

**FAMECCANICA**

**Sustainability  
Report**

2022



**Angelini  
Technologies**

Part of Angelini Industries



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TO STAKEHOLDERS**

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Our journey towards a more sustainable company continues and involves a constant commitment to our people, the communities where we operate and the planet.

I would like to present you our third Sustainability Report, a document resulting from a strong collaboration with our internal and external stakeholders and transparent conduct in creating value.

Despite a context featuring various uncertainties, in 2022 Fameccanica recorded a positive trend in terms of operating results, only partially attenuated by the greater impact of raw material costs and the rise in energy prices.

Namely, we consolidated revenues of approximately 185.5 million euros, up compared to 2021. We also generated an economic value of 190 million euros, a 10.14% increase compared to the value of the previous fiscal year (172.6 million euros). In this framework, I would like to highlight the various factors that have characterised our actions.

Angelini Industries' acquisition of 50% of

Fameccanica, which had been an equal joint venture between Angelini Industries and the American multinational Procter&Gamble since 1992, was finalised when the closing documents were signed in June 2022. With this agreement, announced in March 2022, Angelini Industries has thus taken full control of Fameccanica, thereby strengthening the ecosystem of excellence designed to create solutions to improve industrial processes through constant research and innovation.

Another essential value for us is innovation. In January 2022, Angelini Industries joined the Industrial Liaison Program (ILP) of the Massachusetts Institute of Technology (MIT). The program launched by MIT (a university based in Cambridge, Boston, among the world leaders in research applied to industry and the development of production processes) is a collaborative path that "allows companies from all over the world to exploit the resources of MIT to address

current challenges and anticipate future needs" in technology. Fameccanica was the first beneficiary of the agreement. This was aimed at exploring the potential synergies between the MIT's applied research programs and the company's development projects in the areas of robotics, industrial automation and sustainable manufacturing.

We believe everything revolves around people and we are constantly committed to promoting professional growth and diversity. In 2022 we confirmed all our permanent contracts, provided around 20,000 hours of training and further expanded our corporate welfare with new socially useful services for employees.

In terms of energy efficiency, the construction of the photovoltaic system at our headquarters in Chieti was approved in June 2022. It will guarantee energy autonomy equal to approximately one quarter of the overall requirement when fully operational.

Finally, the various partnerships with the

academic world continue for the benefit of university students and aimed at attracting new talent.

In such a changing and fluid context, we constantly aim to consolidate our identity on our traditional pillars: people's competence, product quality, operational excellence and sustainable growth, whilst maintaining control over our target markets through leadership in the disposable hygiene product sector, whilst at the same time exploring new businesses.

Our actions are the result of an innovative and sustainable approach that is long-lasting and looks to the future through new opportunities for people, communities and the planet.

A way of  
being and acting  
*inspired by life.*



**Alessandro Bulfon**  
Angelini Technologies and Fameccanica  
Chief Executive Officer

# METHODOLOGICAL NOTE

The Fameccanica Sustainability Report is drawn up in line with the 2022 Financial Report, for the financial year from 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022, for the first year in line with our parent company Angelini Industries.

Indeed, in previous editions of the Sustainability Report, data was presented according to the fiscal year from 1<sup>st</sup> July to 30<sup>th</sup> June before the update of the reference fiscal year.

To ensure appropriate comparability of information, the data in this report is compared with calendar years 2020 and 2021.

## SCOPE OF THE REPORT

The scope of this report includes the Italian headquarters and foreign subsidiaries, the latter being wholly owned by Fameccanica Data S.p.A. Specifically, the report concerns the entire Fameccanica Group, which includes the following three companies:

- Fameccanica.Data S.p.A. (Italy), Via Aterno, 136 – 66020 Sambuceto di S. Giovanni Teatino (Chieti) ITALY
- Fameccanica Machinery Shanghai Co. Ltd, No. 1951 Duhui Road Plant 10 Xin Zhuang Industry Park, Min Hang District Shanghai 201108, P.R.C. CHINA
- Fameccanica North America Inc. Ohio (USA), 8511 Trade Center Drive Suite 400 West Chester Township, OH 45011.

Unless otherwise stated, the qualitative information given in this report refers to the parent company Fameccanica Data S.p.A. ("Fameccanica"). With reference to the quantitative information given (also in graphic or tabular form), data referring to the entire Group has been collected and combined. Any exceptions or omissions are duly noted in the report.

## REPORTING STANDARDS

For this Sustainability Report, Fameccanica adopted the following technical and methodological references:

- GRI Universal Standards published on 5<sup>th</sup> October 2021 by the Global Reporting Initiative (GRI) **"in accordance with the GRI Standards"**
- Guiding principles and content elements set out in the International Integrated Reporting Framework (hereinafter also "IIRF" or "IR Framework") issued by the International Integrated Reporting Council (IIRC) and updated in January 2021.

## THE INFORMATION COLLECTION PROCESS

Data collection forms and qualitative information were used for collection and consolidation of the information and data referred to in this report. The process of collecting data and information for financial year 2022 involved the representatives of Fameccanica. Data S.p.A., who in turn coordinated the collection of data from the foreign companies. 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 is indicated when determining the indicators.

## EXTERNAL ASSURANCE

This Sustainability Report is subject to a limited assurance engagement in accordance with the criteria set forth in ISAE 3000 Revised by the auditing firm BDO Italia S.p.A.

This activity was concluded with the issue of the "Auditor's Report" at the end of this document.

**For further information, please use the following communication channels:**

COMPANY WEBSITE  
[www.fameccanica.com](http://www.fameccanica.com)



SUSTAINABILITY AREA EMAIL  
[sustainability@fameccanica.com](mailto:sustainability@fameccanica.com)



# HIGHLIGHTS 2022

## IDENTITY AND GOVERNANCE

**48 years**  
of activity

**3 locations**

(Italy, North America, China)

**+1300**

Machines delivered worldwide

## PRODUCTION AND INTELLECTUAL CAPITAL

ISO 9001 Quality Management System and ISO 27001 Information Security Management System

**Over 800**

Active patents

**100%**

Plants certified in accordance with Legislative Decree 17/2010

### LIFE ALL-IN

Project for the on-line processing of materials

## NATURAL CAPITAL

ISO 14001 Environmental Management and ISO 50001 Energy Management systems

### SUSTAINABLE CLICK INITIATIVE

for the use of new company PCs with reclaimed materials and bioplastics

## ECONOMIC AND FINANCIAL CAPITAL

**€219**

m total turnover in 2022

**€185.5**

m in revenues in 2022 in Italy

**88%**

Share of value generated by Fameccanica. Data distributed to stakeholders

**73.3%**

Share of distributed value paid to suppliers by Fameccanica. Data (equal to EUR 122.5m)

**1,442**

number of suppliers (928 managed in Italy, of which 732 are in Abruzzo)

**€132**

About m values of supplies in Italy

## HUMAN CAPITAL

**~700**

Employees

**642**

Employees (82% in Italy)

**36**

New hires in 2022

**100%**

People with a permanent contract

**9%**

Female employees (+32.6% year-on-year)

**19,282**

Total hours of training provided

**30**

Average hours of training per employee

**100%**

Employees who receive a periodical performance assessment

**Zero**

serious accidents

### FAMECCANICA WELFARE

Platform for the use of social services by employees

## SOCIAL AND RELATIONAL CAPITAL

### CREATION OF THE ENGINEERING HUB IN BOLOGNA

for Sustainable Packaging

### HACK 4CHANGE

An initiative in collaboration with Angelini Academy and Codemotion, aimed at 400 students from Italian universities and engineering faculties

### GUARANTEED MOBILITY PROJECT

sponsored by Chieti's municipality

### ECOVADIS SUSTAINABILITY RATING:

Gold Medal

## Top 100

### 2022 SUSTAINABILITY AWARD

promoted by Credit Suisse and Kon Group, the award that recognizes top Italian companies in the sustainability field

Launch of the **GREENPACKT®** project

# MATERIALITY



Over the last few years, several standardisation and regulatory bodies have worked to develop the concept of material sustainability. In particular, the Corporate Sustainability Reporting Directive (CSRD) of the European Union and the International Sustainability Standards Board (ISSB) recently established by the International Financial Reporting Standard (IFRS) Foundation both distinguish between “single materiality” and “double materiality”. In this third Sustainability Report, Fameccanica has decided to keep pursuing the principle of double materiality, providing information required to understand the impact it, as an Organisation, has on society and the environment and how ESG issues affect it.

In other words, Fameccanica reports on how ESG criteria influence its Enterprise Value and, vice versa, how the company's business activities impact externally on material issues of sustainability. There are, in fact, two parameters examined by the principle of double materiality: impact materiality with an inside-out approach and materiality with an outside-in approach. The former focuses on the impacts of the organisation's activities on the external, social and environmental context, which customers, consumers and society as a whole should be able to understand. The latter concerns the impact of potential social and climate risks on Fameccanica, which could also translate into financial consequences, influencing strategic governance decisions. This concept of “double materiality” acknowledges the fact that risks and opportunities can be significant from both a financial and non-financial perspective.

# Materiality Assessment

Materiality assessment underpins Fameccanica's sustainability strategy, as it helps to ensure that the company's efforts remain focused on the areas of greatest impact and to ensure appropriate relations with stakeholders. For this third edition of the Sustainability Report, in May 2023 Fameccanica conducted a thorough materiality assessment to better understand the company's impacts and to further integrate sustainability within the company.

The assessment process took into account internal developments related to: the rapid advancement of business evolution; the ambition to embark on its own growth and development journey - during the consolidation of the shareholding structure

of Angelini Industries Group - and the commitment to achieve the business objectives set out in the 2025 Strategic Plan. The materiality assessment considered emerging best practices in the field of sustainability, ESG policies and regulations in Europe and internationally, and emerging trends and megatrends that will gain importance in the coming years. As a company operating on a global scale in a rapidly changing world, Fameccanica believes that its long-term success depends on continuous monitoring and adaptation to significant social, environmental, economic, political and technological changes. This approach is summarised in the diagram shown in the figure.

## Integrating sustainability at Fameccanica

Further embedding sustainable practices in our organisation and operations



## Directing our efforts

Further aligning our efforts with society's expectations, market developments and business needs



## Increasing the involvement of stakeholders

Improving dialogue and coordination with key stakeholders



## Perfecting our reporting

Structuring and prioritising our sustainability reporting and communication



The methodological approach adopted for the 2022 Sustainability Report draws on the analysis conducted in the last financial year, and envisaged the integration of different perspectives to define the material aspects.



## STEP 1 • SELECTION OF ESG ISSUES



It is crucial for the materiality assessment to be based on a comprehensive list of ESG issues covering all areas potentially important to the Fameccanica value chain. The starting point of the materiality analysis was therefore the **identification of sustainability issues potentially important to the company.**

A desk analysis was conducted to define a list of issues covering the most significant ESG aspects for Fameccanica. The list of sustainability issues was based on an examination of Fameccanica's internal and

external communication sources, including the list of issues defined last year, ESG issues from investors, media reports, sustainability standards and frameworks (e.g. GRI and SASB, ISO 26000 Guidelines), and the UN Sustainable Development Goals (SDGs).

This in-depth analysis led to the list of the **19 most significant ESG issues** for the Group, presented below in line with the capital structure of the Integrated Reporting (IR) Framework.

### IDENTITY AND GOVERNANCE



- Ethics, Compliance and Governance
- Integrating ESG risks into business strategies
- Involving and listening to stakeholders

### HUMAN CAPITAL



- Employment stability and protection of human capital
- Diversity Equity Inclusion & Human Rights
- Training and development of people
- Health and safety
- Welfare and socio-organisational well-being

### NATURAL CAPITAL



- Environmental and natural resource management
- Energy efficiency
- Greenhouse gas emissions

### ECONOMIC AND FINANCIAL CAPITAL



- Economic growth and distribution of generated value
- Procurement & Supply Chain Management

### PRODUCTION AND INTELLECTUAL CAPITAL



- Product safety and quality
- Innovation (R&D - IP)
- Partnerships and collaborations

### SOCIAL AND RELATIONAL CAPITAL



- Cybersecurity and Information security
- Relations with the territory and the community
- Customer focus and customer satisfaction

## STEP 2 • DEFINITION OF ESG IMPACTS



The following have been identified for each of the 19 issues: the positive or negative, actual or potential, short or long-term impacts that the corporate activities conducted by Fameccanica generate or could generate on the economy, the environment and people, including impacts on their human rights, consistently with the impact materiality or inside-out approach.

A qualitative scale has also been defined to evaluate the level of relevance of each of the same issues based on the extent of the economic-financial impacts (both positive and negative) that a more or less effective management of these aspects by Fameccanica may have on the performance, competitive positioning and overall Enterprise Value of the Organisation (outside-in approach).

The collection of qualitative and quantitative data and the subsequent materiality assessment took place through an online survey, in which the following took part:

- 4 Customers
- 80 Suppliers
- 8 members of Fameccanica's Leadership Team
- 11 members of Fameccanica's Sustainability Team
- 38 other Fameccanica employees (including the trade union area)

All the stakeholders listed above were involved in the evaluation of the impact materiality of the Organisation, prioritising the ESG issues of each area (Identity and Governance, Human Capital, etc.), i.e. ordering them by decreasing order of significance, after having read the positive and negative impacts on society and the environment associated with them.

For outside-in materiality, the request to evaluate the extent of the impacts on the Organisation's ability to generate long-term value was addressed solely to the three categories of stakeholders within Fameccanica.

## STEP 3 • STAKEHOLDER ENGAGEMENT



Involving key stakeholders in the materiality assessment and, more generally, in the process of identifying corporate priorities is a crucial way to gather contributions and feedback useful for better understanding and more effectively targeting Fameccanica's efforts to attain shared sustainability goals.

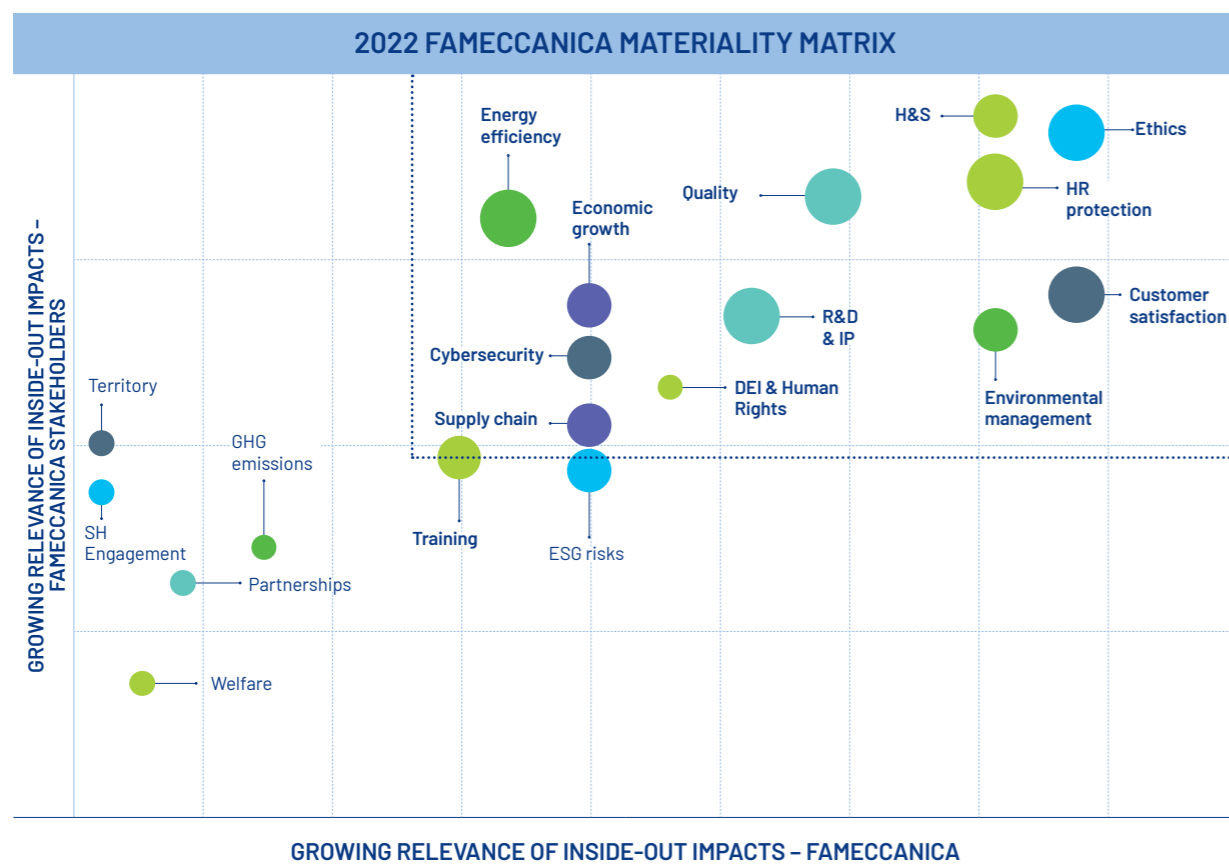
Engaging with stakeholders in an open and transparent manner helps the company to understand their expectations and concerns and thereby address the context - characterised by continuous change and industrial challenges - in which it operates.

