives.

At the same time, it is committed to supporting the social, economic and environmental development and well-being of the local community in which it operates through initiatives geared towards inclusion, sociality and the reduction of an environmental impact.

The main purpose of Fameccanica's performance measurement systems is to verify the effectiveness of the operational strategies implemented to pursue company objectives and identify the causes of any deviations from the expected results, initiating corrective action for improvement and innovation. The Company therefore uses accounting systems, through which management events are recorded, measured and represented according to the multiple items and dimensions of analysis. Thanks to the organisation and the Management Control systems, the performance and costs of activities and products are monitored and interpreted, and the results communicated to shareholders and key stakeholders. Furthermore, the regular bookkeeping ensures that the processes of recording management events and preparing the financial statements are

carried out in compliance with the regulations of the Italian Civil Code, interpreted and supplemented by the accounting principles and criteria developed by the Italian Accounting Body (OIC). Fameccanica's Financial Statements are also subject to statutory audit and, on a quarterly basis, the Executive Committee meets to monitor the company's performance and direct strategic actions towards the achievement of the set objectives. Annually, Fameccanica's Board of Directors submits the Financial Statements to the Shareholders' Meeting for approval.



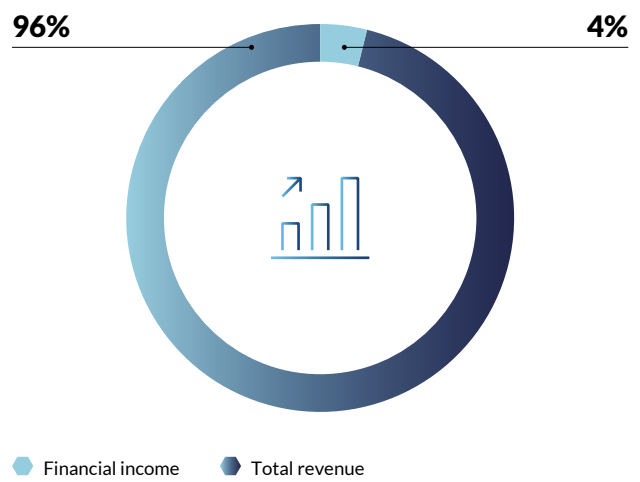
The distribution of added value is the point of contact between the economic profile and the social profile and makes it possible to analyse how the wealth created is redistributed by the company for the benefit of the whole system with which it interacts.

Economic value directly generated and distributed / GRI 201-I (€)

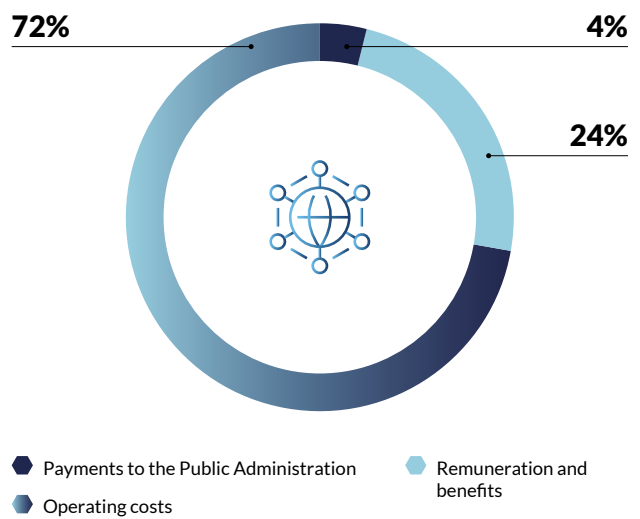
Composition	30/06/2021	30/06/2020
1. Directly generated economic value (a+b)	214,425,871	187,211,083
Total revenue (a)	205,815,207	176,700,086
Financial income (b)	8,610,663	10,510,997
2 Distributed economic value (c+d+e+f+g)	190,497,231	170,431,622
Operating costs (c)	137,829,755	124,535,299
Remuneration and benefits (d)	44,896,487	44,668,208
Payments to capital providers (e)	313,934	524,293
Payments to Public Administration (f)	7,329,002	697,236
Investments in the Community (g)	128,052	6,587
Economic value retained by the company (1+2)	23,928,639	16,779,461



Economic value generated



Distributed economic value



In fiscal year 2020/2021, Fameccanica generated economic value in the amount of €214.4m, up 14.5% compared to the previous fiscal year. In spite of the ongoing pandemic, the company was able to robustly increase its sales volumes, thanks to the diversification strategy undertaken since the previous year, which enabled it, among other things, to make a tangible contribution to the fight against Covid 19 by setting up facilities for the production of surgical masks. The increase in total revenue compared to the previous year is also due to the delivery of some orders that were postponed in the previous year due to the Covid-19 emergency. Indeed, in fiscal year 2020/2021, the company increased its sales in both sales (€171,682,563 m vs. €142,152,068 m) and after-sales services (€29,305,084 m vs. €27,526,539 m). Total revenues also include other revenues and income and include all positive non-financial income components related to ancillary activities (income for royalties from the use of technology and know-how and for the provision of centralised services to foreign subsidiaries, reimbursement of shipping costs from customers, income from the “Bonus R&D” facility). Financial income mainly includes dividends paid by the subsidiary Fameccanica North America.

Some 89% of the value generated was distributed to stakeholders through payments and other forms of transfer, rising from €170.4m as at 30 June 2020 to €190.5m as at 30 June 2021 (+11.8%). The main recipients of this value were suppliers, to whom €137.8m was distributed (€124.5m in the previous year) and accounting for 64.3% of the value distributed; and human resources to whom €44.9m was distributed (23.6% of the total value distributed compared to 26.2% in the previous fiscal year). The 0.2% share of the value distributed to capital providers is entirely represented by interest expenses on bank debt. The share allocated

to the public administration, in the form of Italian and foreign taxes and duties, amounted to € 7.3 million (3.8% of the value distributed). Finally, € 0.1 million was allocated to social welfare and the territory, corresponding to the sum of donations paid to third sector organisations and associations in support of cultural, humanitarian, scientific and sports projects. The value retained in the company is €23.9m and consists mainly of depreciation, write-downs and self-financing generated.

Management responsible for the supply chain

Fameccanica and its suppliers have always taken sustainability to heart, adopting practices that combine growth and economic performance with social and environmental sustainability.

For Fameccanica, a good supplier is able to meet demands efficiently, operating to specific standards, keeping information up to date, always striving to improve by learning from audit results, demonstrating that innovation is the main focus. Availability, reliability, timeliness and customer service, together with a proactive attitude, are all key factors in meeting supply needs in order to increase the company's competitiveness.

The supply chain is defined on the basis of the bill of materials (code list) drawn up for the machines, which defines the list of parts of which make up the machine. The organisation that manages the supply chain is Purchasing. On the basis of the Machine BOMs issued by Engineering, machine parts are procured through tenders from suppliers who are qualified both commercially and technically and in terms of quality. In addition to the supply of parts relating to the production of the machines, the company also acquires ancillary services for the various company functions (technical and commercial consultancy as well as ancillary services such as canteen, cleaning, maintenance).

Fameccanica requires all its suppliers to comply with regulatory principles and the code of ethics, while contractors who have access to the plant are also required to qualify for compliance with social and environmental requirements. Furthermore, for the technical supply chain relating to machine construction, given the purely specific nature of machine design and the related BOM which has restrictions sometimes linked to customer choices and/or technical needs, the criteria are mainly linked to technical and cost/quality principles. For suppliers of manufactured materials,

on the other hand, there is a tendency towards practicality with the selecting of possible suppliers close to each other for engineering change management and quality control needs.

Suppliers are assessed according to their classification (assembly, design, transport, packaging and warehousing). The main evaluation techniques are related to the measurement of their performance in terms of quality, on-time delivery and economic competitiveness. For major suppliers, the evaluation frequency is monthly.

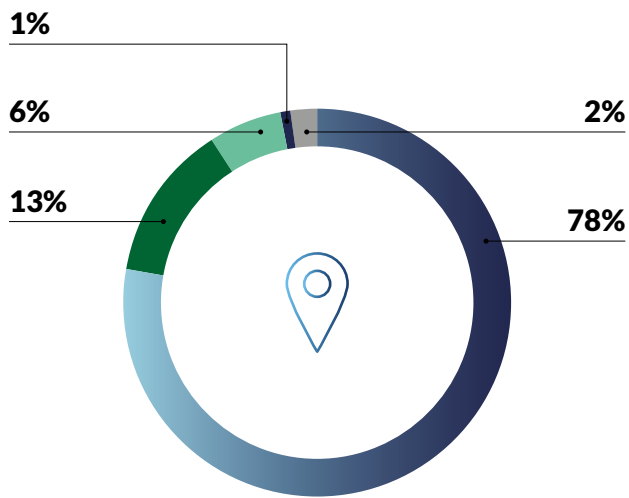
The medium- and long-term objective is to maintain, through continuous scouting of new suppliers, a professionally and technologically up-to-date supply chain capable of meeting the Group's increasingly challenging needs. Cost, time and quality will remain essential selection drivers, but these will have to be complemented by evaluation criteria linked to digitisation, management integration capacity, know-how specific to the supplier, services offered and flexibility in adapting to the constant changes in the market. In the long run, the supply chain will have to evolve in accordance with the company's strategic plans, which are increasingly driven towards new business areas.

The Fameccanica supply chain consists of around 870 suppliers worldwide, with a value of payments of around €120 million.

The largest concentration in terms of number of suppliers and turnover (40%) is located in Italy in the vicinity of Fameccanica's headquarters in Abruzzo (San Giovanni Teatino, CH). In particular, local suppliers (based in Abruzzo) account for 22% of the total and achieve a turnover of 36% of annual expenditure.

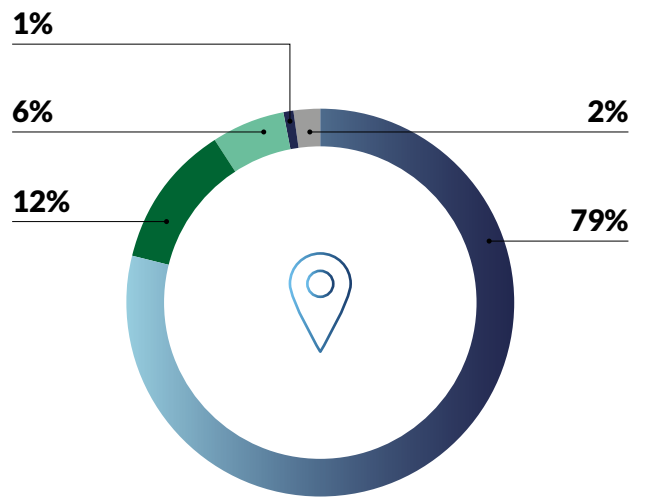
The geographical breakdown of the acquisitions is shown below:

30/06/2021



Italy Europe America Asia Great Britain

30/06/2020



Italy Europe America Asia Great Britain

The process involving the Fameccanica supply chain starts with the release of the BOM of the machine to be manufactured by the design department. Once the make-or-buy has been carried out, the management system, after checking stock availability, issues purchase requests for the materials needed to assemble the line. Purchase requests issued are converted into purchase orders. In accordance with cost, time and quality criteria, only part of the supply chain will be involved in the production of the purchased parts. Once the production process has been completed, the suppliers will, in accordance with the delivery conditions defined in the purchase order, either dispatch the goods (DDP) or notify the company of the completion of its activities (EXW).