For the materiality assessment, the focus was on gathering constructive, informed and critical feedback, seeking objective and representative opinions, rather than opening up to a broader and freer range of stakeholders. Stakeholder groups, with whom to engage, were then identified in order to achieve a fair representation of key stakeholders.



## STEP 4 • IDENTIFICATION OF MATERIAL TOPICS FOR FAMECCANICA

Below is the materiality matrix, which has been developed starting from the results of the online survey. We assigned a numerical score depending on the position obtained in the prioritisation of the issues defined by the stakeholders (Customers, Suppliers, Employees and Sustainability Team) and by Fameccanica's Leadership Team, and based on the qualitative assessment of outside-in impacts.



- **IDENTITY AND GOVERNANCE**
- **SOCIAL AND RELATIONAL CAPITAL**
- **HUMAN CAPITAL**
- **NATURAL CAPITAL**
- **ECONOMIC AND FINANCIAL CAPITAL**
- **PRODUCTION AND INTELLECTUAL CAPITAL**

The matrix shows that:

- The topics are shown in a different colour according to type of capital
- The significance of Fameccanica's impacts on society and the environment (inside-out) from the point of view of the Organisation, represented by top management (Leadership Team), was shown on the "X" axis of the matrix
- The significance of Fameccanica's impacts on society and the environment (inside-out) from the point of view of Fameccanica's

internal and external stakeholders was represented on the "Y" axis

- THE outside-in perspective was represented by assigning different dimensions to each thematic bubble, depending on the extent of the impacts on Fameccanica's ability to generate value on the long term.

Namely, by ordering the topics according to the significance of the outside-in impact, 3 classes of topics of increasing diameter have been defined.

By applying a common materiality threshold for both axes of the matrix, the **13 strategically relevant issues** for Fameccanica can be identified within the dotted quadrant in the figure, i.e. the aspects associated with the most significant impacts that company activities are able to generate on the economy, the environment and people, including impacts on their human rights. The results obtained are substantially in line with the issues found to be important in the previous year:

### IDENTITY AND GOVERNANCE

- The topics related to ethical conduct, responsible governance and compliance were confirmed as material, while this is no longer the case for the topic relating to the issue of the integration of ESG risks.

### PRODUCTION AND INTELLECTUAL CAPITAL

- The topics of quality and innovation are confirmed as material, while this was no longer the case for the issue of partnerships and collaborations.

### ECONOMIC AND FINANCIAL CAPITAL

- In addition to the 2021-22 key topic associated with economic growth and distribution of the value generated, the issue of procurement and supply chain was found to be important in 2022.

### NATURAL CAPITAL

- In addition to the 2021-22 key topic connected to energy efficiency, the issue of environmental and natural resource management was found to be important in 2022.

### HUMAN CAPITAL

- All material topics in 2021-22 are confirmed for 2022: health and safety, human rights, diversity and equal opportunities, training and employment stability and protection of human capital.

Below is a summary of the impacts and the related management approach associated with each material topic, in compliance with the reference standard.

TOPIC	ASSOCIATED NEGATIVE OR POSITIVE IMPACTS	POLICIES, CONTROL TOOLS AND MONITORING METHODS	KPI
ETHICS, COMPLIANCE AND GOVERNANCE - IDENTITY AND GOVERNANCE	<ul style="list-style-type: none"> <li>• May have a positive or negative impact on the protection of the code of ethics and legality, prevention or facilitation of illicit behaviour in areas such as the reuse of profits deriving from illicit activities, bribery and corruption, unfair competition, etc.</li> <li>• May have a positive or negative impact on compliance with the laws and regulations (even of a voluntary nature) in force in the economic, environmental and social fields with an increase in corporate reputation</li> <li>• May positively or negatively impact the well-being and prosperity of the main stakeholders with which the Organisation interacts.</li> </ul>	<ul style="list-style-type: none"> <li>• Application of the company code of ethics</li> <li>• Creation of the Whistleblowing system</li> <li>• Adoption of the management and control organisational model pursuant to Legislative Decree 231/2001</li> <li>• Privacy Model</li> <li>• EcoVadis Gold medal</li> <li>• Voluntary Sustainability Report and Limited Assurance</li> </ul>	GRI 205-3 GRI 206-1 GRI 2-27
EMPLOYMENT STABILITY AND PROTECTION OF HUMAN CAPITAL - HUMAN CAPITAL	<ul style="list-style-type: none"> <li>• May have a positive or negative impact on the development of human capital and the transmission of corporate culture</li> <li>• May positively or negatively impact the well-being and prosperity of Fameccanica employees</li> <li>• May have a positive or negative impact on the social effect derived from stability associated with turnover and talent attraction dynamics.</li> </ul>	<ul style="list-style-type: none"> <li>• Guarantee of stability and continuity of employment for its employees</li> <li>• Adoption of entry flexibility and agile/smart working</li> </ul>	GRI 2-30 GRI 401-1 GRI 401-2
HEALTH AND SAFETY - HUMAN CAPITAL	<ul style="list-style-type: none"> <li>• May have a positive or negative impact on the protection of the psycho-physical well-being, health and safety of employees and all individuals whose operational activity is under the direct control of the organisation</li> <li>• May have a positive or negative impact on compliance with the laws and regulations (even of a voluntary nature) in force in the field of health and safety in the workplace with consequent positive or negative impact on the company's reputation</li> <li>• May have a positive or negative impact on the prevention and incidence of accidents and occupational diseases.</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of a Health and Safety policy</li> <li>• ISO 45001:2018 (Health and Safety Management System)</li> <li>• Annual audit of health and safety measures</li> <li>• Compliance with the national collective bargaining agreement</li> <li>• Welfare plan for Fameccanica employees</li> </ul>	GRI 403
TRAINING AND DEVELOPMENT OF PEOPLE - HUMAN CAPITAL	<ul style="list-style-type: none"> <li>• May have a positive or negative impact on the stability of employment for company staff and on the creation of an employment impact on the territory of reference</li> <li>• May positively or negatively impact the opportunity for each collaborator to fully realize their potential and increase their professional skills</li> <li>• May have a positive or negative impact on the spread of culture and skills inherent to Fameccanica's business.</li> </ul>	<ul style="list-style-type: none"> <li>• Project implementation Lifelong-Continuous Learning</li> <li>• Angelini Academy</li> <li>• My Performance to assess employee performance</li> <li>• Provision of management training and development, onboarding training and technical training</li> </ul>	GRI 404-1

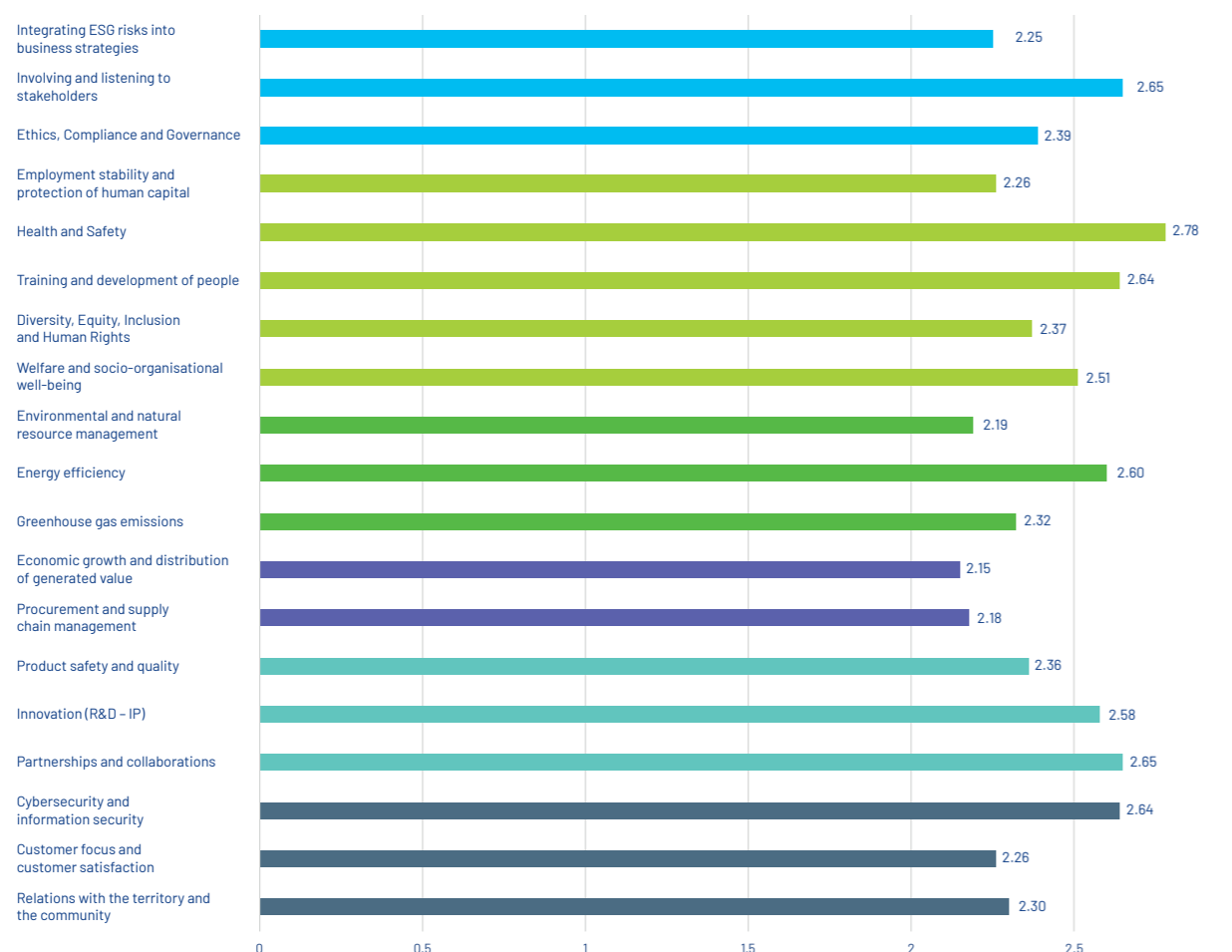
TOPIC	ASSOCIATED NEGATIVE OR POSITIVE IMPACTS	POLICIES, CONTROL TOOLS AND MONITORING METHODS	KPI
DIVERSITY EQUITY INCLUSION AND HUMAN RIGHTS - HUMAN CAPITAL	<ul style="list-style-type: none"> <li>• May have a positive or negative impact on the development of awareness and respect for diversity and inclusion topics and on the individual diversity enhancement</li> <li>• May positively or negatively impacting the stability of employment and economic security for all company staff, without discrimination</li> <li>• May positively or negatively impact the gender gap in terms of opportunities, skills and salary</li> <li>• May positively or negatively impact the protection of fundamental human rights and workers' rights through relevant requirements, procedures, controls and partnerships</li> <li>• May positively or negatively impact respect for meritocracy, the principle of "equal pay for work of equal value" and the elimination of the gender gap.</li> </ul>	<ul style="list-style-type: none"> <li>• Guarantee of equal opportunities for all staff members and maximum inclusion within the Organisation</li> </ul>	GRI 205-3 GRI 206-1 GRI 2-27
ENVIRONMENTAL AND NATURAL RESOURCE MANAGEMENT - NATURAL CAPITAL	<ul style="list-style-type: none"> <li>• May have a positive or negative impact on the preservation of natural resources, the environment and the local community</li> <li>• May have a positive or negative impact on the development of sensitivity and awareness of staff and the market in relation to ESG issues</li> <li>• May positively or negatively influence the impacts of the procurement and disposal process of products/waste and the availability of products and services with high environmental performance.</li> </ul>	<ul style="list-style-type: none"> <li>• ISO 14001:2015 Environmental Management System</li> <li>• Adoption of an environmental policy</li> <li>• Single Environmental Authorisation</li> <li>• Voluntary carbon off-setting (Treedom) and circularity initiative (Sustainable Click)</li> <li>• Waste reduction and recycling measures (Participation in the Ri-Vending initiative)</li> <li>• Digitisation (e.g. paperless approach, meeting rooms, digital signatures)</li> </ul>	GRI 303-3 GRI 303-4 GRI 303-5 GRI 306-2 GRI 306-3 GRI 306-4 GRI 306-5
ENERGY EFFICIENCY - NATURAL CAPITAL	<ul style="list-style-type: none"> <li>• May positively or negatively influence the company's environmental impact and greenhouse gas emissions through procurement from conventional or renewable energy sources</li> <li>• May have a positive or negative impact on the energy crisis following correct or incorrect management of consumption and energy efficiency</li> <li>• May have a positive or negative effect on the environmental impact through the creation of socio-economic value, contributing to the development of local energy communities.</li> </ul>	<ul style="list-style-type: none"> <li>• ISO 50001:2108 Energy Management System</li> <li>• Adoption of an Energy policy</li> <li>• Commitment to the transition towards renewable resources (e.g. installation of photovoltaic panels in the Italian headquarters)</li> <li>• Plant refurbishment initiatives (heating, lighting)</li> </ul>	GRI 302-1 GRI 305-1 GRI 305-2
ECONOMIC GROWTH AND DISTRIBUTION OF GENERATED VALUE - ECONOMIC AND FINANCIAL CAPITAL	<ul style="list-style-type: none"> <li>• May positively or negatively impact the well-being and prosperity of the main stakeholders with whom Fameccanica interacts (e.g. employees, local communities, business partners, etc.)</li> <li>• May positively or negatively impact the creation and/or distribution of economic and employment value for stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>• Accounting systems</li> <li>• Performance monitoring</li> </ul>	GRI 201-1

TOPIC	ASSOCIATED NEGATIVE OR POSITIVE IMPACTS	POLICIES, CONTROL TOOLS AND MONITORING METHODS	KPI
PROCUREMENT & SUPPLY CHAIN MANAGEMENT - ECONOMIC AND FINANCIAL CAPITAL	<ul style="list-style-type: none"> <li>• May have a positive or negative impact on the creation of local economic activities</li> <li>• May positively or negatively impact the environmental and social impacts associated with the activities carried out and by the organisation's contractors</li> <li>• May positively or negatively impact the value for the reference territory, through the collaboration between Fameccanica and its supply network (e.g. opportunities for growth and realization of economies of scale and learning economies, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>• Mainly local supply chain</li> <li>• Supply chain management system</li> <li>• Supplier performance evaluation system</li> <li>• Obligation for suppliers to adhere to the code of ethics and social standards, in particular those on health and safety.</li> </ul>	Supplier performance indicators in terms of: quality, on-time delivery and economic competitiveness - Supplier evaluation criteria
PRODUCT SAFETY AND QUALITY - PRODUCTION AND INTELLECTUAL CAPITAL	<ul style="list-style-type: none"> <li>• May positively or negatively impact the quality and durability of materials</li> <li>• May positively or negatively impact the safety of the product for the customer and the final consumer</li> <li>• May have a positive or negative impact on customer satisfaction, acting on the level of quality of the service offer and the attention to detail for the products.</li> </ul>	<ul style="list-style-type: none"> <li>• ISO 9001:2015 (Quality Management System)</li> <li>• Lean Six Sigma programme</li> <li>• Plant certification according to Legislative Decree 17/2010 and compliance with standard UL 508A, which regulates the design and construction process of control panels.</li> </ul>	GRI 416-1 GRI 2-27
INNOVATION (R&D - IP) - PRODUCTION AND INTELLECTUAL CAPITAL	<ul style="list-style-type: none"> <li>• May positively or negatively impact the availability of investments/capitals for the benefit of the economic system in which Fameccanica operates (e.g. reference sector, geographical district, etc.), with a significant effect - for example - on local employment rates .</li> <li>• May positively or negatively impact the availability on markets of products and services aimed at meeting customer needs, also from an ESG perspective</li> <li>• May positively or negatively impact the contribution to the technological development of the sector and the ability to meet the future needs of customers</li> <li>• May positively or negatively impact the availability of technical solutions/products designed to guarantee compliance with the new ESG regulations (e.g. environmental sustainability, safety, etc.) and with high environmental performance levels.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of IoT technologies</li> <li>• Portfolio of patents and continuous investments for the development of new technologies, strengthening the skills of employees.</li> </ul>	R&D investments
CYBERSECURITY AND INFORMATION SECURITY - SOCIAL AND RELATIONAL CAPITAL	<ul style="list-style-type: none"> <li>• May have a positive or negative impact on the protection of the security and confidential information of customers and all subjects with whom the Organisation interacts</li> <li>• May have a positive or negative impact on the diffusion, along the entire value chain, of one's individual data protection practices, with repercussions on the reference territory and on the rights of the community</li> <li>• May have a positive or negative impact on the offer on the market of products with high performance levels and low vulnerability with reference to cybersecurity.</li> </ul>	<ul style="list-style-type: none"> <li>• ISO 27001:2013 (Information Security Management System)</li> <li>• Employee training and involvement policy</li> <li>• continuous monitoring of the level of security with external assessment</li> <li>• Investments in technology for digital identity protection, physical protection and logical protection.</li> </ul>	GRI 201-1
CENTRAL ROLE OF CUSTOMERS AND CUSTOMER SATISFACTION - SOCIAL AND RELATIONAL CAPITAL	<ul style="list-style-type: none"> <li>• May have a positive or negative impact on meeting the real needs and/or requirements of customers.</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction surveys and market analyses through the Strategic Marketing department</li> <li>• After-sales and remote assistance service (24/7)</li> <li>• Planning of customised customer-oriented strategies.</li> </ul>	GRI 416-1 GRI 416-2