All purchased materials pass through the Fameccanica warehouse. The warehouse is responsible for:

1. accepting and checking the goods in accordance with the issued purchase orders;
2. storing the materials;
3. setting up production orders;
4. delivering production orders to the production areas.

Currently, the Fameccanica warehouse is managed in outsourcing and has the particularity of being leased outside the company scope.







Human capital



Highlights 2021

517

employees
in Italy

100%

persons
with an
open-ended
contract

100%


persons in
Italy covered
by collective
bargaining
agreements

14,488

number
of training
hours provided

+22

number
of hires



As of the fiscal year 2020/2021, Fameccanica Italia has 517 employees, a slight decrease compared to the previous fiscal year (-3%).

All the Company's employees have an open-ended employment contract.

All Fameccanica Italia employees are covered by collective bargaining agreements.

The following two collective agreements apply in Fameccanica: CCNL Industria Metalmeccanica e Installazione di Impianti and CCNL Dirigenti Industria, as well as second-level collective agreements concluded with the Rappresentanza Sindacale Unitaria (RSU) and the territorial trade unions (OO.SS.).



Strategic approach to human capital

“An organisation is empowered when individuals have the knowledge, skills, desires and opportunities necessary for personal success leading to the success of the organisation”

Fameccanica coincides with the people who are part of it: the enhancement and promotion of human resources is a primary objective for the company, which is constantly committed to safeguarding respect for the physical, ethical and cultural integrity of its people and growth of their skills. Employees are a key to the company's organisation, so much so that the company regularly invests in consolidating their belonging, motivation and professional growth, in the knowledge

that the development and success of a company also, and above all, depends on the quality of its people.

Fameccanica has always done talent scouting, aiming to seek out and attract motivated, results-oriented people who are open to innovation and have an aptitude for teamwork, offering them structured managerial and technical-specialist training courses at company and inter-company level.

“We are always looking for highly qualified people. We believe in people who are able to draw on their knowledge, experience, creativity and motivation to work effectively and proactively”

Staffing: recruitment and turnover

As can be seen from the graphs below, the 2020/2021 fiscal year saw an increase in both new hires and turnover: there were in fact 22 new hires - compared to 7 hires in the 2019/2020 fiscal year - and 40 exits - compared to 33 terminations in employment that occurred in the previous fiscal year.

GRI 102-8: Number of employees by contract and gender

	30/06/2021			30/06/2020		
	Men	Women	Total	Men	Women	Total
Unspecified	489	28	517	501	32	533
Determined	0	0	0	0	0	0
Total	489	28	517	501	32	533

GRI 102-8: Number of employees by contract and geographical area

	30/06/2021			30/06/2020		
	Determined	Unspecified	Total	Determined	Unspecified	Total
Abruzzo	0	511	511	0	533	533
Emilia Romagna*	0	6	6	0	0	0
Total	0	517	517	0	533	533

* Hub and not production unit

GRI 102-8: Number of employees by type of employment and gender

	30/06/2021			30/06/2020		
	Men	Women	Total	Men	Women	Total
Full time	487	26	513	499	29	528
Part time	2	2	4	2	3	5
Total	489	28	517	501	32	533

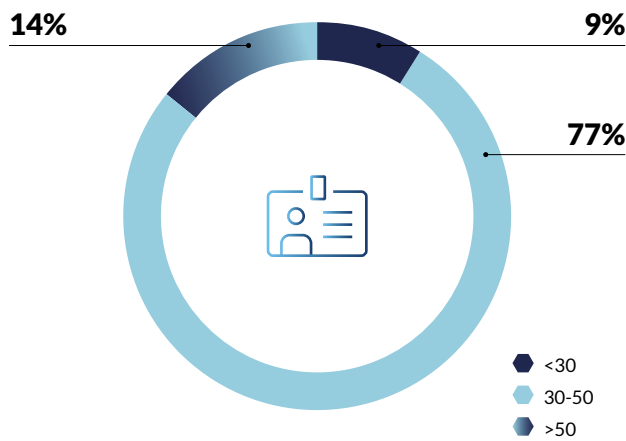
Participation in trade union activities

	30/06/2021	30/06/2020
Hours of absence for trade union meetings and rights	1,868	1,667.5
Hours of absence due to strikes	30.5	32
Trade union members	72	74

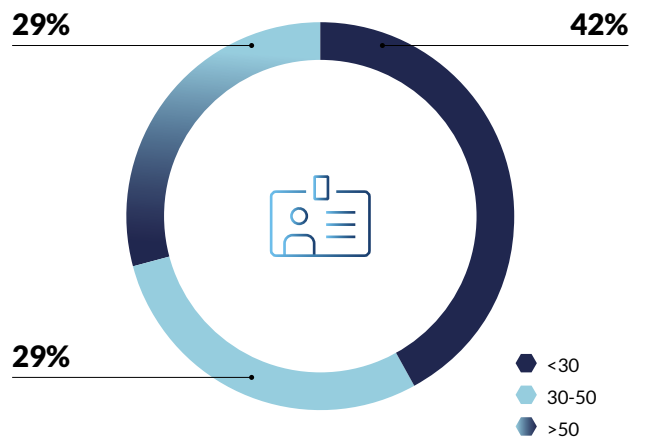
GRI 401-I: Number of employees hired by age group

	30/06/2021	30/06/2020
<30	2	3
30-50	17	2
>50	3	2
Total	22	7

Hiring rate by age group 2021



Hiring rate by age group 2020

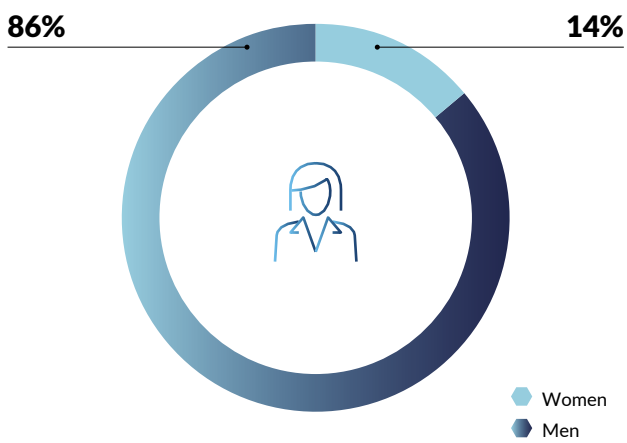




GRI 401-I: Number of employees hired by gender

	30/06/2021	30/06/2020
Men	19	7
Women	3	0
Total	22	7

Hiring rate by gender 2021



Hiring rate by gender 2020

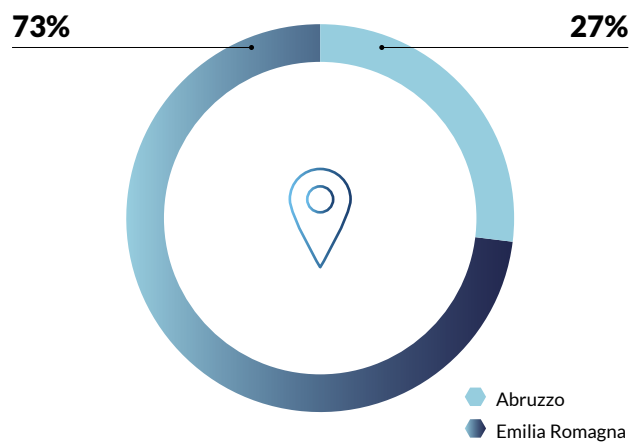


GRI 401-I: Number of employees hired by geographical area

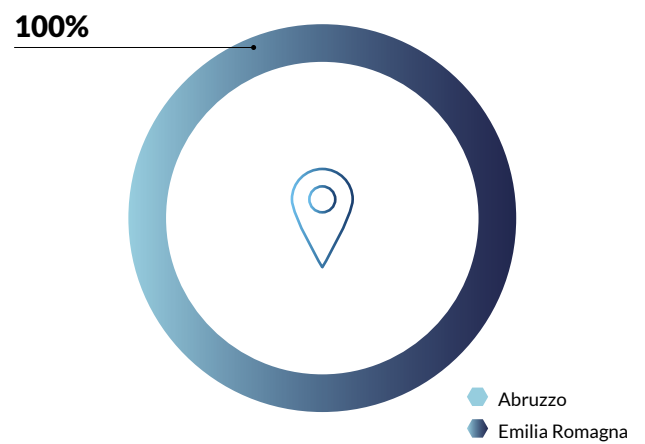
	30/06/2021	30/06/2020
Abruzzo	16	7
Emilia Romagna*	6	0
Total	22	7

* Hub and not production unit

Hiring rate by geographical area 2021



Hiring rate by geographical area 2020

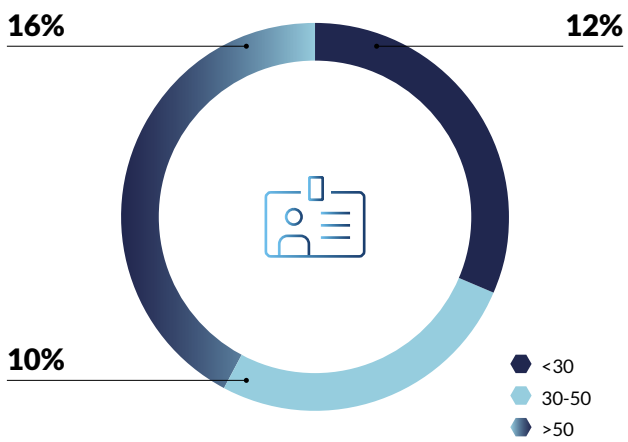


Turnover

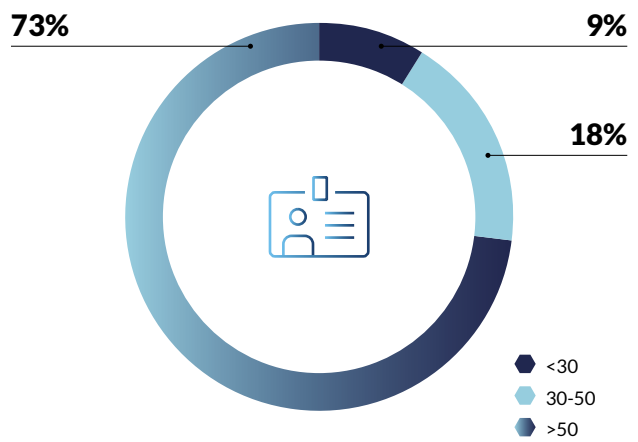
GRI 401-I: Employees terminated by age group

	30/06/2021	30/06/2020
<30	2	3
30-50	12	6
>50	27	24
Total	41	33

Turnover rate by age group 2021



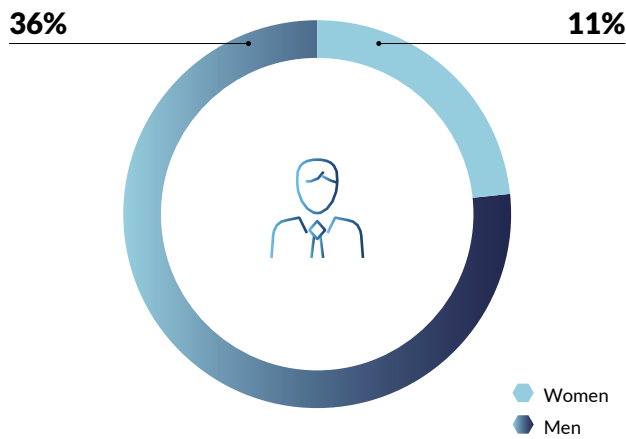
Turnover rate by age group 2020



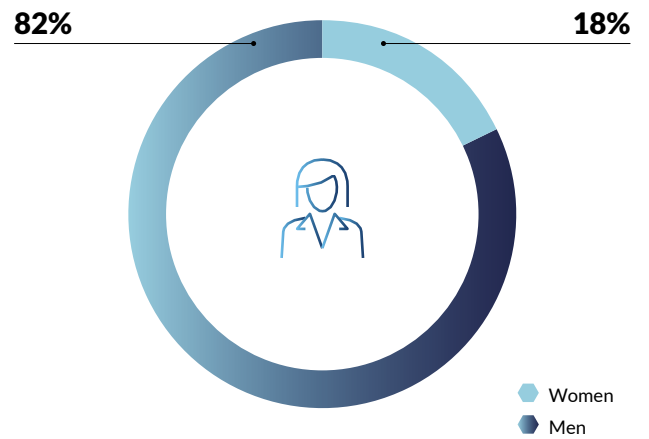
GRI 401-I: Employees terminated by gender

	30/06/2021	30/06/2020
Men	34	27
Women	7	6
Total	41	33

Turnover rate by gender 2021



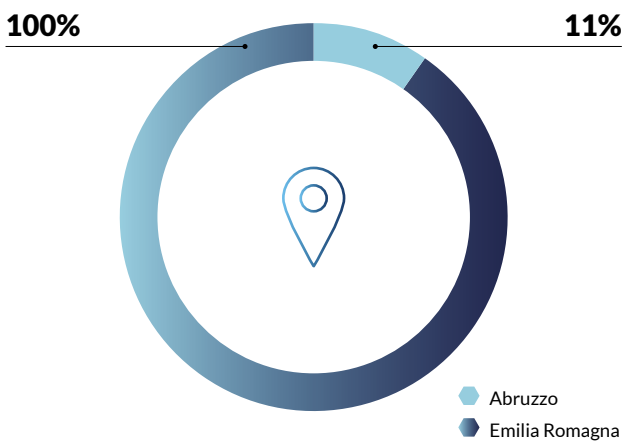
Turnover rate by gender 2020



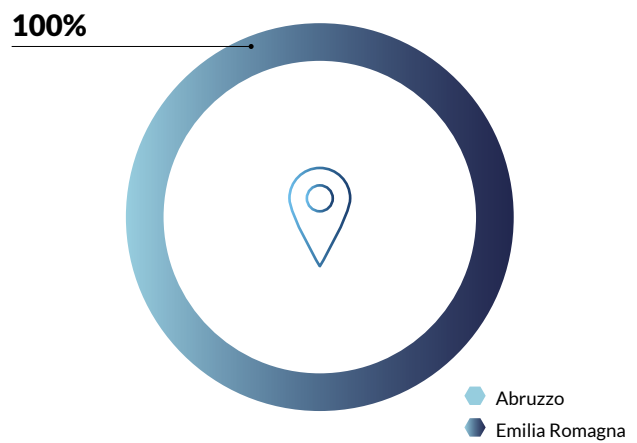
GRI 401-I: Employees terminated by geographical area

	30/06/2021	30/06/2020
Abruzzo	41	33
Emilia Romagna	0	0
Total	41	33

Turnover rate by geographical area 2021



Turnover rate by geographical area 2020



Diversity and Inclusion

The protection of diversity, not only in terms of gender, and therefore equal opportunities, is a guiding principle for Fameccanica, which encourages and protects their free expression.

Listening to people and paying attention to their needs provides the conditions for a peaceful organisational based on a social culture of openness and inclusion.

Fameccanica is strongly committed to ensuring the best working conditions so that each and every employee can express their full professional and personal potential and find fulfilment and satisfaction in both dimensions of life.

In the name of these founding principles, Fameccanica guarantees the application of certain specific regulations or practices:

- respect for the rights of its employees in application of specific national and international regulations;
- equal opportunities, not only in terms of gender, through egalitarian selection, training and development policies;
- work-life balance through the granting of leave (maternity, paternity, parental, medical examinations, specific therapies for health reasons), transformation of the employment relationship into part-time work, access to flexible working time systems in case of maternity/paternity, also in addition to national and contractual regulations;
- the adoption of flexible entry and agile/smart working as tools for work/life balance and working conditions, including dedicated work shifts;
- collaboration with local voluntary organisations;
- the provision of free nappies for a period of about

two years after birth, reserved for employees with children;

- free supply of disposable feminine sanitary wipes;
- scholarships for the children of employees who excel in the school course they attend, in accordance with Group policies (“Francesco Angelini Scholarship”).

The company is also monitoring and encouraging:

- the entry of women in managerial positions and in general in all organisational positions in companies;
- an appropriate balance of male and female applicants for open positions.

GRI 405-I: Employees by professional category and gender

	30/06/2021			30/06/2020		
	Men	Women	Total	Men	Women	Total
Executives	95%	5%	100%	100%	0%	100%
Managers	94%	6%	100%	89%	11%	100%
Employees	93%	7%	100%	92%	8%	100%
Workers	99%	1%	100%	99%	1%	100%
Total	95%	5%	100%	94%	6%	100%

GRI 405-I: Employees by professional category and age group

	30/06/2021				30/06/2020			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Executives	0%	35%	65%	100%	0%	35%	63%	100%
Managers	0%	57%	43%	100%	0%	63%	37%	100%
Employees	2%	57%	40%	100%	6%	49%	45%	100%
Workers	21%	63%	15%	100%	21%	65%	14%	100%
Total	7%	58%	36%	100%	9%	53%	37%	100%

GRI 405-I: Minorities (e.g. protected categories)

	30/06/2021			30/06/2020		
	Men	Women	Total	Men	Women	Total
Executives	0%	0%	0%	0%	0%	0%
Managers	0%	0%	0%	0%	0%	0%
Employees	6%	1%	6%	6%	1%	6%
Workers	2%	0%	2%	2%	1%	3%
Total	4%	0%	4%	4%	1%	5%



Training and Development

In Fameccanica, continuous training is one of the most significant processes in human resources management. This important asset aims to provide the entire corporate population with ever-new opportunities for technical-specialist and managerial learning in order to expand their wealth of knowledge, skills and professional and relational abilities.

This is done both through in-house and on-the-job training courses and in cooperation with leading national training institutes and business schools.

Fameccanica's main training programme is called **Lifelong - Continuous Learning** and is based on a few core values:

- the centrality of employees;
- involvement of all employees and managers;
- empowerment of individuals;
- alternation of teaching methodologies;
- digital tools and new technologies;
- flexible and customised training/self-training content and platforms.

The courses cover different **content**:



- technical courses;



- courses on digital skills;



- courses on interpersonal and/or managerial skills;



- language courses;



- courses on quality, safety, environment, energy and sustainability.

The process considered has the following steps and is guided by a specific protocol (staff training) based on:

1. Survey of training needs;
2. Analysis and feasibility of the training intervention;
3. Organisation of the training intervention;
4. Execution of the training intervention;
5. Verification of learning and skills/knowledge developed;
6. Feedback to participants;
7. Recording of participation and qualifications pursued.

Fameccanica is constantly committed to developing projects dedicated to attracting the best talents on the market and developing them, enhancing their skills, abilities and competencies with dedicated training courses. From our performance and potential assessment processes, we constantly derive ideas for personalised professional development and career plans, guided by the aspirations and talents of individuals.

Our training projects:




1. Angelini Academy

Correct corporate development is achieved through maximum enhancement of the role of all employees within the organisation. Through training and assessment of potential, it is possible to define appropriate career paths for individual Group resources, recognising that the individual is at the centre of the processes for achieving corporate objectives and creating shared value.

This commitment on the part of the Angelini Group is reflected in the Angelini Academy, the training division that deals with the career development and professional growth of employees. The internal academy provides all the people working in the various Operating Companies with excellent training tools, programmes and activities, developed in collaboration with internationally renowned Business Schools and Innovation Hubs.

Starting from the second half of 2020, the Angelini Academy has begun a process of total renewal: its action has been extended to all employees of Group companies, including their families. The Angelini Academy provides all the people who work at Angelini with tools, programmes and training activities that will help bring out the best in everyone. Three new training paths have been created:

- 
- **Leadership models**, leadership development programmes and inspirational moments aimed at the entire Angelini Group population to deepen leadership skills directly linked to the company culture and values.
 - **Advanced Managerial Skills**, programmes that support the professional development paths and role changes of talents.
 - **Community Empowerment**, training activities designed for the families of employees and for the territorial communities in which the Angelini Group operates.



2. Training and management development

Fameccanica is able to map and assess the hard and soft skills of its people, provide them with accurate feedback and identify their strengths and areas for development through structured processes such as the annual performance appraisal and potential appraisal systems. This input is useful for building customised managerial training plans, career and growth paths, and succession plans. Angelini Academy is the Group's Corporate Academy, which for over ten years has been developing distinct skills and talents to support businesses.



3. Onboarding

Fameccanica has structured a rich and exciting onboarding process. Starting in the second half of 2021, this process will focus above all on digitalisation through the development of an app that guides new Fameccanica employees step by step on their journey of discovering the company and accompanies them through all the stages of their induction into the company: from the exchange of documents and information material before they join to the organisation of all training activities and meetings with the various company representatives, the use of videos and content, the independent construction of a training path, the presence of a mentor, and continuous surveys to gather feedback for improvement.



4. Technical training

The complexity and high technological content of the activities require continuous investment in the technical skills of the partners. Fameccanica focuses on continuous training through targeted on-the-job courses in the classroom, online, with in-house trainers and/or the best external partners. Preserving, updating and improving technical know-how is the company's competitive advantage.



5. Distance Learning

The year 2020, when the pandemic began, saw the complete suspension of face-to-face courses and an increase in distance learning initiatives.

In July last year, a major training project began, called **Lean Six Sigma**, which required the involvement of many managers and workers in training. The programme is of strategic importance because it aims to improve processes and thus lead to gains in efficiency throughout the company, but also because it aims to achieve this through the involvement of all Fameccanica resources. In the process of change, the human factor is of central importance and ensures that transformation starts with the individual.

A further e-learning initiative on the environment and energy efficiency, designed specifically for Fameccanica, involved all employees to illustrate the relevant regulations, company initiatives and raise awareness of environmental sustainability and energy saving.