Compared to the outside-in approach, represented in the size of the matrix's bubble, the following is a breakdown of the average scores obtained from the individual topics, evaluated on a scale of increasing relevance:

- The "Low" rating indicates that the financial impacts generated by the ESG issue are not present or are negligible for Fameccanica and corresponds to a score of 1.
- The "Medium" rating indicates that the financial impacts generated by the ESG issue have been assessed as being of medium relevance, and corresponds to a score of 2.
- The "High" rating represents generated financial impacts that are considered very or extremely relevant for Fameccanica's business continuity and corresponds to a score of 3.

OUTSIDE-IN SIGNIFICANCE OF TOPICS



All the topics obtained a medium-high score and the ESG topics that can most significantly impact Fameccanica's ability to generate economic value are:

- Innovation
- Employment stability and protection of human capital
- Customer focus and customer satisfaction
- Ethics, Compliance and Governance
- Product safety and quality

These topics are among the most material even when applying the inside-out approach represented in the axes of the matrix. This highlights a substantial coherence between the perspectives and in Fameccanica's approach to sustainability.



# IDENTITY & GOVERNANCE



## Fameccanica today

Fameccanica is the main company of Angelini Technologies, part of the Angelini Industries Group and operates in the automation and robotics sector for the consumer goods industry.

The company provides high performance machinery and technologies and digital services with high added value, while focusing on the sustainability of its processes and meeting the needs for competitiveness on the market and innovation of its customers.

Angelini Industries' acquisition of 50% of Fameccanica.Data S.p.A., which had been an equal joint venture between Angelini Industries and the American multinational P&G since 1992, was finalised when the closing documents were signed in June 2022.

As a result of this agreement, announced in March 2022, Angelini Industries gained 100% ownership of Fameccanica. This transaction represents the first step towards the creation, within Angelini Industries, of an ecosystem of companies dedicated to the design and development of technologies, products and services for improving production and industrial processes.

Founded in 1975, Fameccanica specialised from the onset in the design and manufacture of production lines for consumer goods and went on to become a leader in the sector of disposable hygiene products. Fameccanica has constantly innovated over the years, developing new high-performance technologies and digital services with high added value, and is now a key player in Smart Factory Automation.

Today, with more than 1,300 machines delivered worldwide, more than 800 recognised patents, and over 600 employees at its three production sites in Italy (San Giovanni Teatino, in the province of Chieti), China (Shanghai) and the United States (West Chester), Fameccanica designs and develops products, solutions and services to improve automation and production processes for a wide range of products such as: disposable absorbent products for personal hygiene, personal care products and home care products, as well as more sustainable packaging solutions. An internationally recognised leader in the Hygiene sector, Fameccanica has specialised for many years in the production of equipment for manufacturing absorbent products for children and personal hygiene. Fameccanica is a powerhouse of sustainable innovation providing everything from digital services (Internet of Things - IoT) to the automation of complex industrial processes.

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. The company creates solutions for automation, optimisation of processes and innovations for the supply of raw materials for production plants, automated solutions and systems for "assembled products", and digital solutions for connecting production plants (IoT).

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, which 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.

**We develop solutions, production plants and technologies for the manufacture, automation and packaging of consumer goods.**

## An overview of our history

Founded in 1975, in the province of Chieti, Fameccanica is now the main company of Angelini Technologies, part of the Angelini Industries Group. 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. Fameccanica's history tells of important awards and innovations, with more than 1,300 machines delivered worldwide and more than 750 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 industrial automation.



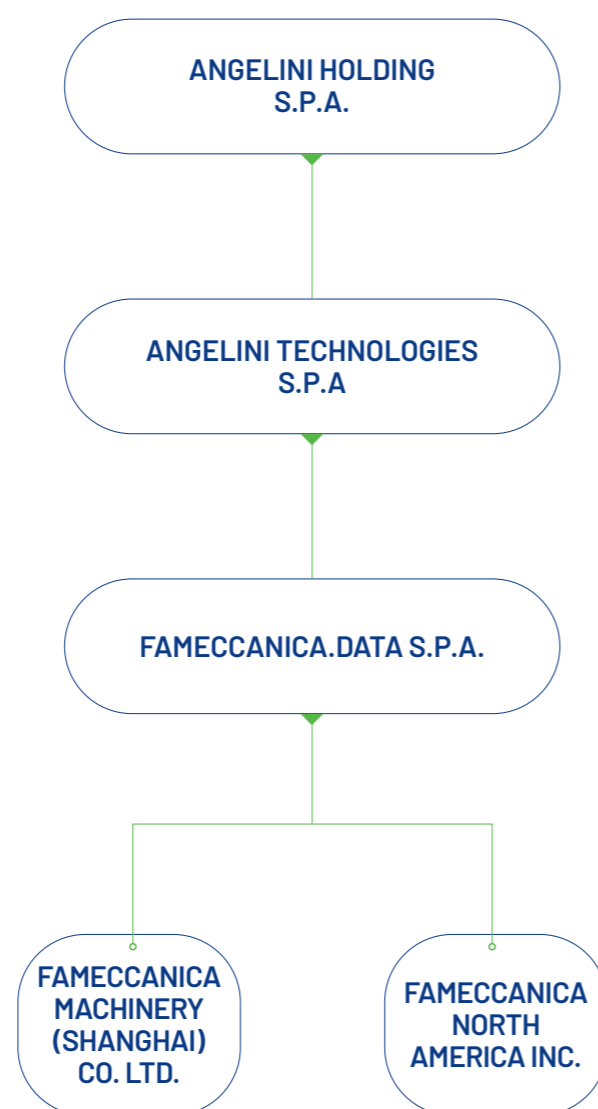
## Corporate structure

The Fameccanica Group consists of Fameccanica. Data S.p.A. (hereinafter also “the Company”) with a single shareholder, and the two subsidiaries Fameccanica Machinery Shanghai Co. Ltd. and Fameccanica North America Inc., wholly owned. Fameccanica. Data S.p.A., with a single shareholder, is subject to the Management and Coordination of Angelini Holding S.p.A.: it is wholly owned by Angelini Technologies S.p.A., which, in turn, is wholly owned by Angelini Holding S.p.A., the company heading the multinational Angelini Industries Group.

## Structure and governance

Fameccanica.Data S.p.A., a limited liability company with a single shareholder, has a fully paid-up share capital of eur 18,592,560.00. 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 course of its business. The Board of Directors is the body entrusted with the management of the Company's ordinary and extraordinary activities, with the exception of those activities that by law or by the Articles of Association are entrusted to the Shareholders' Meeting; within the scope of its powers, the company is represented by the Chief Executive Officer, both vis-à-vis third parties and in court, with the power to bring judicial and administrative actions and petitions at all levels of jurisdiction. The Board of Directors is made up of three executive members and 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. Board members are selected via indication and subsequent appointment implemented by a resolution during the annual general meeting. Pursuant to the Italian Civil Code, the Company is not expected to have internal board committees.



BOARD OF DIRECTORS AS OF 31/12/2022	GENDER	AGE RANGE	ROLE
Marco Morbidelli	Male	> 50	Chairman of the Board of Directors
Alessandro Bulfon	Male	> 50	Chief Executive Officer
Massimo Marin	Male	30-50	Director

The Board of Statutory Auditors, consisting of three permanent auditors and two substitute 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 AS OF 31/12/2022	GENDER	AGE RANGE	ROLE
Fabrizio Marchetti	Male	> 50	Permanent auditor
Lorenzo Barbone	Male	> 50	Permanent auditor
Riccardo Tiscini	Male	> 50	Permanent auditor – chairman
Gianluca Leone	Male	30-50	Substitute auditor
Giuseppe Marciano	Male	> 50	Substitute auditor

The Supervisory Board has the task of regularly monitoring and verifying the effectiveness of the Company's Organisation, Management and Control Model, as well as updating the Model itself following regulatory or organisational changes. This body is also responsible for ensuring compliance with the rules protecting conflicts of interest of the Board of Directors.

SUPERVISORY BOARD AS OF 31/12/2022	GENDER	AGE RANGE	ROLE
Daniele Del Monaco	Male	> 50	Permanent members
Giuseppe Emiliano Vaciago	Male	30-50	Permanent members
Giovanni Cali	Male	> 50	Permanent members



# Vision, Mission and Values

The fundamental values that inspire and guide Fameccanica's organisational culture, strategic decisions, operations and relations with customers 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

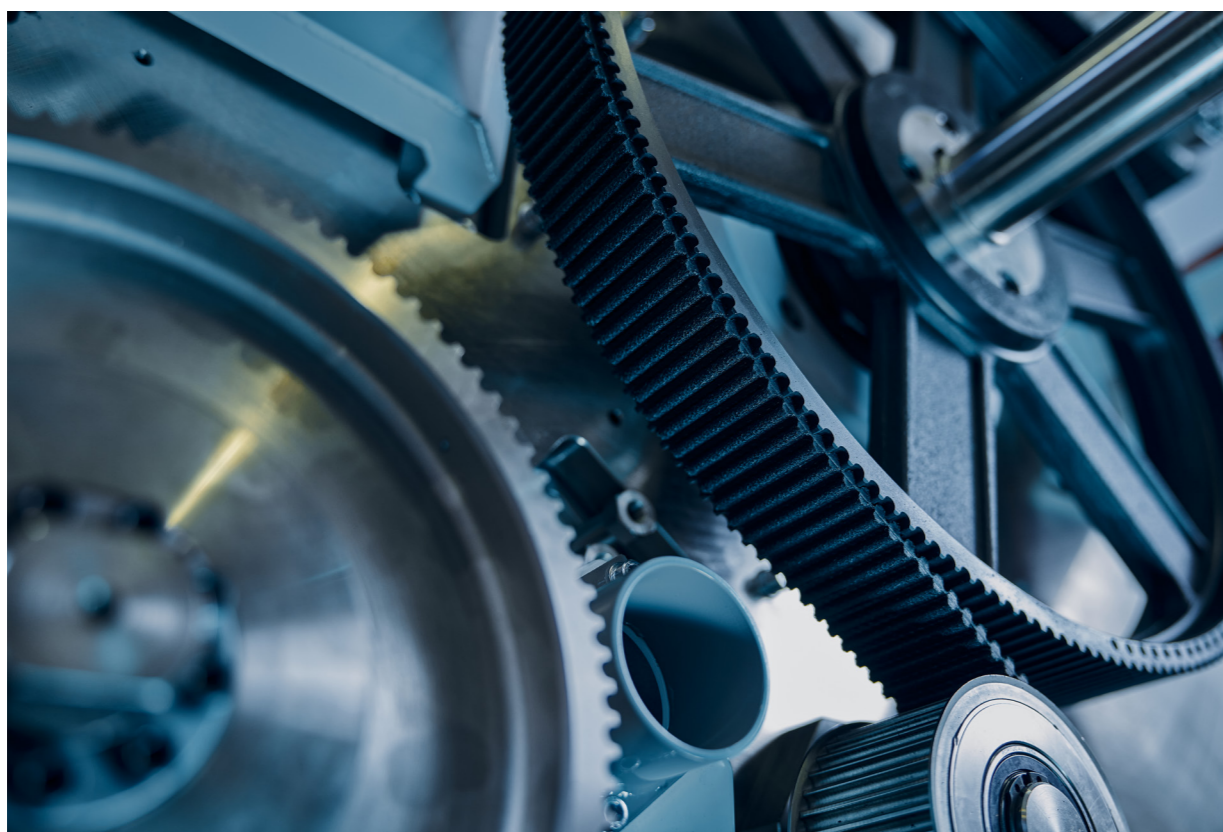
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We aim to innovate to build a better future for everyone, every day. Advanced technology, state-of-the-art products and solutions, and human capital are the concrete expression of our culture of innovation.

## MISSION

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



### Focusing on our mission:

#### RESEARCH

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- Aiming for excellence 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.

#### INTERNATIONALITY

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- Taking decisions that have a global impact
- Believing in the importance of collaborating with customers and partners or supporting them in their activities.
- Bringing creativity and values linked to one's origins
- Cultivating international partnerships.

#### RESPECT

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- Living in an 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.

#### COMFORT

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- Caring about the well-being of people and their families
- Listening and looking after 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

The pillars that guide the company every day and lead to actions that consciously inspire the growth of Fameccanica's people are based on the values of Angelini Industries: Ethics and Responsibility, Performance, Innovation, Engagement.

### 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 personal goals and the goals of the Team. We are determined to make things happen and to give our best in all circumstances, with speed, thought and transparency. We pursue excellence, constantly seeking 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.

### ENGAGEMENT





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.

## Qualifying management systems and certifications

The interest and respect for all those who come into contact with Fameccanica, together with the recent needs of the global market, have led the company to develop over time a particular sensitivity to aspects of quality and customer satisfaction, information security, occupational health and safety, environment, and energy. In this regard, the Company has voluntarily adopted and implemented the relevant management systems in accordance with international reference standards, with a view to monitoring performance and obtaining the relevant certifications following periodic third-party audits carried out by accredited bodies.

The certifications are a guarantee of commitment to quality, the security of information, and protection of the environment and of the health and safety of people through energy-efficient processes. In Italy, the company pursued the initiative of integrating the Management Systems in order to avoid duplication or overlapping of procedures, to create synergies between important management phases, and to absorb existing activities that serve different purposes and that can be used, combined and distributed in the integration process. The aim of this project was to increase the effectiveness and efficiency of operation, implementing tools for keeping the processes and activities under control with an Integrated Policy System linked to specific reference policies.

1.		ISO 9001:2015 <b>Quality</b>
2.		ISO 14001:2015 <b>Environment</b>
3.		ISO 45001:2018 <b>Occupational Health &amp; Safety</b>
4.		ISO 50001:2018 <b>Energy</b>
5.		ISO 27001:2013 <b>Information Security</b>

### INTEGRATED POLICY SYSTEM FAMECCANICA

Consistent with the values of Ethics & Responsibility, Innovation, Performance and Engagement, and in compliance with ESG (Environmental, Social, Governance) factors, Fameccanica pursues

the creation of value and continuous improvement objectives through a structured process of information security management, promotion of product and service quality, protection of occupational health and safety, reduction of environmental impacts, and reduction of energy consumption. In 2021 Fameccanica launched the Management System Certification Project according to the ISO 27001 standard "Information Security Management", which concluded in June 2022 with the achievement of Third Party Certification. The pursuit of accredited ISO 27001 certification demonstrates the Company's commitment to adopting international best practices in information security and ensures an independent and qualified audit by an accredited third party.