All employees were also enabled to access the **Ofcourseme** self-learning platform, to independently use a rich catalogue of content, courses and video tutorials.

Expenditure on investment in training decreased in the 2020/2021 fiscal year compared to the 2019/2020 fiscal year: from a total expenditure of €348,948 to €184,794. This is also reflected in the average number of hours spent on training, which fell sharply in the last fiscal year, as shown below:

GRI 404-I: Average hours of training provided by gender and employee category

	30/06/2021			30/06/2020		
	Men	Women	Total	Men	Women	Total
Executives	26.4	159.7	33.0	39.8	-	39.8
Managers	37.4	39.7	37.5	53.1	99.4	58.4
Employees	28.5	24.4	28.2	42.1	30.4	41.2
Workers	24.3	-	24.1	45.5	14.6	45.3
Total	27.9	29.5	28.0	43.6	38.5	43.3

Training hours by training areas

	30/06/2021		30/06/2020	
	h	%	h	%
Managerial	964	7%	1,562	7%
Quality	1,942	13%	2,552	11%
Security/Technology	6,333	44%	4,954	21%
Linguistics	230	2%	1,298	6%
Information technology	4,017	28%	4,440	19%
Other	1,033	7%	8,292	36%
Total	14,488	100%	23,096	100%





6. Evaluation of individual performance

Skill assessment and development are fundamental steps in a company's growth path and must reflect company strategies. Adopting a correct methodology to manage human resources assessment and development processes allows Fameccanica to align the intangible knowledge of company competences with its own growth objectives. This is why the group created **My Performance**, the proprietary process for assessing the performance of the entire workforce in Italy and abroad. It is based on methods and metrics common to the entire Angelini Group, in order to have the same procedural and assessment criteria for everyone, centred on meritocracy, fairness and transparency. My Performance is a structured and integrated system consisting of several steps and processes managed on an annual basis. It was created as a strategic and operational tool to support the company's short-, medium- and long-term objectives, in line with the company's vision, which strongly believes in everyone's contribution to continuous growth and maintaining market leadership.



Fairness

The clear definition of evaluation criteria and metrics ensures greater objectivity.



Meritocracy

The system aims to recognise and reward excellent performance.



Transparency

Having a clear view of the rules of the game, the company's objectives and expectations in terms of individual performance ensures greater involvement and participation.

Among the most important innovations introduced with the new performance appraisal system are:

- the extension of this process to the entire company workforce;
- importance is also given to the way in which the results are achieved (behaviours);
- strong employee involvement.
- greater responsibility on the part of managers who, in addition to evaluation, are also called upon to clearly outline development and training plans and to express an opinion on the development potential of their employees.



7. Training, Health, Safety and Environment by category and gender

Health, Safety & Environment training is decisive for the company. The training programme was developed around the requirements of compliance with the relevant regulations and in particular in the regular updating of training for all cases. New training courses were provided for new needs that emerged during the two-year period, in particular for AWP (Aerial Work Platforms) Training, Work at Height and related training. Particular attention was paid to the technical contents concerning the use of work equipment and emergency management. Specific and dedicated training was provided for the dissemination of the 'Covid-19 Fameccanica Regulation', aimed at protecting health and safety related to the biological risk due to the pandemic. In order to guarantee the necessary safety measures in the execution of worksites, Fameccanica has focused its efforts on the training of ASPP-SP2 (Prevention and Protection Employees with special reference to worksites). On the general and specific contents related to Safety, Health, Environment and Security, courses were provided for all employees on possible risks during work assignments in Italy and abroad.

In FY 2020/2021 a total of 6,333 hours of Health and Safety and Environmental training was delivered, an increase from FY 2019/2020's total of 4,954 total hours of Training.

Hours of health and safety training by job category

Category of use	30/06/2021	30/06/2020
Executives	218	100
Managers	514	103
Employees	2,667	684
Workers	2,934	4,067
Total	6,333	4,954

Health and Safety

Fameccanica pays particular attention to occupational health and safety issues so that risks can be reduced or eliminated, protecting the people who work in the company and around the organisation. The company has a specific policy that describes the concrete commitment of top management to health and safety in the workplace.

With reference to the activity carried out, the products manufactured and the services offered, the Executive Committee has established and authorised this Policy taking into account the nature and size of the company, the context in which it operates, the factors impacting on the health and safety of workers, the environment and its risks, and the type of employment contracts.

Inspired by the above Health, Safety and Environment Policy, Fameccanica considers its commitment to be fundamental to:

- operate safely anywhere in the world;
- intervene in the identification and mitigation of environmental risks related to the activity;
- periodically analyse the environmental aspects of its activities;
- prevent accidents, occupational diseases and pollution in order to continuously improve and enhance its management system and its performance in terms of occupational health and safety and environmental protection;
- identify and implement applicable legislation, regulations and authorisation requirements relating to health, safety at work and the environment, respecting, where applicable, Group standards;
- ensure adequate levels of information, education and training of staff;
- set up adequate and appropriate Health, Safety and Environment procedures to define safe behaviour, prevention/protection measures and operating methods to ensure health and safety at work and environmental protection;
- design, build and install plant and equipment in accordance with the relevant regulations;
- use and maintain work equipment up to the project's conditions;
- make appropriate resources available.

Within the framework of the Health, Safety and Environment system, there is also an annual audit programme, which is carried out by the HS&E area on the organisational structures that are considered significant for the purposes of achieving the set objectives. Most facilities are subject to internal audits every six months and any critical findings are taken care of by each area manager until the issue is closed.

As part of the digitalisation process under way, the medium-term objectives also include health and safety areas for increasingly structured health and safety management and timely analysis of monitoring data.

In the short term, increasing attention will be paid to the observation and measurement of behaviour, through the updating of the **BOS - Behavioral Observation System** - accompanied by the other systems of Designated Supervisory body and Contractor Monitoring, always through the involvement of the most concerned areas. The main objectives of the BOS System include:



identifying unsafe behaviour and determine preventive actions;



having performance measurement indices;



complying with health and safety regulations in a timely manner.

The Group has set up the **Vittoria RMS** portal, which aims to ensure better management of Health and Safety aspects in a systematic and structured manner in the future.

An important investment, which is being continuously implemented, concerns seismic upgrading and improvement of existing structures.

In order to ensure safer workplaces and an adequate well-being for people, Fameccanica is designing the new Headquarters and Plant in Italy. This project, which is being developed in two phases, provides for the allocation of the offices currently located in a single structure and the conversion of the car park into a photovoltaic system (80%) to be used by external trucks (20%), including a hospitality office, toilets and refreshments for drivers. The second phase, which is still in the planning stage, involves the construction of new buildings to replace outdated structures, including the creation of a nursery school, gymnasium, Angelini Academy (Training), indoor green areas and an outdoor pool.

Fameccanica has implemented an Occupational Health and Safety Management System compliant with the ISO 45001 standard. The system is subject to annual third-party auditing by CSQ - an ACCREDIA-accredited body. The management system is also linked to the Management and Control Organisational Model 231 and, in this respect, a periodic and formalised information flow is foreseen on the most relevant HS&E aspects, which is subject to changes for the Supervisory Board.

The main hazard factors are those typical of the metalworking sector, namely: risk from biological, chemical and burn agents; fumes, vapours and dusts; lifting equipment and risks from falling materials; electrical risk; risk from forklifts, self-propelled cranes and pallet trucks; accidents of mechanical origin and numerical control machines; material projections; risks from work environments/places; manual handling of loads, pulling and pushing; fire and explosion risk; risks from common physical agents: noise, vibration,

artificial optical radiation, electromagnetic fields; phytostatic risk; seismic risk; asbestos.

In 2020-2021, there were no accidents in the workplace, except for a minor accident on the way to work that caused the employee to break his right elbow.

The company uses the 'Risk Assessment' document, which sets out how to identify hazards and assess all risks to workers' health and safety. The 'Risk Assessment' issued in a single document and with a certain date, adopting the methods provided for in Legislative Decree no. 81/08.

The methodology used for the risk assessment process has a certain procedure to follow:



hazard identification: a careful review of each phase of the company's work process, including all equipment, machinery and systems used in each department, is carried out, supplemented by interviews with managers, supervisors and the Workers' Safety Representative;



risk assessment: all the health and safety risks to be assessed and the checks to be carried out on workplaces, equipment, machines and installations are identified;



drafting of the Risk Assessment Document containing the outcome of the assessment of all risks to workers' health and safety; the prevention and protection measures (technical, organisational and procedural) to eliminate or reduce the relevant risks; the workers' education, information and training plan; the programme for improving safety levels;



issue of the 'Risk Assessment' in a single document and with a certain date: The 'Risk Assessment' issued in a single document and with a certain date, adopting the methods provided for in Legislative Decree no. 81/08, in particular art. 28 paragraph 2;



dissemination of the outcome of the risk assessment: the Risk Assessment document is published on the company's intranet site accessible to all company departments, and workers are informed about the risk assessment and trained in occupational health and safety;



periodic updating of the risk assessment: the Risk Assessment document and the risk evaluation are periodically updated to adapt to any changes in infrastructure, company health and safety policy, production process or work organisation that are significant for the health and safety of workers; following significant accidents; in relation to the degree of technological evolution, prevention and protection, and when the results of monitoring show it to be necessary.

The Company also acts with a historical perspective, through the analysis of critical events occurred in the past, the causes, the effects and any organisational and/or procedural, structural and/or plant engineering changes made as a consequence, in order to avoid the recurrence of the same events.

The employer is responsible for implementing all stages of the risk assessment process and has appointed a Deputy Manager/Special Prosecutor for health and safety aspects.

He or she is assisted by the Head of the Prevention and Protection Service, the competent doctor, managers, supervisors and Workers' Safety Representatives. The identification of dangers is carried out through a detailed analysis and mapping of all the phases of the company's work cycle, all the equipment, machines and plants present in each workplace and through interviews with managers, supervisors and the workers' safety representative.

All workers are informed about the risk assessment and each of them receives appropriate health and safety training.

Fameccanica manages the health services through the Medical Centre located within the Plant with the collaboration of:

- a competent doctor;
- a contractor via two professional nurses (daily presence);
- dedicated HS&E staff member (for business organisational support).

The medical centre:

- manages activities through reports;
- communicates, through the medication report, significant events that have occurred.

Fameccanica also has a First Aid Team whose members have received appropriate training and monitored updates such as High Risk Class Training and certified defibrillator use training with emergency services.

Fameccanica also contributes, on behalf of its employees, to a Supplementary Health Care Fund for workers in the metalworking industry that offers health care services in addition to the National Health Service, such as:

- hospital services following surgery;
- out-patient services;
- dentistry;
- prevention;
- physical therapy;
- social benefits;
- support for permanent disability.

The company also offers some health benefits such as blood and urine tests.

The training needs of staff in relation to safety and environmental aspects are defined on the basis of the risks to which the worker is exposed in relation to the job and on the basis of the activities he/she carries out.

The company organises meetings and gatherings to involve and have workers participate in, also through the Workers' Safety Representatives, identifying hazards and investigating accidents, sharing changes that affect occupational safety and health systems, and developing and reviewing the Plant Policy.

With regard to the safe use of the equipment, compliance with the ESR (Essential Safety Requirements) is guaranteed. In general, the certification process for the CE marking of the machine is envisaged with reference to Legislative Decree 17/2010, which implements the Product Directive 2006/42/EC, defined as a “new approach” with dual purpose:

- ensuring the free movement of goods within the member states of the European Union based on mutual recognition and technical harmonisation;
- safeguarding the safety and protecting the health of people against risks arising from the use of machinery.

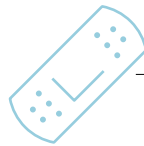
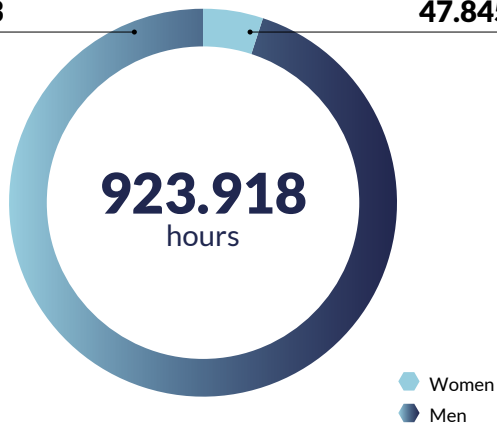
The directives of this New Approach set out the essential requirements that products must respect and fulfil within their field in order to be marketed throughout the EU without further constraints.



2020-2021

Hours worked by employees

876.073 47.845



Recordable accidents in the workplace: **0**

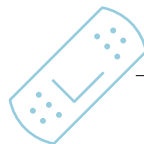
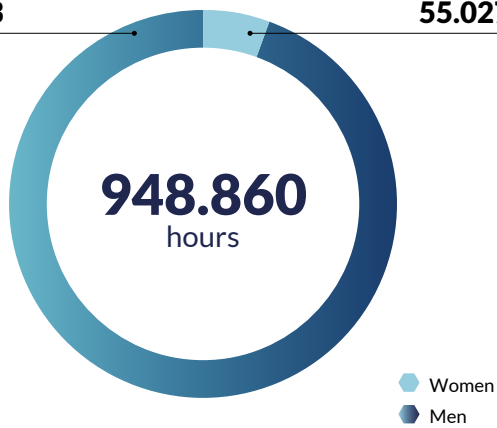
Recordable accidents in the workplace (non-employees): **0**

Rate of recordable accidents in the workplace: **0%**

2019-2020

Hours worked by employees

893.833 55.027



Recordable accidents in the workplace: **0**

Recordable accidents in the workplace (non-employees): **0**

Rate of recordable accidents in the workplace: **0%**

Corporate welfare

The company provides its employees with many different unilateral and contractual welfare tools in order to support a work-life balance:

- reimbursement of education and care costs incurred for family members;
- purchase of entrance tickets to theme parks, museums, cinemas, concerts and events in general;
- supplementary health care through MetaSalute and Cassa Easy Welfare;
- supplementary pension through the CoMeta fund, supplemented by additional payments from Fameccanica;
- repayment of part of the loan;
- purchases of services for the physical well-being of the person (gyms, treatments in specialised facilities);
- training solutions for the personal and professional growth of the individual;
- medical, psychological, babysitting and support services for the elderly;
- public transport season ticket refunds;
- welfare vouchers to buy services through contracted providers, related to sport, personal education, wellness, leisure and medical check-ups;
- life and permanent disability insurance;
- subsidised business loan;
- free supply of nappies for employees' children;
- supplying disposable feminine hygiene pads;
- online marketplace for the purchase of company products at subsidised costs;
- online marketplace for purchasing perfumes produced by Angelini Group companies at reduced costs;
- gift package given to employees for the Christmas holidays;
- gift pack given to employees' children up to the age of 8 for the Christmas holidays;
- rent bonus for new recruits moving to start work experience in Fameccanica.



Social and relational capital

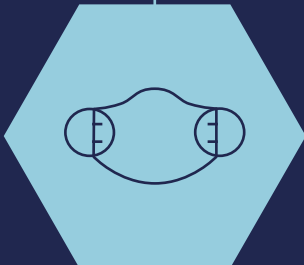


Highlights 2021

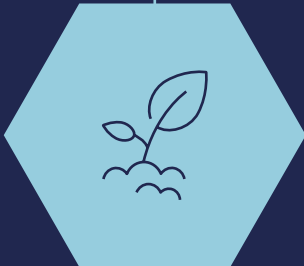
**Opening HUB Bologna
(Sustainable packaging)**



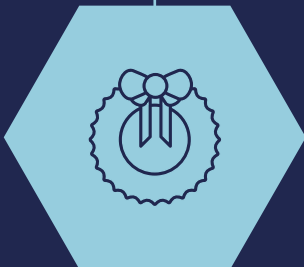
**Fameccanica Protective
Mask project**



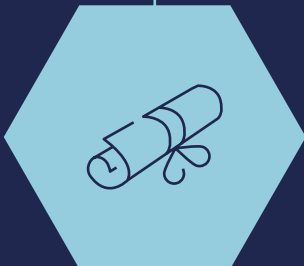
**Life All-in
project**



**Fater-Fameccanica
Christmas market**



**20 Patents
registered in 2020**



The product

“*Whatever product you want to make, we have machines to produce it, as we respond to your specific needs*”

Since its foundation in 1975, Fameccanica has been able to develop highly innovative products and processes over the years, immediately becoming a market leader in the Hygiene sector. Today Fameccanica has embarked on an important process of business diversification that has led it to become a multifunctional company capable of applying its know-how and skills in different sectors.

Quality

Fameccanica applies a Quality Management System, certified ISO 9001, which covers the entire product life cycle: from Research & Development to the sales phase, from delivery and installation to after-sales service. At Fameccanica, the customer is the focus.

In order to ensure that customers derive maximum satisfaction from the machines they purchase, the company maintains an open and constructive relationship with them, and nurtures a constant exchange of information and dialogue.

In order to maximise the efficiency of its machines and make them 'eternal' for the customer, the company has developed 5 value-added services:



Training

In order to **optimise the performance of the machinery**, Fameccanica provides users with a professional training service prior to delivery of the equipment or following its installation at the site in question, providing accurate technical documentation on advanced technological devices.



Technical support

Fameccanica employs an excellent team of experienced technicians throughout the life of the system. They provide meticulous support, both with specific control and optimisation programmes and with online assistance that allows remote operations such as: inspecting the user interface software installed on the customer's machine; checking and changing settings; reading important data.



Spare parts

Fameccanica provides **solutions for every need**; supplying top-quality spare parts with three specific programmes:

- On-demand supply: gives a quick response and ensures delivery to the customer;
- Supply forecasting: reduces delivery times and inventories;
- Deposit account: no delivery time and no financial charges, only payment for the quantities used.

In addition, the customer has access to inspect the machine structure, consult drawings, check prices and procurement times and generate a shopping cart.



Regeneration service

Thanks to its **experience as a supplier of original parts**, Fameccanica is able to remanufacture worn machine parts, such as: process units, mill rotors and gib groups, silicon rolls, knives and counter knives, sealers and counter sealers. The company provides a highly qualified service through careful analysis and verification of the parts to be remanufactured; absolute use of original materials; dedicated staff and quality control.



Upgrade kit:

Fameccanica machines are always up-to-date with the latest technologies and product features thanks to the upgrade kits; the latter, customised for each single customer and installed and started up directly by the company, allow **one to reach the best performances** since they make it possible to increase machine speed, improve efficiency with reduced downtimes, reduce raw material and energy costs, prevent the risk of technical obsolescence.

Fameccanica has ISO9001 certification of its Quality Management System, which covers the entire product life cycle, from Research & Development to the sales phase, delivery, installation and after-sales service.

For the supply of a machine, “Quality” also means guaranteeing the best safety conditions in the use of the machines by the end users throughout its life, from the first stages of installation to decommissioning.

The safety of a machine always depends on compliance with Directive 2006/42/EC, the Machinery Directive. The Directive requires that installations placed on the market in the European Community must be CE certified: this entails the drawing up of a technical file containing all the instructions for the safe use of the product throughout its life until disposal of the plant.

So far, there have been no official reports of non-compliance with the Fameccanica product guidelines.

Safety

Fameccanica ensures that it provides the best safety conditions for the users of its machinery, carrying out a risk analysis and applying the most stringent regulations on the subject, including Directive 2006/42/EC, which provides for the drawing up of a technical file containing all the instructions for the safe use of the product during its life up to the disposal of the system. To protect the use of its machinery, Fameccanica

certifies that all its products can be used only and exclusively for civilian purposes, thus excluding dual-use, i.e. those goods and technologies that, although mainly used for civilian purposes, can be used in the manufacture and development of different types of armaments.

Responsible selection of materials

The systems manufactured by Fameccanica consist of two main families of components:

- commercial components;
- components manufactured based on a technical drawing.

Commercial components can be standardised or they can be more or less complex groups consisting of thousands of sub-components. In terms of economic volume they account for 50% of the raw material costs of the plants.

In terms of components manufactured based on a drawing (the complementary 50% in terms of volume), the materials most frequently used are steels. Aluminium is also used, but at a much lower percentage. Finally, raw materials derived from plastic polymers are used.

As far as packaging for the plants or its components is concerned, the company mainly uses wood and cardboard, the recycling of which is left to the end customer, while the use of plastics is mainly limited to the protection of the parts and/or plants within the primary packaging.

FAMECCANICA PROTECTIVE MASK MACHINE



Process and product innovation, Innovation for life, Fameccanica Protective Mask project

An example of Fameccanica's innovative capacity and its industrial vision focused on producing solutions and products that contribute to improving the lives of end users is the project developed in collaboration with the Civil Defence during the first wave of Covid-19.

In a new and dramatic context, Fameccanica developed, in just 3 months, the technology to produce plants capable of delivering 800 masks per minute, making it the highest capacity plant in the world.

A record achieved thanks to the willingness of the entire Fameccanica team to actively contribute at a time of great difficulty and for which it won the Le Fonti Award, as "Excellence of the Year-Innovation & Leadership 2021" in the Automation and Robotics category. The Le Fonti Awards (www.lefontiawards.com) are an award created in partnership with the European Commission, Sole 24 Ore and Corriere Economia with the aim of identifying Italian excellence in the entrepreneurial,

financial, insurance and legal sectors. The award-winning companies are selected by a survey carried out by the study centre of the Le Fonti publishing group, involving a community of over 50,000 qualified contacts from the world of business and professionals. The prizes are awarded on the judgement of the Scientific Committee, together with a team of legal, economic and financial journalists from over 120 countries worldwide. This important recognition rewards Fameccanica's innovation and humanity.

Innovative capacity and intellectual property

Another important indicator of Fameccanica's innovative capacity is the more than 600 active patent titles, 20 of which were registered in 2020. These figures place Fameccanica among the most innovative companies in the sector, as it is capable of developing highly innovative solutions completely in-house which represent the backbone of the Group's new Strategic Plan 2025.

Innovation in Fameccanica is fuelled by a process that aims to promote and stimulate the constant flow of ideas within the company (INNOVISION). Through this process each employee can propose their own ideas and

projects that are assessed by a technical committee from both a technical and market perspective.