## AEO

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Fameccanica was recently 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 AEO (Authorised Economic Operator) status certifies a specific situation of trustworthiness of a particular entity towards 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.

The advantages of such organisation are: 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-authorized 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. During the first half of 2022, the Company transmitted the self-monitoring template for maintaining certification as required by the relevant provisions.

## QUALITY AND CONTINUOUS IMPROVEMENT (ISO 9001)

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ISO 9001 defines the requirements for the implementation of a Quality Management System and is the best known and most widespread standard to ensure continuous improvement of the level of quality provided. In this regard, the Company has also adopted the Lean Six Sigma approach, which combines the principles and tools of Six Sigma and Lean production in order to eliminate waste (MUDA) and optimise the use of resources, work areas and production cycles, while ensuring high quality in production and process management through the application of the five phases of the DMAIC process: Definition, Measurement, Analysis, Implementation and Control.

The correct adoption of the approach can guarantee, on the one hand, the improvement of quality of the product or service by eliminating production defects and controlling problems related to the standard deviation of processes (Six Sigma), and on the other hand, the reduction of waste, optimisation of resources and creation of value for the customer, as well as the maintenance of the level of quality achieved, thanks to the concept of continuous improvement (Lean production).

## INFORMATION SECURITY (ISO 27001)

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The ISO 27001 standard represents the framework for the implementation of Information Security Management Systems in line with best practices for the protection of information assets.

## HEALTH AND SAFETY (ISO 45001)

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The ISO 45001 scheme is one of the most important international tools for the management of occupational health and safety issues, with the ultimate goal of helping companies provide a safe and healthy working environment for their employees and visitors.

## ENVIRONMENT (ISO 14001)

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ISO 14001 is the certified standard that demonstrates 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.

## ENERGY (ISO 50001)

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The ISO 50001 certification specifies the requirements for creating, launching, maintaining and improving an energy management system.

## ECOVADIS (SUSTAINABILITY RATING)

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In a world that is increasingly looking to the development and implementation of sustainable practices that can create value while reducing impact on the environment and paying greater attention to society, it is becoming all the more important, and a way of gaining a competitive edge, to adhere to international compliance standards and principles of eco-sustainability.

More and more companies require their suppliers to fulfil a set of ethical and eco-sustainability requirements for mapping the value chain, in order to ensure a sustainable business model with a proactive approach to the management of multiple stakeholders and a medium-to long-term time span.

EcoVadis is one of the most important international sustainability rating platforms, and assigns a score that demonstrates a company's commitment to sustainability issues, as well as ensuring high transparency and visibility of the company to an audience of potential customers and stakeholders increasingly interested in the sustainability levels of its supply chain.

EcoVadis is, in fact, one of the world's leading international environmental sustainability rating providers which more than 90,000 companies turn to for solutions for continuous monitoring and optimisation of sustainability projects for global supply chains. The assessment model, based on globally recognised standards such as GRI (Global Reporting Initiative), UNGC (United Nations Global Compact) ISO 26000 (Standard on Social Responsibility) and overseen by an international scientific committee, consists of a questionnaire to ascertain the supplier's performance in relation to the following 4 macro-environments: Environment, Labour and Human Rights, Ethics, Sustainable Procurement.

Fameccanica has always been committed to ESG issues and achieved an outstanding result in the EcoVadis examination of corporate sustainability in Italy, receiving the Gold Medal; it ranks among the top 5% of globally evaluated companies with the best scores and among the top 2% of performing companies in its sector.

## Approach to sustainability

In line with its vision, mission and founding values and with the approach of the Angelini Industries Group, Fameccanica has made a real commitment to sustainability, considering the latter as a way to maintain a competitive edge and show responsibility towards the future and future generations. For Fameccanica, sustainability means reducing the impact of its activities on the one hand, and implementing initiatives aimed at the well-being of people, the company and the environment on the other. 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 Board of Directors, which is responsible for approving the business strategies attributable to Fameccanica.Data S.p.A. and economic/strategic decisions, with reference to the issue of sustainable development, together with Management has undertaken the commitment to direct corporate decisions in compliance with the principles of fairness and dignity towards everyone and the environment. Fameccanica aims to not exploit the natural systems from which the resources are drawn to the point of depletion and not to exceed their capacity to absorb waste generated by the activities of all the companies part of the Group. The objective is, therefore, not to

compromise the ability to meet the needs of either present or future generations. An example of the will and commitment in the field of sustainability is the creation of the photovoltaic system at the headquarters of Fameccanica. Data S.p.A. This will guarantee an energy autonomy equal to approximately one quarter of the overall requirement when fully operational.

### ETHICAL CONDUCT AND REGULATORY COMPLIANCE

Fameccanica's actions are based on the ethical principles specified in the **Code of Ethics** and in the **Organisation, Management** and Control Model, 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 – it implies that doing what is morally correct and responsible in the day-to-day running of the business, without compromising any of the founding principles. To prove our attention to the topics envisaged in the Code of Ethics and in the Organisation, Control and Management Model, a training course on both the Code of Ethics and the Model is held for all new recruits during the on-boarding stage<sup>[1]</sup>.

### PREVENTION OF ACTIVE AND PASSIVE CORRUPTION

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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. In this regard, training is given to all staff and compulsory session has been implemented in accordance with Legislative Decree 231/01. It focuses on the topic of corruption with film clips illustrating some practical examples.

Money can only be withdrawn from the Company following specific procedures, which guarantee an adequate decision-making process and the separation of duties; in particular, all processes must include the following elements:

- Separation, within each process, of the subject taking the decision (decisional impulse) from the subject who carries it out and from the person who is entrusted with the control of the process itself (so-called "segregation of functions")
- Written record of each important step in the process (so-called "traceability")
- Adequate level of formalisation.

### LEGAL AFFAIRS AND CORPORATE GOVERNANCE

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Fameccanica's Legal Affairs Office performs constant control and monitoring of regulatory and jurisprudential developments, incorporating important changes and adjusting the internal regulatory framework accordingly, ensuring that activities are compliant with regulations. It is also responsible for verifying compliance with this system both in its internal application and in relations with stakeholders.

The Legal Affairs Office stimulates and encourages virtuous behaviour by the other "bodies" of the company and carries out core activity that, when conducted according to best practice, conveys a strong and clear message on the sustainability of the Company and its value. Therefore, when carrying out its activities, the Legal Affairs Office therefore seeks to propose innovative and alternative solutions that can improve the company's sustainability, transferring the values and knowledge gained in its professional field to other areas of the company.

Compliance with ESG rules and parameters by all corporate functions also involves the Legal Affairs Office, which offers its knowledge and technical and implementation support, mediating between the different corporate functions. A concrete example of environmental sustainability implemented by the Company's Legal Affairs Office is the reduction of the paper-based material used. Namely, this objective was achieved through the computerisation of digital archiving processes (DiliTrust platform) regarding all company documentation with legal/evidentiary value. The Legal Affairs Office has the essential objective of developing a corporate governance and culture based on the principles

[1] The course, which also includes additional sessions in case of updating, covers the following aspects:

- Accounting management, budget, extraordinary operations and relations with members and other corporate bodies, as well as the management of monetary flows and financial resources
- Management of the acquisition and/or management of contributions, grants, financing, insurance or guarantees granted by public bodies
- Management of relations with government agencies, in case of negotiations, obtainment of administrative measures and inspections
- Management of travel and entertainment expenses, gifts, advertisement and sponsorships
- Obligations regarding health and safety at work and the environment
- Management of disputes and settlement agreements
- Procurement of goods, services and consultancy
- Selection, hiring and management of personnel
- Management of information systems
- Tax and customs offences

of legality, transparency, traceability, fairness, the prevention and fight against corruption, and the protection of rights. The same Office ensures corporate compliance through:

- The adoption, promotion and continuous updating of corporate models or codes of conduct through the OMCM (Organisational, Management and Control Model pursuant to art. 231/2001) and the Corporate Code of Ethics
- The guarantee that the processing of personal data (of both employees and customers/suppliers) by the company is carried out in a lawful, correct and transparent manner. The implementation of privacy compliance is ensured not only through monitoring compliance with the regulations and provisions adopted by national and European supervisory authorities, but also through the adoption of a Privacy Organisational Model (MOP). Through this document, the Company identifies corporate strategies, general guidelines and internal operational provisions, as well as roles, tasks and responsibilities for the correct management of personal data protection within the company, in accordance with the provisions of applicable privacy legislation.

## CODE OF ETHICS

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For the company, 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 Angelini Industries group recognises, accepts, shares and adopts. In this regard, with a specific resolution of the Board of Directors dated 15<sup>th</sup> September 2022, **the Company has adopted the Code of Ethics of Angelini Industries**, which contains the values and principles shared by the entire Group and is a binding corporate document in every respect. All Fameccanica employees are provided with specific training on its content.

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, accountability, 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 staff at Fameccanica, without distinction or exception, shall act and behave according to the principles and contents of the Code of Ethics within the scope of their work and responsibilities, in the awareness that compliance with the above Code is essential to the quality of their work and professional performance.

## ORGANISATIONAL MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001

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By decree no. 231 of 2001, the regulation relating to the administrative liability of companies in relation to certain types of crime identified by the same legislation and committed, in the interest and to the advantage of the body, by certain categories of subjects was introduced.

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 for certain types of offence, is an act of social responsibility which benefits all stakeholders: shareholders, users, employees, creditors and all other parties whose interests are linked to the fate of the Company. The last update of the Organisation, Management and Control Model ("Model") dates back to May 2021.

One of the aims of the Model is to instil in employees, corporate bodies, consultants and commercial partners, who work on behalf

and in the interest of the Company in the context of specific sensitive activities, respect for the roles, operating methods, protocols and of the organisational model adopted and awareness of the social and procedural value of this model in order to prevent the commission of the predicate crimes identified by the Legislative Decree 231/2001. 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.

## WHISTLEBLOWING

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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.

**The Policy is intended to regulate the procedures for making and handling reports of alleged irregularities or offences which come to people's attention**, with the aim of:

- Describing and regulating the process of reporting alleged irregularities or offences, providing the whistleblower with clear operational instructions on the subject, contents, recipients and methods of transmission of the reports, as well as on the forms of protection established by the Company in accordance with the regulatory provisions
- Regulating the procedures for ascertaining the validity and substantiation of reports in order to take appropriate corrective and disciplinary action, if necessary.

The Company does not allow or tolerate any act of retaliation or discrimination, either direct or indirect, affecting working conditions, against the whistleblower for reasons directly or indirectly linked to the report. Retaliatory and/or discriminatory measures include all unjustified disciplinary actions and any other form of retaliation leading to a downgrade in working conditions.

## MONITORING AND MANAGING NON-FINANCIAL RISKS

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Fameccanica is constantly working on this issue in order to ensure maximum protection of productivity levels, anticipate market demands and seize further opportunities to improve the quality and safety of the products it manufactures.

As described above, the quality of the company's system is ensured by adherence to the procedures of the Quality Management System, the drive for continuous improvement, the precise and assiduous training of the resources involved, the constant monitoring of internal and external processes, and the control of related risks.

Specifically, Fameccanica performed an initial analysis of the type of non-financial risks to be considered, classifying them into four macro-categories:

- Protection of competitive advantage (country risk, industry risk, production risk, logistics risk, customer dependency risk)
- Risks associated with the supply chain (risk of unqualified supplies, risk of procurement of materials and raw materials, risk of supplier dependency)

- Risks associated with human capital (risks associated with the management of talent and development of skills, risks associated with occupational safety and protection of the health of employees)
- Risks associated with the environment (operational risks associated with environmental legislation and accidents with environmental repercussions, risks associated with waste management).

This represents the first step in setting up an effective risk management system, which must lead to the definition of appropriate mitigation actions.

### CONTRIBUTION TO THE SDGS

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 intention of "leaving no one behind".

Its strong commitment to Sustainability bears witness to and tells of the conviction that innovation, inclusion, talent development, environmental protection and attention to the communities in which Fameccanica operates are fundamental for a new sustainable model of economic, business and social development.

In order to commit itself to the SDGs, Fameccanica carried out an accurate self-assessment of its level of adherence to the Sustainable Development Goals of the 2030 Agenda with reference to the Company's business model, with a dedicated project and a special working group involving the entire organisation where each team member contributed to the collection of qualitative and quantitative information through the use of a new strategic and operational tool for assessment: SDGs Action Manager.

The tool was recently launched by the UN Global

Compact and B Lab and is designed to support companies in measuring and developing the impact of their sustainability performance, thereby helping them achieve the SDGs through dynamic self-assessment, benchmarking and improvement.

The diagram below shows how Fameccanica's business model contributes in various ways to all SDGs, with a greater emphasis, understandably, on SDG 8 (Decent work and economic growth) and SDG 9 (Business, innovation and infrastructure), SDG 4 (inclusive and equitable quality education) and SDG 12 (responsible consumption and production), and so on with the other SDGs.

### SDG ACTION MANAGER ASSESSMENT - FY 2021-2022



In order to manage the aspects of sustainability and create synergy between the different organisational units, Fameccanica has set up an inter-functional Sustainability Team that carries out brainstorming, mapping and constant monitoring of the ESG initiatives undertaken by the Company and information sharing.

One of the results produced by the Sustainability Team is the mapping of ESG issues of interest to Fameccanica associated with their potential contribution to the individual SDGs and the organisational areas involved. This mapping is an important starting point for any sustainability initiative and for creating corporate culture and awareness of the SDGs and the practical actions that can be carried out to achieve them.

ESG ISSUES	AREA / DEPARTMENT INVOLVED	SDGs	ESG ISSUES	AREA / DEPARTMENT INVOLVED	SDGs
Diversity, Inclusion, Gender Equality & Education	HR & Organisation	   	Sustainable Product & Marketing Aspects	Marketing /Sales	 
Employee Mobility: Business Travel & Employee Commuting	HR & Organisation	 	Sustainable Design	R&D/ Engineering	 
Health, Safety & Environment	HSE	     	Testing/ Production Aspects	Engineering	  
Energy, Buildings & Utilities Aspects	Shared Services		Digital Factory	ICT/ Business Development	 
Green/Sustainable Procurement	Procurement		Communication aspects (Initiatives, Community, Reporting, etc..)	Communication	  
Value Chain (Transportation & Distribution)	Logistics	   	Sustainable Finance & Corporate Economic Governance	Finance	 
Sustainable Business Model: ESG Identity /Corporate Purpose, Strategy	Business Development	     	Legal Affairs & Corporate	Legal	 
Process & Production Aspects	Operations	 			

## OTHER SUSTAINABILITY INITIATIVES

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In addition to the above-mentioned initiative, other project activities relating to sustainability issues in the various company areas have been initiated over the past two years:

- Process digitisation (e.g. paperless approach, meeting rooms, digital signatures, Digital Factory, Server 2.0)
- Customer service (remote assistance, IoT, data analytics, cloud computing, 3D Digital Twin, E-commerce, energy saving, machine fleet update)
- Operations (e.g. warehouse picking & paperless, warehouse internalisation, 3D printing)
- HR & organisation (e.g. Work-life balance, Agile work, work orientation and collaborative development, TecnicaMente, School-to-work projects)
- HSE/Health Safety Environment (e.g. Waste management, Phytostatic risk assessment and CO<sub>2</sub> offsetting)
- R&D/engineering (e.g. LIFE ALL-IN, Sustainable packaging)
- Shared Service/Energy (Lighting adaptation of Fameccanica Plant, Replacement of hydro-filter pumps, Plant digitisation).

The benefits of implementation of the above-mentioned initiatives are reduction of CO<sub>2</sub> emissions, optimisation of processes and spaces for waste management, reduction of plastic and waste, optimisation of costs, improvement of working conditions, etc. Some of the initiatives are described in more detail in the relevant paragraphs and chapters of this Report.



# PRODUCTION AND INTELLECTUAL CAPITAL



The Fameccanica Group designs and develops technologies, services for the industrial production of FMCGs (Fast-Moving Consumer Goods) and digital services for process optimisation. Since its foundation in 1975, 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 in order to offer a wider range of Automation and Robotics solutions, namely:

- Equipment and/or technologies for the production of personal hygiene products, sanitary products and household and personal care products
- Automatic plants for “assembled products”
- Digital solutions to monitor and improve the productivity and energy consumption of production facilities.

Fameccanica also develops, in cooperation with the German company Optima Packaging Group, production lines for packaging single-use hygienic products under the registered trademark PAKSIS.



## Operating companies



### FAMECCANICA ITALY



Fameccanica.Data S.p.A. is the 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 customers a real competitive advantage and a high level of expertise in design, creativity, engineering, production and testing of machines with the most efficient performance.

#### A TEAM EFFORT

The Sales and Marketing area analyses the needs of customers and market trends and devises unique and effective ways of finding the best solutions to meet requirements, while Customer Service helps customers to make the most of their machinery.

Design and R&D create projects that meet customers' expectations through the use of advanced technologies, exclusive design and reliable, validated processes. The Logistics and Operations area is able to operate quickly and effectively, carrying out production activities efficiently and delivering orders accurately and on time.

### FAMECCANICA MACHINERY SHANGHAI



Fameccanica Machinery Shanghai represents excellence in the production and marketing of high-tech machinery mainly intended for Asian markets.

The solutions provided guarantee customer companies quality and reliability, thanks to the innovative features of the products offered. The Chinese facility is characterised by production efficiency for constant cost-effectiveness, a high standard of quality and maximisation of the life cycle of the machinery used.

#### A TEAM WORKING IN PERFECT HARMONY

The Engineering Team creates projects and assists the Production Team in procurement and in the assembly of machines; it also collaborates with the Sales and After Sales departments to provide customers with the best service.

The dedicated sales team works closely with customers, focusing on their needs.

The Customer Service provides technical support and continuous training: part of the staff coordinates the supply of spare parts, while a Service Team, involved in design, purchasing and production, deals with the technical side. Specific resources are dedicated to the Quality System to check each stage of the order fulfilment process (from material procurement to production and delivery) against the highest quality standards.

### FAMECCANICA NORTH AMERICA



Fameccanica North America (FNA), with offices in West Chester, Ohio, is the point of reference for know-how on machinery, upgrade kits and pre- and after-sales services.

FNA is a strategic partner that utilises the Fameccanica Group's expertise to develop unique product concepts and innovative technologies, together with consulting and technical assistance. In addition to advanced manufacturing technologies, the US facility features collaborative processes in design, consulting, sales and parts service involving local professionals.

#### A BUSINESS DEVELOPMENT STRATEGY

Fameccanica North America has, over time, established relationships of trust and mutual benefit with its customers. The company's improvement objectives are to maintain profitable business relations and a valuable after-sales service, working to constantly meet specific local needs in terms of high quality and competitive prices while always using the Group's innovative processes and technologies.

## Product safety and quality

To guarantee the excellence of its products, Fameccanica holds the **ISO 9001 certification for its Quality Management System**. The Quality Management System processes focus in particular on the **work order management process**: Fameccanica's business model is based on activation of the production process once the order is received from the customer, and a system that guarantees the highest level of transparency throughout each stage of a project, which is fundamental for the delivery of highly complex solutions within the planned timeframe. The Company certifies 100% of its equipment in accordance with EC regulations, with reference to Legislative Decree 17/2010 implementing the **Product Directive 2006/42/EC**, with the dual purpose of, on the one hand, guaranteeing the free movement of goods within the Member States of the European Union based on mutual recognition and technical harmonisation and, on the other hand, safeguarding the health and safety of people protecting them against the 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. EC certification also involves the **preparation of a technical file** containing the risk assessment and the measures taken to eliminate or minimise any risks, as well as the compulsory technical documentation, i.e. the "Spare Parts Manual" and the "Instruction manual for the use and maintenance of machines".

Furthermore, Fameccanica is authorised to affix the **UL 508A** plate in all its Plants (Underwriters Laboratories Inc.) for switchgear, which **certifies that the plant design and construction process complies with the relevant standards and essential safety requirements**.

As a demonstration of compliance with ethical principles, **the Group ensures that all its products are not dual use**, i.e. that the goods and technologies sold cannot be used in the manufacture and development of different types of weaponry.

## Responsible selection of materials

Fameccanica manufactures its systems using two main families of components. **Commercial components** – which in terms of economic volume account for 50 per cent of the raw material costs of plants – can be either standardised or more or less complex units consisting of even thousands of sub-components. In addition to these, there are **components made to measure (design components)** for which mainly steel and aluminium and a smaller percentage of 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 protecting the parts and/or plants within the primary packaging.

## Process and product innovation

The combination of product and innovation, which distinguishes the Fameccanica Group's business strategy, guarantees the company a prominent position in the market and the ability to meet the complex needs – both in terms of products and services – of its customers, in a world that is constantly evolving and where social and environmental challenges have become increasingly urgent.

In detail, the growth areas Fameccanica is focusing on include:

### HYGIENE

- Area in which it designs and develops technologies and production lines for the manufacture of single-use hygienic products in accordance with market requirements, which are increasingly orientated towards sustainable, superior quality and safe products for the end user

### PERSONAL & HOME CARE

- Area in which Fameccanica develops technological solutions for the production and assembly of Home and Personal Care products

### AUTOMATION

- Fameccanica develops innovative solutions for the automation and optimisation of industrial processes.

### SUSTAINABLE PACKAGING

- Fameccanica develops innovative and integrated systems for the production of more environmentally sustainable packaging.

Over the last few years, thanks to continuous investments aimed at introducing new technologies and strengthening the skills and knowledge of those employed in Research and Development, Fameccanica has been able to finance and implement various national and international projects. This is where the LIFE ALL-IN project implemented as part of the European LIFE programme fits in.

#### LIFE ALL-IN PROJECT



- Part of the European LIFE\* programme; the aim of the project is to launch an innovative eco-friendly integrated process that is the first to combine, on the same machine, the AHP production process with processes for the in-line processing of raw materials normally produced off-line. The expected results are a 23% reduction in raw materials and a 10% reduction in CO<sub>2</sub>. This includes processes developed for the in-line processing of material such as 3D Topsheet and in-line perforation of non-woven material.

#### GREENPACKT®



- An innovative integrated system patented by Fameccanica, aimed at developing sustainable packaging solutions and capable of combining technology and the environment to make the packaging industry more environmentally sustainable.

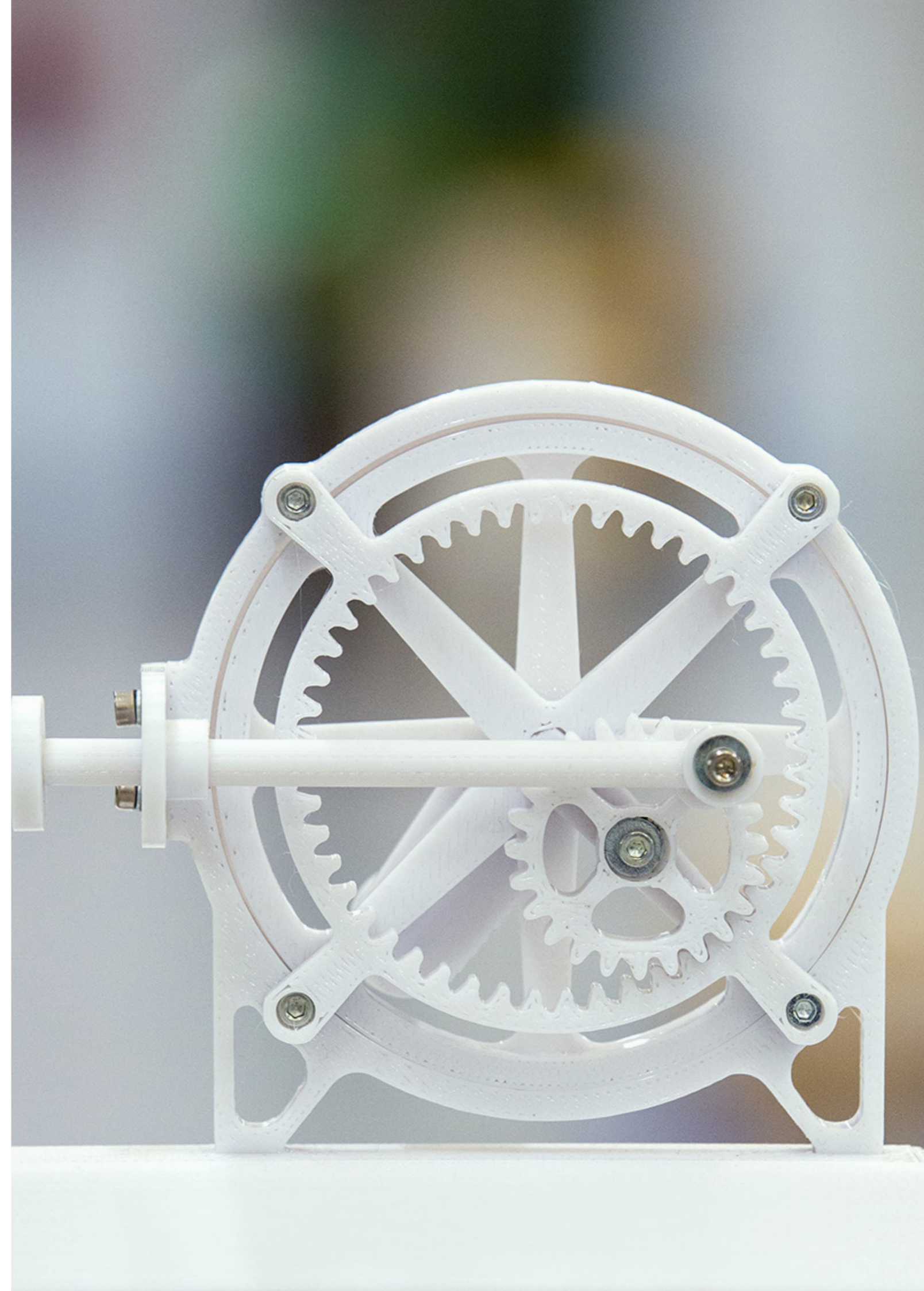
Business performance is also improved with the digital strategy adopted by the Organisation. An example of this is the implementation of IoT (Internet of Things) technologies in the products and the development of digital applications to:

- Monitor production performance and identify causes of waste
- Monitor the use of electricity and reduce its consumption
- Measure the consumption of raw materials
- Monitor plant performance
- Monitor the wear and tear of components.

During the last year, the company set a budget for investment in new, more efficient machines to achieve significant benefits, including:

- Higher revenue due to increased productivity
- Internalisation of processes
- Lower maintenance costs
- Efficiency and reduction of spare parts (and therefore maintenance)
- Improved safety.

Lastly, Fameccanica attaches strategic importance to patents. Fameccanica currently has a portfolio of more than 800 recognised patents. In 2022 it filed 25 new patent applications with the Italian patent and trademark office.



# ECONOMIC AND FINANCIAL CAPITAL



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 and personal and family support. To this end, the Company has built and maintains a fruitful dialogue with trade union representatives, in order to find the best solutions and reconcile workers' needs 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.

For this reason, Fameccanica has developed performance measurement systems 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 any suitable corrective actions for improvement and innovation. The Company uses accounting systems which enable it to record, measure and represent the important aspects of management according to the multiple objects 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, regular bookkeeping ensures that the processes for 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 Annual Report is also subject to statutory auditing. Every year, Fameccanica's Board of Directors submits an Annual Report to the General Meeting of Shareholders for approval.

## INTERNATIONAL TURNOVER DETAILS

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Below are the tables that show, for Fameccanica.Data S.p.A., the breakdown of revenues by geographical area and type of services (sales, after-sales services, other).<sup>[2]</sup>

Fameccanica.Data S.p.A REVENUES BY GEOGRAPHICAL AREA (euros)	2020	2021	2022
EMEA (Europa, Middle East & Africa)	142,169,469	117,879,858	101,732,624
NAM (North America)	21,610,929	23,315,981	56,181,105
LAM (Latin America)	2,230,970	14,502,390	24,342,227
APAC (Asia Pacific)	11,864,754	7,391,368	3,209,815
<b>TOTAL</b>	<b>177,876,122</b>	<b>163,089,596</b>	<b>185,465,771</b>

Fameccanica.Data S.p.A TURNOVER FOR SERVICES (euros)	2020	2021	2022
Sales	148,725,584	138,971,024	159,210,343
After-sales services	29,150,538	24,118,572	26,255,429
<b>TOTAL</b>	<b>177,876,122</b>	<b>163,089,596</b>	<b>185,465,771</b>

Looking at the turnover achieved by the individual companies, it can be deduced that over 85% of the turnover is achieved in Italy by Fameccanica.Data S.p.A., approximately 14% by US subsidiary Fameccanica North America and the remaining 1% by Chinese subsidiary Fameccanica Machinery Shanghai.

TURNOVER BY COMPANY (euros)	2020	2021	2022
Fameccanica.Data S.p.A.	177,876,122	163,089,596	185,465,771
Fameccanica Machinery Shanghai	8,836,066	10,683,609	2,499,753
Fameccanica North America	20,303,924	31,383,809	31,090,221
<b>TOTAL</b>	<b>207,016,111</b>	<b>205,157,015</b>	<b>219,055,745</b>

Below are the tables showing international turnover details by geographical area and type of services (sales, after-sales services, other).

Fameccanica Machinery Shanghai REVENUES BY GEOGRAPHICAL AREA (euro)	2020	2021	2022
EMEA (Europa, Middle East & Africa)	1,396,147	44,588	16,495
NAM (North America)	144,095	9,032	-
LAM (Latin America)	-	-	-
APAC (Asia Pacific)	7,295,824	10,632,370	2,483,258
<b>TOTAL</b>	<b>8,836,066</b>	<b>10,685,990</b>	<b>2,499,753</b>

Fameccanica Machinery Shanghai TURNOVER FOR SERVICES (euros)	2020	2021	2022
Sales	6,904,638	8,847,272	829,794
After-sales services	1,931,428	1,838,718	1,669,959
<b>TOTAL</b>	<b>8,836,066</b>	<b>10,685,990</b>	<b>2,499,753</b>

Fameccanica North America REVENUES BY GEOGRAPHICAL AREA (euros)	2020	2021	2022
EMEA (Europa, Middle East & Africa)	251,634	136,529	10,584
NAM (North America)	19,893,617	30,862,032	28,960,718
LAM (Latin America)	147,536	341,198	2,118,919
APAC (Asia Pacific)	11,136	49,357	-
<b>TOTAL</b>	<b>20,303,924</b>	<b>31,389,116</b>	<b>31,090,221</b>

Fameccanica North America TURNOVER FOR SERVICES (euros)	2020	2021	2022
Sales	15,076,470	24,680,427	24,014,839
After-sales services	5,227,453	6,708,689	7,075,383
<b>TOTAL</b>	<b>20,303,924</b>	<b>31,389,116</b>	<b>31,090,221</b>

## Economic value generated and distributed

The distribution of generated economic 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.

In the fiscal year 2022<sup>[3]</sup> Fameccanica generated an economic value of 190 million euros, up by 10.12% compared to the value of the previous fiscal year (172.6 million euros). The turnover achieved in the year shows an increase compared to the previous year, thanks to the higher sales in the Latin America area.

However, the global shortage of raw materials, especially semiconductors, had a significant impact on the financial year just ended. Indeed, a significant portion of sales was deferred to the following year due to longer delivery times for certain components required for the operation and testing of the machines produced.

The difficulties in sourcing semiconductors are a global phenomenon that is estimated to last through 2023, ending in 2024, by which time the investments made by major manufacturers will have contributed to a substantial increase in the production capacity available on the market. To alleviate this issue, the Group, leveraging its financial strength, is making advance purchases of components considered critical to the production process.

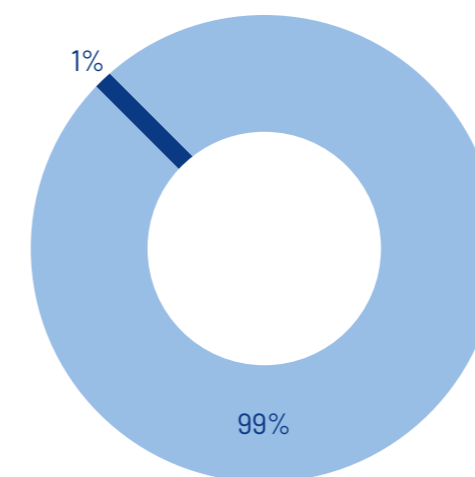
Total revenues also include other revenues and income and include all positive non-financial income components related to ancillary activities (income for royalties from the use of technology and know-how and for the provision of centralised services to foreign subsidiaries, reimbursement of shipping costs from customers, income from the "R&D Bonus" subsidy).