The best ideas are not only rewarded but also become development projects for the following years. Innovation made by people for people: this is how Fameccanica's approach could be summed up, a constant mix of market research, staff involvement and passion. The circle is completed by numerous partnerships with important players in the sector, through a co-innovation approach that aims to involve new players and start-ups, creating an innovation circuit made up of influences and cross-cutting skills.

Innovation and sustainability

Innovation and sustainability are now two sides of the same coin. No innovation takes place where there is not the embrace of the concept of sustainability, both in terms of environmental protection and regeneration and in terms of ethical and social responsibility. Creating the best products on the market is just one part of Fameccanica's vision, which aims to actively contribute to the quality of life of end users with increasingly sustainable products and industrial processes.

The most significant projects of Fameccanica's commitment are:



1. The All-in project

Part of the European **Life** programme, it aims to reduce the environmental impact of the hygiene product manufacturing sector through processes that allow for a strong contraction in the supply chain.

The expected **results** are:

- a 23% reduction in raw materials;
- a 10% reduction in CO₂;
- a 10% reduction in costs.

www.fameccanica.com/news/life-all-in-project.html

The main objectives are:

- 1 A reduction in the amount of raw materials used in the production of AHP, while maintaining the same functionality, effectiveness and overall performance.
- 2 A reduction in the number of steps along the raw material supply chain, saving on the total energy required for the process to operate, the materials used to package reels and components, and the CO₂ associated with transporting the materials.

BEFORE:



AFTER



Focus on various impacts:



- **environmental:** to save, within three years of the end of the project, up to thousands of tonnes of raw materials used in the production of AHP, in turn reducing the amount of waste generated, to reduce CO₂ emissions by cutting several steps along the supply of raw materials and to save energy throughout the entire AHP production process.



- **technological:** the technological challenge of Life All-In is to integrate different types of production and transformation processes while maintaining the same or even improving product performance. This will have an impact on the whole AHP and non-woven fabric sector, leading SMEs but also large industries towards a low-cost business model and more environmentally friendly processes.

Presentation of the project during a digital event:

On 22 September 2020, during a digital event organised and coordinated by the EC, Fameccanica presented the LIFE All-in project. During this project, the company will play the role of coordinator and will be in partnership with PNO Consultants - a consulting company in Europe dealing with innovation management and obtaining public funding - for communication and dissemination activities, and with FATER SpA, which will provide strategic help in supporting the progress of the project and its industrialisation phases.



Back ears project

Fameccanica has developed a kit that can be applied to existing machines and change the raw material supply process, with the creation of back-ears.

The project not only simplifies the logistics of raw materials, but also, and above all, makes it possible to:

- reduce overall transport;
- completely eliminate the use of glues;
- allow costs to be reduced;
- ensure a higher quality product for the end customer.



Sustainable packaging

In 2019-2020, the Company developed a container/bottle and filling system that aims to reduce the amount of plastic and simplify/reduce the cost in the case of E-Commerce business. The project is now in the final stages of development.



Life+Glueless

Another important project Fameccanica has initiated in recent years is Life+Glueless, which demonstrates to industry and policy makers that significant reductions in the environmental impact of absorbent hygiene products (AHP), such as nappies, can be achieved with appropriate solutions. Gluing can be replaced by innovative combinations of heat-sealing and ultrasonic bonding, which reduce the use of petrochemical-based glues with considerable energy and cost savings. The project objectives were successfully achieved.

Less glue



Less environmental impact



Less energy



Less costs



Relationship with stakeholders

Fameccanica engages with different categories of stakeholders. Their involvement in dialogue helps align social, environmental and economic objectives with the company's strategy and respond quickly to necessary market changes. In order to create sustainable value, particular focus is placed on the constructive involvement of stakeholders in accordance with the company's values of trust and transparency. As far as external stakeholders are concerned, dialogue channels and engagement activities depend on the

company roles and departments in charge of contacts and relations with institutions at a central level. As far as internal stakeholders are concerned, the tools for dialogue and the frequency with which they are used depend on the various projects implemented by the company. In general, these tools can be summarised as follows: regular communications, face-to-face meetings, discussion panels, street events, internal and external social media communications.



There are three types of stakeholder involvement:

- initiatives organised specifically in view of the preparation of this Sustainability Report;
- opportunities to meet as part of the habitual practice of discussion and collaboration, independently of reporting;
- initiatives planned as part of a structured listening process, involving stakeholders directly in the construction of scenarios and solutions.

Stakeholder	Topics of interest	Main initiatives for dialogue and involvement
Shareholder	<ul style="list-style-type: none"> Economic and financial performance Corporate Governance Group strategy and business diversification 	<ul style="list-style-type: none"> Shareholder meetings Ad hoc meetings at conferences organised by banks or other institutions
Financial Community <ul style="list-style-type: none"> Banks Financial analysts Rating agencies 	<ul style="list-style-type: none"> Economic results and their sustainability Compliance with the law Corporate Governance Transparency Market trends and business sustainability Group growth strategy Acquisition operations 	<ul style="list-style-type: none"> Regular conference calls and meetings with investors Ad hoc meetings at conferences organised by banks or other institutions
Employees	<ul style="list-style-type: none"> Economic results and company solidity Collective bargaining Intranet Site Skills enhancement and career paths Work-life balance Socio-organisational well-being Smart working Transparency Health and safety at work Environment and Energy 	<ul style="list-style-type: none"> Angelini Group convention at Town Hall in second half of 2020 Academy Group Values League (Angelini Holding) Angelini Next Generation (talent and manager development paths, promoted by Angelini Academy) Executive Board Periodical Corporate Convention Angelini Group Sustainability Workshop (March 2021) Other people engagement initiatives and surveys HS&E Meeting
Trade union	<ul style="list-style-type: none"> Economic results and company solidity Work-life balance Smart working Socio-organisational well-being Health and safety at work Environment and Energy 	<ul style="list-style-type: none"> RSU (United Trade Union Representatives) and RLS (Workers' Safety Representatives) meetings Periodic Health and Safety Meeting (art. 35 TUS)
Suppliers <ul style="list-style-type: none"> Suppliers and business partners Suppliers of goods and products Direct and indirect service providers Distributors 	<ul style="list-style-type: none"> Compliance with contractual commitments Continuity of the relationship Innovation Willingness to work in partnership and for new business models Digitisation 	<ul style="list-style-type: none"> Supplier visits and meetings Partnership initiatives Supplier Procunity Portal Victoria RMS Contractors Portal

Stakeholder	Topics of interest	Main initiatives for dialogue and involvement
<p>Institutions, bodies, associations, organisations</p> <ul style="list-style-type: none"> • MOCG 231 Supervisory Board (check if correctly allocated) • Emergency Commissioner Covid-19 • National and local government institutions (Ministry of Health, Local Authorities, etc.) • Civil Protection • PA and control bodies ARPA, ASL, ITL, VVF, INAIL, INPS, ASL, etc. (e.g. Regulations: Health and Safety in the Workplace, Environment, Labour and Immigration, Financial Aspects, GDPR, etc.) • Certification and Auditing Bodies • Employers' Associations • Trade Union Associations 	<ul style="list-style-type: none"> • Compliance with health, labour, environmental, etc. laws and regulations. • Privacy and data security • Adherence to international ISO standards • Certification of the budget • Reducing CO₂ emissions • Responsible use of natural resources (energy, water) and energy efficiency (clean and renewable energy) • Management of hazardous substances and responsible treatment of hazardous waste • Compliance with the MOCG 231 Model • Improving and maintaining adequate health and safety standards 	<ul style="list-style-type: none"> • Continuous dialogue with local, national and European institutions • Specific meetings and working groups • Collaboration initiatives with the Civil Protection (e.g. for the supply of equipment during the Covid-19 emergency) • Confindustria/UCIMA (Union of Italian Manufacturers of Automatic Packaging Machinery) meeting and recommendations • Regular meetings and information flows with SB
<p>Community</p> <ul style="list-style-type: none"> • Territorial and local communities • Third Sector Organisations (non-profit, charities, NGOs, etc.) • Media and opinion leaders 	<ul style="list-style-type: none"> • Support for solidarity initiatives • Social investments in favour of the Community • Support for young people and families • Social innovation • Transparency • Supporting the training of young people 	<ul style="list-style-type: none"> • Participation in initiatives with Group companies (e.g. Christmas Market 2020 with WeWorld, Heart4Children) • Treadom 2020 project
<p>Universities, schools and research</p>	<ul style="list-style-type: none"> • Social innovation • Partnership of Excellence • Technological Innovation • Supporting the training of young people 	<ul style="list-style-type: none"> • Collaborations and projects with Universities (e.g. scholarships to the Università delle Marche in the field of Industry 4.0 and the Università del Salento in the Digital field, University Theses, etc...) • School-to-work project 2019

Relationship with customers

Clients using Fameccanica's technologies and services are large, medium and small multinationals or private labels operating in the manufacturing or logistics sectors, whose business is in the personal care, household and consumer goods logistics markets.

These customers operate in **both the Italian and international markets**. Most of them are concentrated in Europe, the United States and Latin America, although Fameccanica's customer base reaches geographic areas in all other continents such as Africa, Asia and Oceania.

Fameccanica classifies its more than 90 customers into clusters that allow it to plan customer-oriented strategies for both its technologies and the after-sales services to be provided. These include:

- **Spare Parts Sale:** supply of original Fameccanica plant components to ensure quality and continuity of the production process.
- **Technical support services:** for interventions after the installation of the machine relating, for example, to changes in the format of the original product or a change in the technology adopted on the system to update it to the state of the art.
- **Repairs/Maintenance.**
- **Remote Assistance:** 24/7 remote assistance service to customers to ensure constant and efficient production.
- **Training:** dedicated training in which working methods and technical characteristics of Fameccanica's solutions are shared with the client, so as to ensure a vertical start-up of the plant and reduce the learning time required by the operators, who are the end users of the technologies.
- **Digital service:** apps and digital services based on IoT technology, which allow interconnection between the plant produced by the company, other production plants in the customer's plant and the management

systems already in use. Thanks to these services, customers can access performance and process data from their production lines.

In order to provide an increasingly efficient and high-performance service and product, Fameccanica conducts **customer satisfaction surveys**. In order to collect and appropriately manage information relating to the level of satisfaction with the product or service provided, the Company adopts an assessment system based on a questionnaire sent to the customer after a conveniently calculated period to allow for a correct and complete evaluation. The questionnaire consists of parts and questions that depend on the type of product sold to the customer according to a precise typology, and will later be analysed by the Marketing section. For after-sales services, the questionnaires are sent out by the Customer Care department itself. Both evaluations conducted on the basis of surveys lead to a careful analysis of the customer's response and suggested areas for improvement, in order to improve the range of products and services offered. The initiatives undertaken by Fameccanica **to raise customer awareness of environmental protection** are linked to the development of two approaches: an operational one linked to the development of products and solutions; and the other one aimed at disseminating the advantages of its solutions in terms of sustainability. In the latter case, activities continued in 2020 to **disseminate the results of the LIFE-GLUELESS project**, funded by the European Community, which aims to reduce the use of glue in disposable baby nappies. Direct contact with the customer, explaining the benefits of all projects in terms of both cost savings and environmental impact, as well as participation in trade fairs and conferences, have all contributed to raising the customer's awareness of this important issue.