Financial income mainly includes dividends paid by the subsidiary Fameccanica North America. Approximately 88% of the value generated was distributed to stakeholders through payments and other forms of transfer, going from 155.6 million euros at 31<sup>st</sup> December 2021 to 167.3 million euros at 31<sup>st</sup> December 2022 (+7.5%). The main recipients of this value were suppliers, to whom EUR 122.5 million was distributed (EUR 110.4 million in the previous year) and accounting for approximately 73.3% of the value distributed, and human resources to whom EUR 42.1 million was distributed (25.2% of the total value distributed compared to 27.7% in the previous fiscal year).

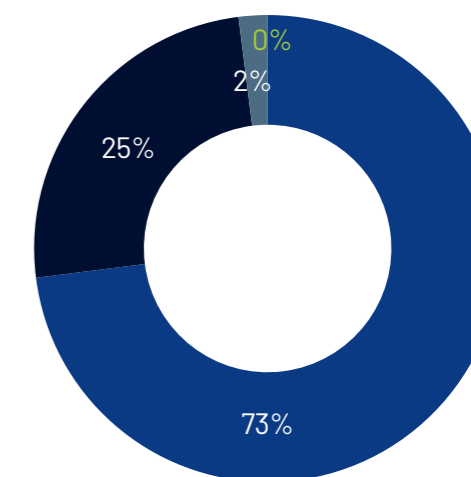
The 0.02% share of the value distributed to capital providers is wholly represented by interest expenses on bank debt. The share allocated to government agencies<sup>[4]</sup>, in the form of direct taxes, was equal to 2.5 million euros (1.53% of the distributed value). The value retained in the company is EUR 22.7 million and consists mainly of depreciation, write-downs and self-financing generated.

ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED (euros)	2020	2021	2022
Revenues	185,671,861	160,497,890	178,353,820
Other revenues	4,722,778	8,855,904	9,621,659
Financial income	8,515,908	3,206,221	2,054,467
<b>TOTAL ECONOMIC VALUE GENERATED</b>	<b>198,910,548</b>	<b>172,560,016</b>	<b>190,029,946</b>
Operating costs	128,158,534	110,355,109	122,469,373
Staff remuneration	40,824,657	43,160,020	42,151,103
Remuneration of lenders	99,357	64,600	30,128
Remuneration of investors	-	-	-
Remuneration of government agencies	2,064,838	2,058,740	2,556,424
External donations	120,000	8,052	110,000
<b>TOTAL DISTRIBUTED ECONOMIC VALUE</b>	<b>171,267,387</b>	<b>155,646,522</b>	<b>167,317,028</b>
Depreciation, write-downs and adjustments	4,863,675	7,496,846	10,146,603
Provisions for risks and other provisions	3,965,490	739,245	2,491,904
Operating result allocated to reserves (Profit - Dividends distributed)	18,813,997	8,677,403	10,074,411
<b>ECONOMIC VALUE RETAINED</b>	<b>27,643,161</b>	<b>16,913,494</b>	<b>22,712,918</b>

GENERATED ECONOMIC VALUE



DISTRIBUTED ECONOMIC VALUE



[3] The values reported in the table refer to Fameccanica Data S.p.A

[4] In light of the update of the fiscal year, the item "Remuneration of the Public Administration" was recalculated for the three-year period, with a view to greater adherence to the reference standard indicator (GRI 201-1)

## Supply chain management

Fameccanica designs, purchases, installs and tests its products, also with the support of the supply chain developed over the years, thereby meeting the company's needs in the various areas.

In the fiscal year 2022, for the entire Industrial Technology sector (Fameccanica.Data S.p.A. and its subsidiaries), the total number of suppliers was 1,442 for a total value of 158.8 million euros.

Through its supply chain, Fameccanica has created a close link with the territory, combining growth and economic performance with social and environmental sustainability: on a global level, also considering the foreign subsidiaries, local turnover amounts to almost 80% of the total, as well as almost 80% of the total suppliers are local<sup>[5]</sup>.

Fameccanica's purchases are divided between goods and services ancillary to the various company functions (consultancy, general services, etc.) and products and components necessary for the production of machinery, the most technical and predominant part. For the machine construction supply chain, 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, instead, proximity is favoured by selecting potential local suppliers also by taking into account greater management efficiency.

The process involving the supply chain begins with the release, by the design department, of the bill of materials, which defines the list of components forming the machine. The management system, after checking

stock availability, issues purchase requests for the materials needed to assemble the line. The purchase requests are then converted into purchase orders. Once the production process has been completed, the suppliers, in accordance with the delivery conditions defined in the purchase order, either dispatch the goods or notify the company of the completion of its activities.

All purchased materials pass through Fameccanica's warehouse, which performs the following activities:

- Accepts and checks the goods against the purchase orders issued
- Stores the materials
- Sets up production orders
- Delivers production orders to the production areas.

At Fameccanica, the Purchasing department manages the entire supply process. On the basis of the Machine BOMs issued by the Design Department, machine parts are procured through tenders from suppliers who are qualified both commercially and technically and for quality aspects. Suppliers are assessed based on their classification (assembly, design, transport, packaging and warehouse). 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. Fameccanica.Data S.p.A. requires all its suppliers to comply with regulatory principles as well as the Code of Ethics. For contracted suppliers (around 100 contractors), particularly those with access to the Plant, the qualification process includes verification of compliance with social requirements, focusing

mainly on occupational health and safety aspects.

The medium- and long-term objective is to maintain, through continuous scouting improvement for new suppliers, a technologically advanced supply chain capable of meeting the Company's increasingly challenging needs. Cost, time and quality are essential selection factors, but these are 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 also have to evolve in line with the company's strategic plans and be increasingly orientated towards exploring new business areas. Similarly, in line with the strategic approach to sustainability, Fameccanica intends to integrate the application of purely ESG criteria into the supplier selection process.

The total number of suppliers managed by Fameccanica.Data S.p.A. is equal to 928 out of a total of 1,442 suppliers for the Group. A total of 79% of the suppliers with which the Company works are based in Abruzzo.

Fameccanica.Data S.p.A NUMBER OF SUPPLIERS	2020		2021		2022	
	no.	%	no.	%	no.	%
Number of <b>LOCAL</b> suppliers	692	<b>78%</b>	686	<b>80%</b>	732	<b>79%</b>
Number of suppliers located in the <b>EU</b>	117	<b>13%</b>	93	<b>11%</b>	111	<b>12%</b>
Number of suppliers located in <b>NON-EU</b> countries	82	<b>9%</b>	81	<b>9%</b>	85	<b>9%</b>
<b>TOTAL SUPPLIERS</b>	891	<b>100%</b>	860	<b>100%</b>	928	<b>100%</b>

In 2022, the overall value of Fameccanica.Data S.p.A. supplies was 132.1 million euros, equal to 83.2% of the total purchased. The supply coming from local suppliers is approximately 112.3 million euros corresponding to 85% of the expenditure on suppliers, a share of 7% refers to suppliers from the EU, the remaining part finally refers to suppliers from the rest of the world.

Fameccanica.Data S.p.A BUDGET SPENT ON SUPPLIERS (euros)	2020		2021		2022	
	Expense	%	Expense	%	Expense	%
Budget spent on <b>LOCAL</b> suppliers	102,951,519	<b>84%</b>	102,440,961	<b>86%</b>	112,358,149	<b>85%</b>
Budget spent by suppliers located in the <b>EU</b>	14,528,579	<b>12%</b>	9,293,623	<b>8%</b>	8,860,852	<b>7%</b>
Budget spent by suppliers located in <b>NON-EU</b> countries	5,625,962	<b>5%</b>	7,433,429	<b>6%</b>	10,930,386	<b>8%</b>
<b>TOTAL EXPENDITURE FOR SUPPLIERS</b>	123,106,060	<b>100%</b>	119,168,012	<b>100%</b>	132,149,388	<b>100%</b>

The foreign context consists of the two companies Fameccanica Machinery Shanghai (China) and Fameccanica North America (USA), whose total number of suppliers managed

in 2022 was 514, of which 224 were for the company operating in China (Fameccanica Machinery Shanghai) and 290 were for the US company (FNA-Fameccanica North America).

Fameccanica Machinery Shanghai NUMBER OF SUPPLIERS	2020		2021		2022	
	no.	%	no.	%	no.	%
Number of <b>LOCAL</b> suppliers	194	<b>71%</b>	163	<b>70%</b>	153	<b>68%</b>
Number of suppliers located in the <b>EU</b>	61	<b>22%</b>	51	<b>22%</b>	55	<b>25%</b>
Number of suppliers located in <b>NON-EU</b> countries	20	<b>7%</b>	20	<b>9%</b>	16	<b>7%</b>
<b>TOTAL SUPPLIERS</b>	<b>275</b>	<b>100%</b>	<b>234</b>	<b>100%</b>	<b>224</b>	<b>100%</b>

Fameccanica North America NUMBER OF SUPPLIERS	2020		2021		2022	
	no.	%	no.	%	no.	%
Number of <b>LOCAL</b> suppliers	279	<b>81%</b>	276	<b>83%</b>	239	<b>82%</b>
Number of suppliers located in the <b>EU</b>	60	<b>17%</b>	50	<b>15%</b>	47	<b>16%</b>
Number of suppliers located in <b>NON-EU</b> countries	4	<b>1%</b>	5	<b>2%</b>	4	<b>1%</b>
<b>TOTAL SUPPLIERS</b>	<b>343</b>	<b>100%</b>	<b>331</b>	<b>100%</b>	<b>290</b>	<b>100%</b>

The overall value of supplies managed in 2022 by foreign companies is equal to a total of 26.7 million euros. Namely, the foreign subsidiaries Fameccanica Machinery Shanghai and Fameccanica North America recorded expenditure on supplies of approximately 7.9 and 18.8 million euros, respectively.

Fameccanica Machinery Shanghai BUDGET SPENT ON SUPPLIERS (euros)	2020		2021		2022	
	Expense	%	Expense	%	Expense	%
Budget spent on <b>LOCAL</b> suppliers	6,121,051	<b>5%</b>	6,315,901	<b>5%</b>	5,890,011	<b>4%</b>
Budget spent by suppliers located in the <b>EU</b>	1,410,919	<b>1%</b>	1,355,736	<b>1%</b>	1,256,354	<b>1%</b>
Budget spent by suppliers located in <b>NON-EU</b> countries	875,967	<b>1%</b>	650,855	<b>1%</b>	791,025	<b>1%</b>
<b>TOTAL EXPENDITURE FOR SUPPLIERS</b>	<b>8,407,937</b>	<b>7%</b>	<b>8,322,492</b>	<b>7%</b>	<b>7,937,389</b>	<b>100%</b>

Fameccanica North America BUDGET SPENT ON SUPPLIERS (euros)	2020		2021		2022	
	Expense	%	Expense	%	Expense	%
Number of <b>LOCAL</b> suppliers	10,512,162	<b>51%</b>	13,892,030	<b>55%</b>	8,297,408	<b>44%</b>
Number of suppliers located in the <b>EU</b>	9,518,541	<b>46%</b>	10,032,801	<b>40%</b>	10,293,071	<b>55%</b>
Number of suppliers located in <b>NON-EU</b> countries	526,160	<b>3%</b>	1,252,791	<b>5%</b>	191,523	<b>1%</b>
<b>TOTAL EXPENDITURE FOR SUPPLIERS</b>	<b>20,556,863</b>	<b>100%</b>	<b>25,177,622</b>	<b>100%</b>	<b>18,782,002</b>	<b>100%</b>





# NATURAL CAPITAL



Fameccanica is particularly sensitive and attentive to the issues of environmental protection and energy efficiency. The company also ensures this care for the environment with the adoption of appropriate management systems for company operations

## Commitment to the environment

These include an Environmental Management System compliant with the international standard ISO EN UNI 14001 and an Energy Management System compliant with ISO EN UNI 50001 for the plant in San Giovanni Teatino (CH). Both Management Systems are subject to annual third-party audits.

The company has adopted a specific policy on energy issues in accordance with ISO 50001 and carries out annual energy analyses and energy diagnoses as required by Italian Legislative Decree 102/14.

Fameccanica also possesses a Single Environmental Authorisation (SEA), which was updated in March 2021. This authorisation is valid for 15 years and defines the control activities to be carried out as identified by the competent authority.

In its pursuit of constant care for the environment, Fameccanica annually updates the Environmental Analysis and Evaluation of the Context and Interested Parties, required by international standards, by assessing the environmental impacts with a high level of significance and identifying specific objectives to be included in the Environmental Improvement Plan.

With a view to improving the efficiency of resources, Fameccanica is progressively digitising certain activities, both with regard to certain energy-intensive production processes (such as filtering and air-conditioning systems) in order to monitor times and methods of use to contain energy consumption, and with regard to activities that involved the use of paper documents (e.g. digitisation of various processes) in order to optimise the work of technicians and outsourcers in terms of hours and consequently save on paper and printing.

The company's sensitivity to environmental and sustainability issues is also demonstrated by the recent initiatives it has implemented involving internal human resources.

More specifically:

- Handing out to employees personal reusable steel bottles bearing the Fameccanica logo in order to reduce plastic consumption
- Installation and replacement of water dispensers in order to eliminate plastic bottles and reduce indirect impacts for the production, filling, washing, sanitising and transport of the containers themselves
- Use of reusable cups instead of packaged PET water bottles and cans for self-service distribution of bulk drinks.

This also includes the voluntary carbon offsetting initiative, which recently saw the company partner with Treedom, a planting platform that supports rural communities around the world. As part of this initiative, a total of 12,000 trees were planted in the following Countries: Cameroon, Colombia, Guatemala, Haiti, Kenya, Madagascar, Nepal and Tanzania.

Still on the subject of emissions, Fameccanica installed dry and cartridge filters with the aim of abating dust from discontinuous emissions. These filters have a lower environmental and energy impact than conventional hydro-filters, which, to date, the Company continues to use in only four units. Similarly, the Company has implemented specific measures to contain the spread of fugitive emissions (chlorofluorocarbons) from air conditioning systems, in order to limit the impact of GWP (Global Warming Potential).

Cameroon  
1,100 trees



Kenya  
3,408 trees



Colombia  
2,000 trees



Madagascar  
2,500 trees



Guatemala  
506 trees



Nepal  
506 trees



Haiti  
1,674 trees



Tanzania  
306 trees



Routine recorded maintenance and checks for possible accidental leaks are carried out on all air-conditioning units with a refrigerant charge, based on the respective quantity and as required by the regulations. The supplier in charge of system maintenance shall fill in the electronic "F-GAS Database" logbook, within the deadlines laid down in the regulations, each time an intervention is carried out.

Furthermore, Fameccanica has foreseen, developed and recently joined some special initiatives:

- The Sustainable Click initiative that led to the gradual replacement of PCs for the corporate population with new models made of recovered carbon fibre and 21% plant-based bioplastics. The manufacturing process of these computers ensures a reduction in carbon footprint and CO<sub>2</sub> emissions, as well as savings in energy and water consumption.
- More sustainable and modern mouse with a coating made of 20% recycled marine plastic from waste recovered from oceans and waterways, cleaned and processed into plastic resin pellets.
- The circular economy project "RiVending"<sup>[7]</sup> for the recovery and recycling of PET plastic cups and pallets, which led to the installation of special containers next to vending machines where plastic cups and pallets can be disposed of after use. These containers allow cups to be stacked one inside the other, reducing the volume of collected cups by more than 150% compared to traditional waste containers. The cups in the company's vending machines are now made with a new hybrid formulation more environmentally friendly in terms of CO<sub>2</sub> emissions than the traditional 165L vending cup of the same weight (3.8 g).

Lastly, one of Fameccanica's main objectives in terms of its commitment to the environment is to achieve greater energy independence with the use of renewable resources. The company will in fact soon install photovoltaic panels in the company car park of its Italian headquarters. With regard to the high economic and environmental impact of dust emissions, the Company will also assess the possibility of phasing-out the remaining hydro-filters, and instead use more dry filters, and replacing the remaining thermal power plants with heat pumps, as a way to further reduce its energy and environmental impact.

As for the production facilities in China and the USA, an improvement process is underway for the management of environmental aspects. This process directly involves the foreign sites in environmental and sustainability issues with the definition of objectives, guidelines and policies for the implementation of specific Environmental Management Systems.

[7] Italian project managed by:  
 • CONFIDA-Italian Association of Automated Distribution  
 • COREPLA-National Consortium for the Collection and Recycling of Plastic Packages  
 • UNIONPLAST-National Union of the Plastics Processing Industry.

## Energy consumption 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, electricity is used for the production of machinery and for compressed air, lighting and air conditioning systems, and for the operation of other general service users. 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. Natural gas, instead, is used for general services such as heating and in the company canteen. Fameccanica's aim is to achieve higher efficiency levels in energy consumption

and to be more independent for the potential production of electricity by also resorting to self-production with photovoltaic systems to be installed in the areas used for employee parking and by expanding the site of its Italian headquarters. The following interventions were completed in 2022:

- New plant for the production of domestic hot water for the canteen service. The new system replaces the old gas boiler with a heat pump coupled to an electric boiler with lower consumption and direct carbon dioxide emission.
- New data centre air conditioning system. The intervention involved the air conditioning of the data centre rooms with dedicated low power heat pumps, thereby eliminating the pre-existing situation, which required the connection to the building's general air conditioning system.

This way, it was possible to turn off the general air conditioning during non-working hours.

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 11.03.2021. This authorisation is valid for 15 years and reflects the current situation of the plant and processes; the document also requires annual inspections, which Fameccanica systematically carries out on the set basis, in order to verify the established authorisation limits, which the company has always respected.

With regard to chlorofluorocarbon (CFC) emissions, there are air-conditioning systems throughout the company complex. Installations include: refrigeration systems, primary air handling units, heat pump systems and boilers. The company in charge of system maintenance shall fill in the electronic "F-GAS Database" logbook, within the 30 days required by law, each time an intervention is carried out. Two thermal power plants were recently decommissioned as they were no longer used and already compensated by previous investments in favour of heat pumps with a less significant environmental and energy impact. The energy consumption of the Fameccanica Group, which includes Fameccanica.Data S.p.A., Fameccanica Machinery Shanghai and Fameccanica North America, is shown below in aggregate form.

ENERGY CONSUMPTION WITHIN THE ORGANISATION (GJ)	2020	2021	2022
Natural gas	1,083,69	3,310,08	2,941,39
Propane	-	-	18.96
Diesel for generating sets <sup>[8]</sup>	17.98	17.98	53.85
Fuel for motor vehicles or company fleet <sup>[9]</sup>	139.91	156.28	16.59
- of which: Diesel	28.72	27.18	6.49
- of which: Petrol	71.46	48.72	10.10
- of which: LPG	39.73	80.38	-
Electricity purchased <sup>[10]</sup>	22,766,56	25,838,87	27,755,86
<b>TOTAL ENERGY CONSUMPTION (GJ)</b>	<b>24,008,13</b>	<b>29,323,21</b>	<b>30,786,66</b>

[8] The data for the 2020-2022 three-year period relating to this type of fuel has been estimated.

[9] The data for the 2020-2022 three-year period relating to these types of fuel has been estimated.

[10] With reference to the consumption of purchased electricity, a share of renewable energy is estimated:

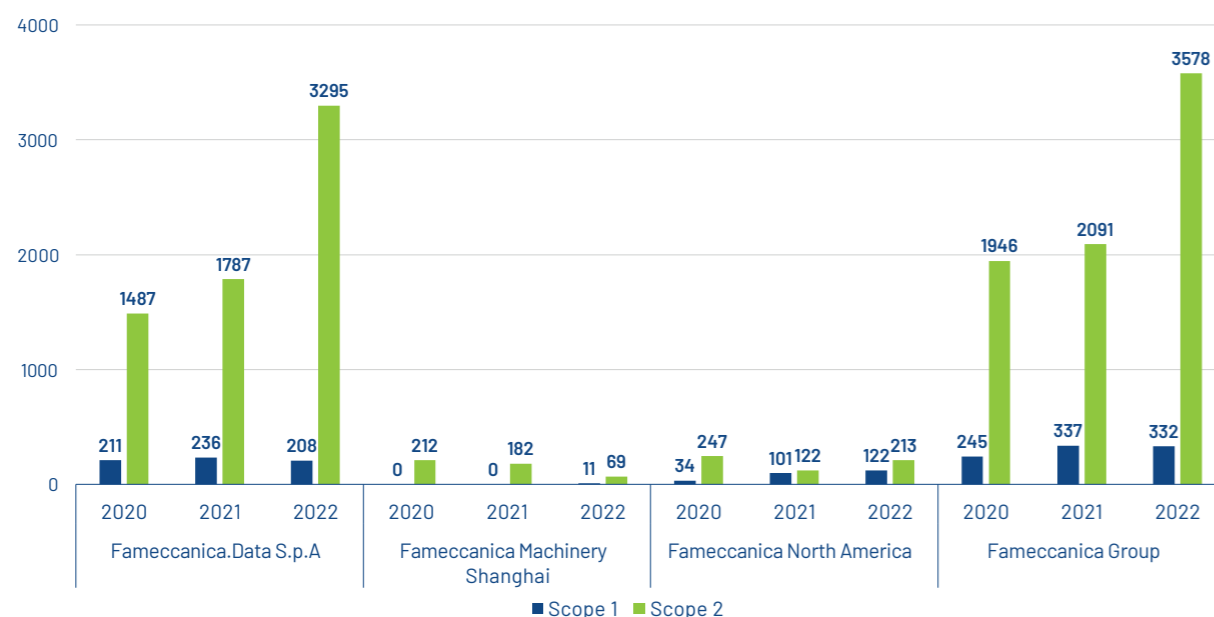
- For the Italian branch of Fameccanica DATA S.p.A. on the basis of GSE's recognition, pursuant to the Decree of the Minister of Economic Development of 31<sup>st</sup> July 2009, of the composition of the initial national energy mix of electricity fed into the grid between 42% and 45% in the reference three-year period.
- For the Shanghai facility, averaged over the three-year period 2020-2022, 47% (The Shanghai State Grid Corp. provides electricity by combining energy generated from coal, wind, dams and photovoltaic power plants.
- Electricity from renewable sources is estimated for 2020, 2021 and 2022 at 45%, 50% and 52% respectively)
- For the US facility, amounting to approximately 20% based on the latest available on average for the three-year period.

Booklets are available for the annual maintenance of all air-conditioning units with a refrigerant charge of more than 5 tons eq, or for the half-yearly maintenance of those with a charge above 50 tons eq, and leakage checks are carried out at the required frequency. The following coolants are used in the equipment: R-404A, R-407C, HFC-134A, R-438A, R-410A, R-32.

The emissions attributable to fluorinated gases and the energy consumption of the Fameccanica Group<sup>[11]</sup>, which includes Fameccanica.Data S.p.A., Fameccanica Machinery Shanghai and Fameccanica North America, are shown below in aggregate form.

DIRECT GHG EMISSIONS (tonnes of CO <sub>2</sub> e)			
	2020	2021	2022
Natural gas	61.06	186.37	165.16
Propane			1.23
Diesel for generating sets	1.38	1.38	4.13
Fuel for motor vehicles or company fleet <sup>[11]</sup>	8.52	8.68	1.13
- of which: Diesel	2.03	1.89	0.46
- of which: Petrol	4.77	3.29	0.67
- of which: LPG	1.73	3.50	-
<b>F GAS <sup>[12]</sup></b>	<b>173.93</b>	<b>140.94</b>	<b>160.81</b>
- of which: R410A	173.93	140.94	149.90
- of which: R22			10.86
<b>SCOPE 1 TOTAL EMISSIONS (tonne of CO<sub>2</sub>e)</b>	<b>244.89</b>	<b>337.37</b>	<b>332.41</b>
INDIRECT GHG EMISSIONS (tonnes of CO <sub>2</sub> e) <sup>[13]</sup>			
	2020	2021	2022
Electricity – Location-based	1,946.11	2,090.78	2,217.62
Electricity – Market-based	3,000.08	3,343.49	3,578.30

Below is a graph divided by Group company of the scope 1 and 2 location-based emissions for the three-year period.



[11] The sources of the emission factors used to calculate emissions in the respective years are: Joint Research Centre Data Catalogue; EPA eGRID; international Terna comparisons; European Residual Mixes "AIB"; DEFRA - fuel properties sheet, fuel sheet, Refrigerant sheet. It is specified that in cases where the conversion factors for calculating equivalent CO<sub>2</sub> emissions are not available, these are estimated to be equal to the CO<sub>2</sub> emission factors.

[12] The consumption of R410A refrigerant gas for 2020 and 2021 was estimated to be equal to the consumption relating to 2019-20 and 2020-21, respectively.

[13] Scope 2 emissions are calculated in two ways:

- location-based, which considers the average intensity of emission levels related to power generation for defined geographical areas;
- market-based, which considers the emissions of the generator that an organisation has contractually chosen for the supply of energy, or, if this information is not available, the Residual mix or Location-Based factors.

## 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. Software is used to record the quantity and types of waste produced and the transporters and facilities, at the frequency required by the applicable laws, for the purpose of collection and monitoring of waste data. The software can therefore be used to prepare data reports, including annual processing of the MUD.

Waste is then 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.

Most of the waste is produced during machine testing activities.

The characteristics of the machines and the raw materials to be introduced are defined by Fameccanica's customers. This means that it is not generally possible to define specific actions that can be taken to significantly reduce the generation and impacts of waste. Specific projects may be pursued and undertaken by the company through the relevant internal departments (such as the Design and Research and Development area), if deemed of interest.

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.

The waste produced by the organisation in the course of its activities is entrusted, through a framework contract, to a reference environmental manager, whose technical and professional suitability has been checked together with the documentation of the necessary environmental authorisations (in particular for transport and for the plant). In the event of changes, the validity of the transporters and plants is assessed in advance, and a copy of the relevant orders is requested.

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.

The quantities of waste produced by the Fameccanica Group, which includes Fameccanica.Data S.p.A., Fameccanica Machinery Shanghai and Fameccanica North America <sup>[14]</sup>, are shown below in aggregate form.

The disposal or recovery of waste materials are carried out at an external site, according to current legislation.

[14] Omissions: Fameccanica North America with reference to the specification of disposal and recovery arrangements; Fameccanica DATA S.p.A. with reference to the specification of disposal and recovery arrangements limited to 2019-20 and 2020-21.

WASTE PRODUCED (in tonnes)	2020	2021	2022			
<b>Non-hazardous waste</b>	<b>1,090,56</b>	<b>975,63</b>	<b>1,344,01</b>			
<b>Intended for disposal</b>	<b>280,74</b>	<b>258,81</b>	<b>416,66</b>			
- of which: incineration with energy recovery	5.00	15.00	0.80			
- of which: incineration without energy recovery						
- of which: landfilling	24.88	65.63	30.02			
- of which: other disposal operations	250.86	178.18	385.84			
<b>Not intended for disposal</b>	<b>809.82</b>	<b>716.82</b>	<b>927.35</b>			
- of which: preparation for re-use			6.56			
- of which: recycling	5.20	3.80	57.10			
- of which: other recovery operations	804.62	713.02	863.69			
<b>Hazardous waste</b>	<b>11.98</b>	<b>45.56</b>	<b>6.78</b>			
<b>Intended for disposal</b>	<b>11.33</b>	<b>44.35</b>	<b>5.46</b>			
- of which: incineration with energy recovery						
- of which: incineration without energy recovery	4.10	0.37				
- of which: landfilling						
- of which: other recovery operations	7.23	43.97	5.46			
<b>Not intended for disposal</b>	<b>0.65</b>	<b>1.21</b>	<b>1.33</b>			
- of which: preparation for re-use						
- of which: recycling						
- of which: other recovery operations	0.65	1.21	1.33			
<b>WASTE BY LOCATION (in tonnes)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>			
<b>Fameccanica.Data S.p.A.</b>	<b>intended for disposal</b>	<b>not intended for disposal</b>	<b>intended for disposal</b>	<b>not intended for disposal</b>	<b>intended for disposal</b>	<b>not intended for disposal</b>
Non-hazardous waste	250.86	791.19	178.18	713.02	385.84	863.69
Hazardous waste	7.23	0.65	43.97	1.21	5.46	1.33
<b>Fameccanica Machinery Shanghai</b>	<b>intended for disposal</b>	<b>not intended for disposal</b>	<b>intended for disposal</b>	<b>not intended for disposal</b>	<b>intended for disposal</b>	<b>not intended for disposal</b>
Non-hazardous waste	8.00	5.20	17.00	3.80	2.40	5.10
Hazardous waste	4.10	-	0.37	-	-	-
<b>Fameccanica North America</b>	<b>intended for disposal</b>	<b>not intended for disposal</b>	<b>intended for disposal</b>	<b>not intended for disposal</b>	<b>intended for disposal</b>	<b>not intended for disposal</b>
Non-hazardous waste	21.88	13.43	63.63	-	28.42	58.56
Hazardous waste	-	-	-	-	-	-

## Water resources

The Company recognises the essential role of clean water and that the activities and communities in which it operates require access to clean, unpolluted natural resources and, therefore, the Company is committed to protecting the health of the environment and nearby water bodies. For Fameccanica.Data S.p.A, water withdrawal and consumption are mainly from drinking water supplied by ACA S.p.a. and from reclaimed water supplied by Consorzio di Bonifica Centro. For the foreign locations in Shanghai and North America, water is also supplied by third parties, i.e. external water service providers. The company wastewater is similar to domestic wastewater. In this regard, Fameccanica.Data S.p.A. has received specific authorisation from the ACA to discharge its wastewater 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.

Similarly, the wastewater discharged by the facilities in other countries is managed by third parties: for the facility in China, for example, the wastewater is connected to the public wastewater network of the water service provider. All water discharged by Fameccanica Shanghai is not water used in the production process and is connected to the city sewerage system.

The data relating to the water resources used by the Fameccanica Group, which includes Fameccanica.Data S.p.A., Fameccanica Machinery Shanghai and Fameccanica North America, are shown below in aggregate form.

Water withdrawal increased in 2022 as a consequence of the increase in testing hours, which required greater use of hydrofilters.