During 2020, the Company set up and implemented a marketing campaign to launch its range of IoT-based Digital Apps and machines for the production of surgical masks. The campaign consisted of:

- sponsored posts on the LinkedIn platform, targeting not only those users whose profiles matched the client's, but also those people who could benefit from using the apps or from working with the company on future developments;
- advertising, press releases and articles in industry magazines such as Nonwovens Industry, Nonwovens International Report and METissue.

On the subject of customers and services, the company's short- and medium-term objective is to expand its customer portfolio and business areas by leveraging its skills and know-how, through market analyses to define targets and, consequently, customers. Among the most important challenges is certainly the development of services with the aim of putting the focus on the customer and increasingly providing for turn-key solutions.



Relationship with the community

Fameccanica's activities contribute significantly to the development of the socio-economic systems of the territories in which it operates and play a fundamental role not only in providing concrete support to the community, but also in safeguarding the environment and the ecosystem. The company supports numerous initiatives in support of its community.



The **Christmas market** is a charity initiative promoted by the Angelini Group companies in support of various Foundations. This event comes to life during the Christmas period and allows employees to purchase the products made available by the Group's companies at a favourable price. For example, ACE hygiene and household cleaning products, Lines tampons, Pampers nappies and wipes, Infasil detergents, Actuil and Body Spring supplements, Bertani wines or Angelini Beauty perfumes. The initiative has been appreciated and loved over the years by the people who have participated in it and by all the employees who work as volunteers in its implementation. In 2020, the entire proceeds of the initiative were donated to the **non-profit foundations WeWorld and Hearth4Children**. WeWorld is an important non-profit organisation that works every day in Italy and in 29 countries around the world to defend the rights of children and women by guaranteeing education, health and protection from violence and abuse. Hearth4Children is committed to bringing a little bit of science and poetry into the lives of children and their families, to educate the mind and heart together. Hearth4Children runs a children's home and community school near La Ceiba, Honduras, to educate and empower local children and give them the tools they need for a better life and encourage them to be self-sufficient.



In the area of **Corporate Social Responsibility**, Fameccanica focuses on creating ecosystems with local schools and universities. In this context, the main initiatives implemented are:

- **Tecnicamente:** an initiative promoted by Adecco and dedicated to students of technical and vocational schools. Each year (in May), students develop projects to be presented to local companies during a dedicated day. As well as giving a short presentation to the students, the companies are also part of the jury that awards the best project: the winning students participate in post-diploma orientation and training activities aimed at helping them enter the world of work. Fameccanica has participated in the Tecnicamente initiative since its first edition (2014). The initiative was not implemented in 2020 due to the pandemic lockdown.
- **School-to-work alternation:** this is one of the most significant initiatives of Law 107 of 2015 ("La buona Scuola"). It is an innovative teaching method which, through practical experience, helps to consolidate the knowledge acquired at school and to test in the field the aptitudes of students in the final years of high school, to enrich their education and to guide their study path, thanks to projects in line with their curriculum. In particular, Fameccanica welcomes students mainly from technical colleges, designing projects for them in areas of interest to them: drawing and design, purchasing and logistics, quality control, component assembly activities. The projects are carried out during the summer period, lasting about 4 weeks,

under the supervision of company tutors. In 2020, due to the pandemic, all school-to-work activities were suspended.



Fameccanica promotes various initiatives with **the academic world**. In particular:

- **Curricular traineeships:** university students can conclude their studies with an in-company traineeship in the various company areas of interest. Traineeships are a formidable orientation tool for university students, as they allow them to get to know the company, its various departments and activities, as well as a great opportunity for personal and professional training and growth. In 2020, due to the restrictions of the pandemic, it was not possible to set up traineeships, whose essence lies in the presence of the trainees in the life of the company.
- **Research grants, scholarships, PhDs:** Fameccanica draws on the academic world to carry out specific projects, providing research grants, scholarships or funding PhDs. It is therefore aimed at universities for the organisation of competitions and the selection of candidates. Projects are basic or applied research activities with a high technical content. 2020 saw the continuation of two research projects defined in agreement with the Università del Salento, which started in 2019. The first, in collaboration with the Department of Innovation Engineering, for the implementation of the project entitled “Product Life Management Implementation

Project”. The winner of the competition started its activity in September 2019. The second, again in collaboration with the Department of Innovation Engineering, for the implementation of the project entitled 'Research and development of analytical methods and software tools for industrial machinery data to improve the life cycle of products'. The winner of the competition started its activity in April 2019.



Among Fameccanica's future commitments to support the community is the **initiative with Arbolia S.p.a.** Arbolia is an Italian benefit association founded on the initiative of Snam Spa and Fondazione CDP, which promotes and implements afforestation and reforestation actions in Italy. Through these interventions and related services, Fameccanica aims to work towards combating global and local warming, improving air quality and creating green areas for communities while promoting the social and economic development of territories.

The **Bosco Fameccanica** project is part of the national goal of planting three million trees by 2030. The specific objectives of the initiative are to:

- combat the climate crisis and global warming, reduce CO₂ emissions;
- improve air quality and make cities more resilient;
- create new green areas and promote biodiversity;
- involve local communities (new wooded and/or managed areas will be usable by local communities);
- promote the economic and social development of the territories.

Future objectives

The 2025 Strategic Plan aims to strengthen Fameccanica's positioning in all areas of activity, with a specific focus on Sustainability, Robotics and Digital:

- the consolidation of the Bologna Hub completely dedicated to sustainable packaging;
- accelerating the development of integrated solutions for the 'Digital Factory';
- the identification of new products and processes capable of lowering environmental impacts (supply chain, raw materials, transport, finished product disposal).

8.

Natural capital



Highlights 2021



12,000

trees planted by
Fameccanica to
neutralise the CO₂
emissions of its
Business Units

2,249
tCO₂

emissions

1.099 t

waste
generated



Furthermore:

Delivery of
**reusable
steel bottles**
to all employees

New water
dispensers to
replace water bottles

Environment and Climate Change

Fameccanica is particularly sensitive and attentive to environmental protection and energy efficiency. This is why we have specific policies that express our commitments and objectives in this area

The company has implemented both an Environmental Management System in accordance with the international standard ISO 14001 and an Energy Management System in accordance with the international standard ISO 50001. Both are subject to annual third-party audits carried out by CSQ, an ACCREDIA-accredited body.

With reference to environmental aspects, Fameccanica conducted an Environmental and Context Analysis and identified the most significant objectives linked to the relative Environmental Improvement Plan.

The targeted initiatives that the Company has designed and developed during 2020 are worth noting:



Treedom

Fameccanica, in collaboration with Treedom - a planting platform that supports farmers and rural communities around the world - planted a forest of 12,000 trees. The objective of the initiative is to offset CO₂ eq emissions against GHG Protocol Emission Scope 1 and Scope 2 as well as being an initiative that contributes to several SDGs of the 2030 Agenda



Production Area Energy Efficiency:

The design for the forthcoming implementation of the renovation of some roofs (O/P bays in the Fameccanica building production area) for energy efficiency through thermal insulation has been completed.



Plastic Free

During 2020, reusable steel and Fameccanica customised water bottles were delivered to employees to reduce plastic consumption and the replacement of new water dispensers in the company's premises was completed, with the elimination of traditional bottled water dispensers, thus reducing plastic consumption and consequently also the indirect impacts of producing, filling, washing, sanitising and transporting them. Likewise, there was the adoption of reusable glasses, replacing disposable bottles. Plus, the company restaurant is now equipped with Freebeverage islands for the self-service and free distribution of quality bulk drinks and microfiltered water. The vending machines installed at the Freebeverage islands are characterised by high eco-sustainable performance: class A++ as per the

E.V.A. - E.M.P. (Energy Measurement Protocol) carried out by a third party. For the pandemic scenario, the Contact Free system was also installed for contact-free drink collection.



Paper Free Document Approval Work-Flow (ISO Management System)

In line with other similar initiatives, the project to digitally approve documents (procedures, forms, etc.) relating to international ISO standards in order to reduce the use of paper was concluded in fiscal year 2020/2021.



E-Learning Environment and Energy Efficiency ISO 14001 AND ISO 50001

A further significant project was the provision of a training course on the Environment and Energy Efficiency which was designed specifically for the company. It involved all employees in order to explain the relevant regulations, company initiatives and raise awareness of respect for the environment and the reduction of energy consumption.

Fameccanica has implemented a specific methodology for assessing significant environmental impacts, such as asbestos. In fact, Fameccanica has recently replaced and removed, by means of an authorised contractor, some restricted areas/plants where this material was present. To date, there is a roof over the “Sacem I” shed which is managed with appropriate monitoring and maintenance. For this aspect, the project for the Feasibility Study on the Removal of the Roof is being finalised for possible future disposal.

The Company is following a file for the Remediation of Sites Contaminated by Third Parties (art. 242 Legislative Decree. 152/06) following the acquisition of an adjacent plot of land that is useful for the extension of the new Plant.

As far as atmospheric emissions are concerned, Fameccanica has Single Environmental Authorisation and, with reference to dust reduction for discontinuous emissions, has recently installed dry filters/cartridges that have a lower environmental and energy impact than ordinary hydro-filters; to date, three systems have been installed.

Energy and emissions

The company's main energy sources are natural gas and electricity.

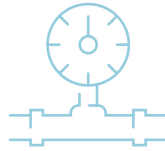
Electricity and natural gas are used in the areas of production, auxiliary services and general services.



In particular, **electrical energy** is used for:

- the production of machinery;
- the production of compressed air;
- lighting;
- air conditioning;
- the operation of other general services utilities.

Among these, the air-conditioning of the production departments and the technical/administrative offices has recorded a significant percentage of energy consumption over the past few years, as during the testing phase the machines absorb significant quantities of air-conditioned air from the work environment, which is then expelled without any form of thermal recovery. In addition, the fact that the room volumes are large and the building envelopes have high thermal transmittance should be considered.



As for **methane gas**, it is used for general services, such as:

- heating;
- for use in the company canteen.

During 2020 they were replaced:

- Fameccanica lighting production;
- Class A Medium Voltage Transformers.

Fameccanica's aim is to become increasingly energy efficient and more independent in terms of electricity production, for example by using a car park with photovoltaic panels and expanding the headquarters site. In addition, the purchase of electricity with a higher percentage of energy from renewable sources will be considered in the near future.

Direct energy consumption (offices and sites) by non-renewable source

	30/06/2021		30/06/2020	
	m ³	GJ	m ³	GJ
Methane (space heating)	29,574	1,172	1,367	54
Other: canteen	10,722	491	12,385	491

Direct energy consumption (company cars) by non-renewable source

	30/06/2021		30/06/2020	
	Lit	GJ	Lit	GJ
Petrol	2,200	76	1,100	76
Gpl	200	5	100	5

Indirect energy consumption

	30/06/2021		30/06/2020	
	Kwh	GJ	Kwh	GJ
Electrical energy	6,970,000	25,093	5,840,000	21,025
Heating	2,100,000	7,560	1,750,000	6,300
Air conditioner	1,250,000	4,500	7,800,000	28,080

With regard to atmospheric emissions, Fameccanica holds the Single Environmental Authorisation det. N. DT-422 of 15.05.2015 and the related Summary Framework of 18.12.2019. This authorisation is valid for 15 years and reflects the current plant and process situation; the document also require annual inspections, which Fameccanica systematically carries out with the established frequency. The last self-check was carried out on 15.06.2020. Finally, no checks have been carried out recently by ARTA - the Regional Agency for Environmental Protection in Abruzzo - as the authorisation limits have always been respected.

As regards the emissions defined as CFCs, i.e. chlorofluorocarbons, there are air conditioning systems in all the factories in Via Aterno (Fameccanica, ex-Faidata, ex-Sacem ex-IRC), for the factory in Via Adige (ex-Fatecnica) and for the Fameccanica office building in Pescara in Via Salara. Installations include: refrigeration systems, primary air treatment systems, heat pump systems and boilers.

For all air-conditioning units with a refrigerant charge of more than 5 tons eq, booklets are available for the annual, or half-yearly for those above 50 tons eq, maintenance, and leakage checks are carried out at the required frequency.

As for coolants, they are used in equipment:

- R-404A (contained in a single machine serving the bench-mounting department that is used to test the heads on the bench)
- R-407C
- HFC-134A
- R-438A
- R-410A

The refrigerant R-422D is currently no longer used, as it was present in the canteen and Main Building IRC machines decommissioned on 22/02/2020.

The company managing the maintenance of the installations shall, within the 30 days required by law, fill in the electronic register "F-GAS database" each time an intervention is carried out.

In 2020, 2 Thermal Power Plants were decommissioned as they were no longer used and already compensated by previous investments in favour of Heat Pumps with a less significant environmental/energy impact.

Regarding dust emission initiatives, in view of the high economic and environmental impacts, Fameccanica will evaluate the possible gradual phasing out of the 4 remaining hydro-filters in favour of self-cleaning dry filters.

Direct and indirect GHG emissions

	30/06/2021	30/06/2020
	CO ₂ eq	CO ₂ eq
Natural gas	79.58	27.16
Petrol	5.66	2.83
Diesel	2.33	1.55
Gas HFC R410A	140.94	173.93
Electrical energy	2,020.60	1,693.02
Total	2,249.12	1,898.49



Waste management

In addition to municipal waste, many types of special waste are produced in Fameccanica. All waste is correctly classified according to its EWC (European Waste Catalogue) designation and hazardousness, including by chemical analysis. Waste is collected, separated according to its type and destination, first within the working areas, then deposited in special temporary containers and subsequently sent for recovery/disposal.

For efficient waste management, Fameccanica has long since implemented a specific Waste Management Environmental Procedure, which is periodically reviewed.

This procedure governs how waste is produced, collected, classified and finally disposed of, and regulates all steps and operational processes. During 2020, the process of internalising the handling of special waste was also completed.

Wherever technically and legally possible, environmental management operations with recovery objectives are preferred to disposal. The scope for such choices, however, is constrained by the type of waste and the individual projects and orders.

Waste generated

	30/06/2021	30/06/2020
	T	T
Hazardous waste	40.7	9.73
- disposal/treatment	40	9.35
- recovery/recycling	0.7	0.38
Non-hazardous waste	1058.24	1398.4325
- disposal/treatment	223.75	298.07
Total waste	1098.94	1408.1625

Water resources

For Fameccanica, water withdrawal and consumption is mainly from drinking water supplied by ACA S.p.a. and from reclaimed water supplied by Consorzio di Bonifica Centro.

The company waste water is similar to domestic waste water. In this regard, Fameccanica has received specific

authorisation from the ACA to discharge its waste water into the municipal sewer in the municipality of San Giovanni Teatino, which flows into the Chieti Scalo purification plant managed by the Consorzio di Bonifica, having decommissioned its authorised purification plant as prescribed in the AUA.





GRI performance indicators



GRI indicator	Description Indicator	Paragraph BdS	Direct Answer
Organisation profile			
I02-1	Name of organisation		Fameccanica Data S.p.a.
I02-2	Activities, brands, products and services	4.a Fameccanica today	
I02-3	Location of headquarters		Via Aterno 136, Sambuceto di San Giovanni
I02-4	Location of operations	4.a Fameccanica today	
I02-5	Ownership structure	4.d Governance structure	
I02-6	Markets served	4.a Fameccanica today 7.d Customer relations	
I02-7	Size of the organisation	4.d Governance structure 5.b Economic value generated and distributed 6.a Strategic approach to human capital	
I02-8	Information on employees and other workers	6.a Strategic approach to human capital	
I02-9	Description of the supply chain	5.c Responsible supply chain management	
I02-10	Significant changes in the organisation and its supply chain		No significant changes in the supply chain have occurred
I02-11	Precautionary principle or approach		The Company adopts a conservative approach to risk assessment and management
I02-12	External initiatives	4.f. Ethics and transparency in business	
I02-13	Membership in associations		The company is a member of Confindustria Chieti Pescara and UCIMA
Strategy			
I02-14	Declaration of the highest decision-making body	1. Letter to stakeholders	
Ethics and Integrity			
I02-16	Values, principles, standards and norms of behaviour	4.e Vision, Mission and Values	
Governance			
I02-18	Governance structure	4.d Governance structure	
Stakeholder involvement			
I02-40	List of stakeholder groups	7.c Relationship with stakeholders	
I02-41	% employees covered by a collective labour agreement	6. Human capital	
I02-42	Identification and selection of stakeholders	7.c Relationship with stakeholders	
I02-43	Approach to stakeholder engagement	7.c Relationship with stakeholders	
I02-44	Key issues and main criticalities	7.c Relationship with stakeholders	

GRI PERFORMANCE INDICATORS

GRI indicator	Description Indicator	Paragraph BdS	Direct Answer
Reporting process			
I02-45	Entities included in the consolidated financial statements	2. Methodological note	
I02-46	Definition of report content and scope of relevant topics	2. Methodological note	
I02-47	List of material topics	2. Methodological note	
I02-48	Restatement of information	2. Methodological note	
I02-49	Changes in material topics and their scope	2. Methodological note	
I02-50	Reporting period	2. Methodological note	
I02-51	Date of most recent report		This report is the first sustainability report for Fameccanica
I02-52	Reporting intervals	2. Methodological note	
I02-53	Useful contacts for enquiries about the report		sustainability@fameccanicacom
I02-54	Statement of compliance with GRI Standards	2. Methodological note	
I02-55	GRI Content Index	9. GRI Content Index	
I02-56	External Assurance	2. Methodological note	
GRI 103 - Management approach			
I03-1	Explanation of the material issue and its scope	2. Methodological note	
I03-2	The management mode and its components	4.f Ethics and Transparency in Business 5.b Economic value generated and distributed 5.c Responsible supply chain management 6.a Strategic approach to human capital 6. b Staff: recruitment and turnover 6.c Diversity and Inclusion 6.d Training and development 6.e Health and Safety 7.b The product 8.c Energy and emissions 8.d Waste management	
I03-3	Assessment of management modes	4.f Ethics and Transparency in Business 5.b Economic value generated and distributed 5.c Responsible supply chain management 6.a Strategic approach to human capital 6. b Staff: recruitment and turnover 6.c Diversity and Inclusion 6.d Training and Development 6.e Health and Safety 7.b The product 8.c Energy and emissions 8.d Waste management	

GRI indicator	Description Indicator	Paragraph BdS	Direct Answer
GRI 201 - Economic performance			
201-1	Direct economic value generated and distributed	5.b Economic value generated and distributed	
GRI 204 - Procurement practices			
204-1	Proportion of expenditure to local suppliers	5.c Responsible supply chain management	
GRI 205 - Anti-corruption			
205-3	Established incidents of corruption and actions taken		No corruption occurred during the reporting period
GRI 302 - Energy			
302-1	Energy consumed within the organisation	8.c Energy and emissions	
GRI 305 - Emissions			
305-1	Direct GHG emissions (Scope 1)	8.c Energy and emissions	
305-2	Indirect GHG emissions from energy consumption (Scope 2)	8.c Energy and emissions	
GRI 306 - Waste			
306-2	Waste by type and method of disposal	8.d Waste management	
GRI 307 - Environmental compliance			
307-1	Non-compliance with environmental laws and regulations		No sanctions in the reporting period
GRI 401 - Employment			
401-1	New recruitment and turnover	6.b Staff: recruitment and turnover	
GRI 403 - Health and safety			
403-9	Accidents at work	6.e Health and Safety	
GRI 404 - Training			
404-1	Average hours of training per year per employee	6.d Training and management development	
GRI 405 - Diversity and equal opportunities			
405-1	Diversity in governing bodies and among employees	6.c Diversity and Inclusion	
GRI 414 - Social assessment of suppliers			
416-1	Customer health and safety	7.d Customer relations	
416-2	Incidents of non-compliance concerning health and safety impacts of products and services	7.d Customer relations	
Non-GRI themes			
	Innovation capacity	7. b The product	

10.

Report of the independent auditors





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(Translation from the Italian original which remains the definitive version)

Independent auditors' report on the sustainability report

*To the board of directors of
Fameccanica.Data S.p.A.*

We have been engaged to perform a limited assurance engagement on the 2021 Sustainability report (the "sustainability report") of the Fameccanica Group (the "group").

Directors' responsibility for the sustainability report

The directors of Fameccanica.Data S.p.A. (the "parent") are responsible for the preparation of a sustainability report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), as described in the "Methodological note" section of the sustainability report.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of a sustainability report that is free from material misstatement, whether due to fraud or error.

They are also responsible for defining the group's objectives regarding its sustainability performance and the identification of the stakeholders and the significant aspects to report.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

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Fameccanica Group

*Independent auditors' report on the sustainability report
30 June 2021*

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, 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 by "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 applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about 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 we performed on the sustainability report are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the sustainability report, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we carried out the following procedures:

- 1) analysing the reporting of material aspects process, specifically how these aspects are identified and prioritised for each stakeholder category and how the process outcome is validated internally;
- 2) comparing the financial disclosures presented in the "Economic value generated and distributed" section of the sustainability report with those included in the group's consolidated financial statements;
- 3) understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the sustainability report.

Specifically, we held interviews and discussions with the parent's management personnel. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the sustainability report.

Furthermore, with respect to significant information, considering the group's business and characteristics:

— at parent level

- a) we held interviews and obtained supporting documentation to check the qualitative information presented in the sustainability report;
- b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information.



Fameccanica Group
Independent auditors' report on the sustainability report
30 June 2021

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2021 Sustainability report of the Fameccanica Group has not been prepared, in all material respects, in accordance with the requirements of the GRI Standards, as described in the "Methodological note" section of the sustainability report.

Other matters

The 2020 comparative figures presented in the sustainability report have not been examined.

Rome, 25 November 2021

KPMG S.p.A.

(signed on the original)

Marco Maffei
Director of Audit

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