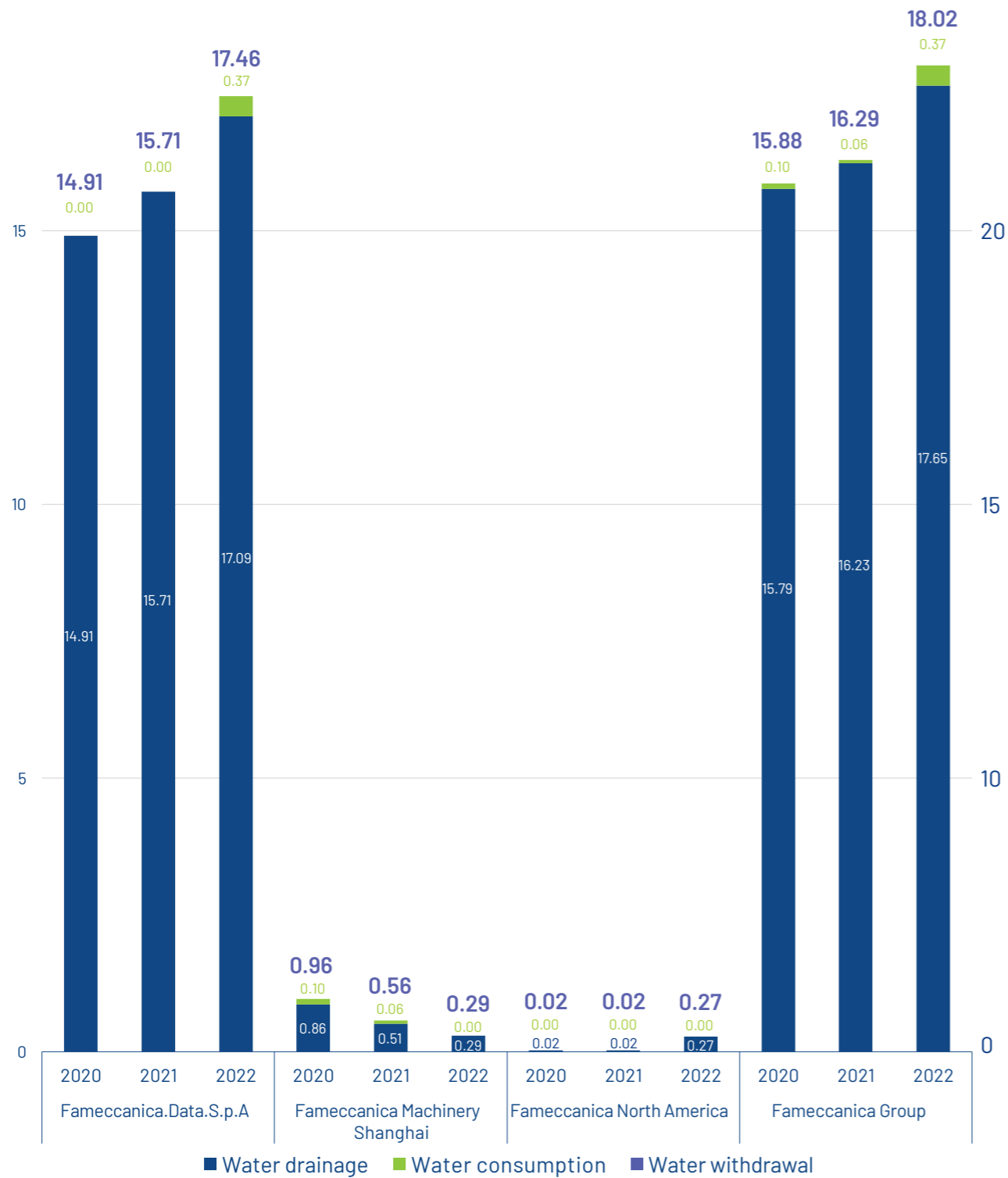
Water consumption represents the difference between total water withdrawal and total water discharge. <sup>[15]</sup>

WATER WITHDRAWAL BY SOURCE BY TYPE (megalitres)	2020	2021	2022
<b>Third-party water resources</b>	<b>15.88</b>	<b>16.29</b>	<b>18.02</b>
- of which: surface water	0.96	0.56	0.29
- of which produced water	-	-	-
- of which: Municipal water service provider	7.91	9.95	6.24
- of which: water from drainage consortium	7.01	5.77	11.49
<b>TOTAL WATER WITHDRAWAL (MEGALITRES)</b>	<b>15.89</b>	<b>16.29</b>	<b>18.02</b>
WATER DISCHARGE BY SOURCE BY TYPE (megalitres)	2020	2021	2022
<b>Third-party water resources</b>	<b>15.79</b>	<b>16.23</b>	<b>17.65</b>
<b>TOTAL WATER CONSUMPTION (megalitres)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Total water consumption</b>	<b>0.10</b>	<b>0.06</b>	<b>0.37</b>

[15] See further in the paragraph for the details of the scores obtained according to the outside-in perspective. Implementation approved by the Board of Directors on 20<sup>th</sup> June 2022.

Below is a graph showing the water resources divided by Group company over the three-year period.

WATER RESOURCES  
(in megalitres)



# HUMAN CAPITAL



The people within an Organisation are the driving force for generating new ideas and the channel through which a company can offer quality products and services to the market. This is the idea behind the company organisation promoted by Fameccanica, which regularly invests in consolidating the cohesion, motivation and professional growth of its employees, in the knowledge that the development and success of a company also, and above all, depends on the quality of its resources.

## Strategic approach to human capital

Fameccanica's employees represent a key stakeholder that the Organisation is committed to protecting and involving, with the aim of fostering dynamic operations, a constant exchange of information and know-how, and the development of constructive and positive relationships. The resource selection process is based on an analysis of the company's needs and an in-depth assessment of profiles, with the aim of recruiting candidates with appropriate technical skills and values consistent with those shared and

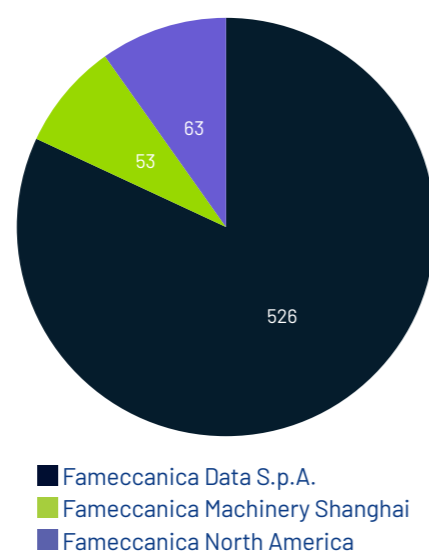
supported by the company, who can support, accompany and bring about the developments the company needs to grow and innovate.

Through the talent scouting process, Fameccanica aims to attract talented people to be included and valued within the workforce, adopting a long-term strategic vision that favours efficient management of corporate and relational mechanisms.

## Staffing: hiring and turnover

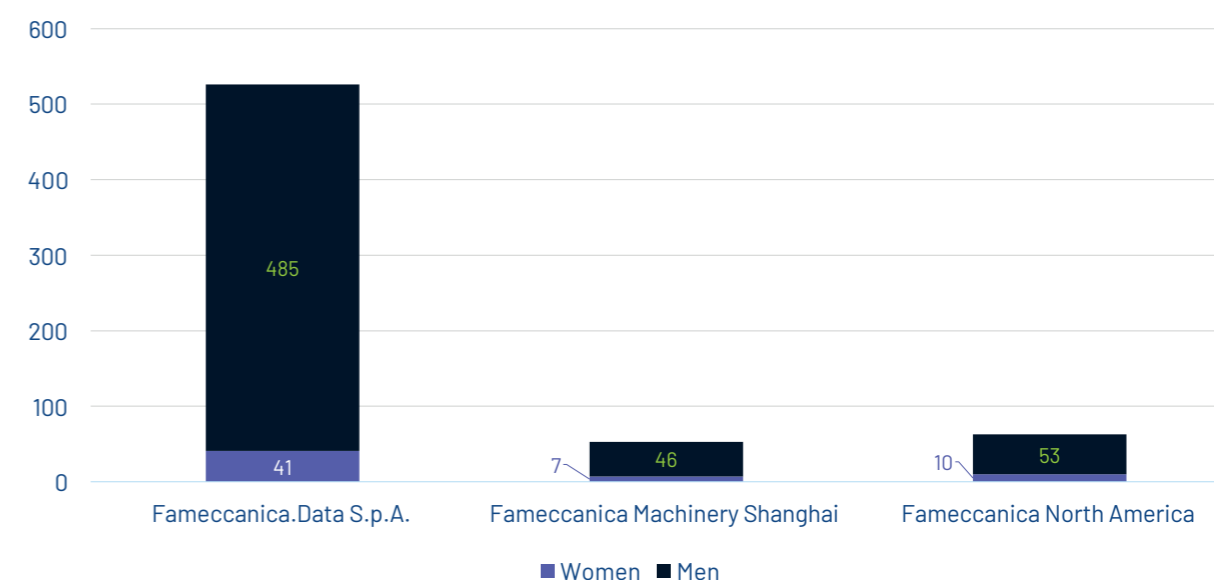
Taking all companies in Italy and abroad together, the Fameccanica Group employed **642 people**<sup>[16]</sup> as at 31/12/2022, 82% of whom are in Italy alone.

Despite the difficult socio-economic situation during the past three years due to the Covid-19 pandemic and the increase in raw material prices, the Organisation is committed to ensuring stability and continuity of employment for its employees in order to provide practical support in uncertain times. In fact, 100% of the company's employees has a permanent contract and 99.7% work full-time for the company.



EMPLOYEES BY TYPE OF EMPLOYMENT AND CONTRACT	2020			2021			2022		
	Women	Men	TOTAL	Women	Men	TOTAL	Women	Men	TOTAL
Fixed-term	-	-	-	-	-	-	-	-	-
Permanent	43	592	635	52	601	653	58	584	642
<b>TOTAL</b>	<b>43</b>	<b>592</b>	<b>635</b>	<b>52</b>	<b>601</b>	<b>653</b>	<b>58</b>	<b>584</b>	<b>642</b>
Full-time	41	589	630	51	600	651	57	583	640
Part-time	2	3	5	1	1	2	1	1	2
<b>TOTAL</b>	<b>43</b>	<b>592</b>	<b>635</b>	<b>52</b>	<b>601</b>	<b>653</b>	<b>58</b>	<b>584</b>	<b>642</b>

NUMBER OF EMPLOYEES WITH PERMANENT CONTRACTS BY ORIGIN AS AT 31/12/2022



EMPLOYEES BY TYPE OF EMPLOYMENT AND ORIGIN AS OF 12/31/2022	Fameccanica.Data S.p.A.		Fameccanica Machinery Shanghai		Fameccanica North America	
	Women	Men	Women	Men	Women	Men
Full-time	40	484	7	46	10	53
Part-time	1	1	-	-	-	-

[16] In light of the update of the fiscal year, the data relating to human resources has been recalculated, also in order to guarantee greater transparency and adherence to the relevant HR standards.



About 67.6% of the resources belong to the white-collar category, while middle managers and executives make up 7.6% and 3.4% of the employees, respectively. The higher number of male staff is in line with the average values for the sector, in which men are traditionally employed to a greater extent than women, especially in the production department, which accounts for 21.3% of the company's population. Equal treatment for workers of both genders is, in any case, a fundamental value for Fameccanica, which is firmly committed

to ensuring equal opportunities for all staff and guaranteeing maximum inclusion within the Organisation.

In keeping with this ideal, the Organisation also offers real opportunities for stable employment in Italy to workers belonging to the protected categories defined by current regulations, with the aim of safeguarding the most fragile people and promoting their professional growth. In the last year, Fameccanica.Data S.p.A. employed 27 resources (ref. 23+4 with a legally protected status) in its plant in Italy.

Fameccanica.Data S.p.A. EMPLOYEES WITH A LEGALLY PROTECTED STATUS	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Executives	0	0	0	0	0	0
Managers	0	0	0	0	0	0
White-collar workers	1	20	3	21	4	21
Blue-collar workers	1	2	0	2	0	2
<b>TOTAL</b>	<b>2</b>	<b>22</b>	<b>3</b>	<b>23</b>	<b>4</b>	<b>23</b>

The distribution of employees based on the three age groups considered varies significantly according to classification. As shown in the table below, 60.1% of the corporate population is between 30 and 50 years old, while those over 50 account for 32%.

EMPLOYEES BY TYPE OF QUALIFICATION	2020			2021			2022		
	Women	Men	TOTAL	Women	Men	TOTAL	Women	Men	TOTAL
Executives	-	22	22	1	23	24	1	21	22
Managers	8	41	49	3	44	47	3	46	49
White-collar workers	34	382	416	48	392	440	51	383	434
Blue-collar workers	1	147	148	-	142	142	3	134	137
<b>TOTAL</b>	<b>43</b>	<b>592</b>	<b>635</b>	<b>52</b>	<b>601</b>	<b>653</b>	<b>58</b>	<b>584</b>	<b>642</b>

NUMBER OF EMPLOYEES BY AGE RANGE	2020				2021				2022			
	<30 years	30-50 years	>50 years	TOTAL	<30 years	30-50 years	>50 years	TOTAL	<30 years	30-50 years	>50 years	TOTAL
Executives	-	11	11	22	-	10	14	24	-	9	13	22
Managers	-	34	15	49	-	33	14	47	-	35	14	49
White-collar workers	25	255	136	416	26	275	139	440	24	261	149	434
Blue-collar workers	29	100	19	148	29	90	23	142	28	80	29	137
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>54</b>	<b>400</b>	<b>181</b>	<b>633</b>	<b>55</b>	<b>407</b>	<b>190</b>	<b>652</b>	<b>52</b>	<b>385</b>	<b>205</b>	<b>642</b>

EMPLOYEES BY QUALIFICATION AND ORIGIN AS OF 12/31/2022	Fameccanica.Data S.p.A.			Fameccanica Machinery Shanghai			Fameccanica North America		
	Women	Men	TOTAL	Women	Men	TOTAL	Women	Men	TOTAL
Executives	1	19	20	0	1	1	0	1	1
Managers	1	38	39	2	4	6	0	4	4
White-collar workers	39	318	357	5	35	40	7	30	37
Blue-collar workers	0	110	110	0	6	6	3	18	21
<b>TOTAL</b>	<b>41</b>	<b>485</b>	<b>526</b>	<b>7</b>	<b>46</b>	<b>53</b>	<b>10</b>	<b>53</b>	<b>63</b>

NUMBER OF EMPLOYEES BY AGE RANGE AND ORIGIN AS OF 12/31/2022	Fameccanica.Data S.p.A.				Fameccanica Machinery Shanghai				Fameccanica North America			
	<30 years	30-50 years	>50 years	TOTAL	<30 years	30-50 years	>50 years	TOTAL	<30 years	30-50 years	>50 years	TOTAL
Executives	-	8	12	20	-	-	1	1	-	1	-	1
Managers	-	25	14	39	-	6	-	6	-	4	-	4
White-collar workers	19	196	142	357	1	39	-	40	4	26	7	37
Blue-collar workers	23	66	21	110	-	4	2	6	5	10	6	21
<b>TOTAL</b>	<b>42</b>	<b>295</b>	<b>189</b>	<b>526</b>	<b>1</b>	<b>49</b>	<b>3</b>	<b>53</b>	<b>9</b>	<b>41</b>	<b>13</b>	<b>63</b>

During the financial year 2022, the Fameccanica Group hired 36 new employees (12 women and 24 men), 94% of whom are under the age of 50, resulting in a recruitment rate of 6%. While the exit rate is 7%, determined by the fact that 47 people left the company.

STAFF TURNOVER IN 2020	Women	Men	TOTAL	<30 years	30-50 years	>50 years
New hires	2	23	25	4	20	1
Staff leaving	33	114	147	14	95	38
<b>RATE OF NEW HIRES</b>	<b>5%</b>	<b>4%</b>	<b>4%</b>	<b>7%</b>	<b>5%</b>	<b>1%</b>
<b>LEAVING TURNOVER RATE</b>	<b>77%</b>	<b>19%</b>	<b>23%</b>	<b>26%</b>	<b>24%</b>	<b>21%</b>

STAFF TURNOVER IN 2021	Women	Men	TOTAL	<30 years	30-50 years	>50 years
New hires	21	53	74	24	44	6
Staff leaving	12	44	56	10	32	14
<b>RATE OF NEW HIRES</b>	<b>40%</b>	<b>9%</b>	<b>11%</b>	<b>44%</b>	<b>11%</b>	<b>3%</b>
<b>LEAVING TURNOVER RATE</b>	<b>23%</b>	<b>7%</b>	<b>9%</b>	<b>18%</b>	<b>8%</b>	<b>7%</b>

STAFF TURNOVER IN 2022	Women	Men	TOTAL	<30 years	30-50 years	>50 years
New hires	12	24	36	10	24	2
Staff leaving	6	41	47	5	37	5
<b>RATE OF NEW HIRES</b>	<b>21%</b>	<b>4%</b>	<b>6%</b>	<b>19%</b>	<b>6%</b>	<b>1%</b>
<b>LEAVING TURNOVER RATE</b>	<b>10%</b>	<b>7%</b>	<b>7%</b>	<b>10%</b>	<b>10%</b>	<b>2%</b>

STAFF TURNOVER IN 2022 Fameccanica.Data S.p.A.	Women	Men	TOTAL	<30 years	30-50 years	>50 years
New hires	7	9	16	7	9	-
Staff leaving	3	13	16	-	13	3

STAFF TURNOVER IN 2022 Fameccanica Machinery Shanghai	Women	Men	TOTAL	<30 years	30-50 years	>50 years
New hires	-	7	7	-	7	-
Staff leaving	-	7	7	-	7	0

STAFF TURNOVER IN 2022 Fameccanica North America	Women	Men	TOTAL	<30 years	30-50 years	>50 years
New hires	5	8	13	3	8	2
Staff leaving	3	21	24	5	17	2

## Diversity and inclusion

With regard to diversity as an element that can remove economic and social obstacles that limit the individual's freedom to apply the principle of substantial equality and with respect for individual dignity, Fameccanica is committed to guaranteeing the best working conditions to allow each and every employee to express his or her full professional and personal potential and therefore find fulfilment and satisfaction in both dimensions of life.

The protection of diversity is in fact a guiding principle for the Company, which encourages and safeguards its free expression through the implementation of measures orientated towards the centrality of the person and actively listening to his or her needs and requirements.

Examples of this are the application of the following specific regulations, welfare benefits and practices within Fameccanica.Data S.p.A.:

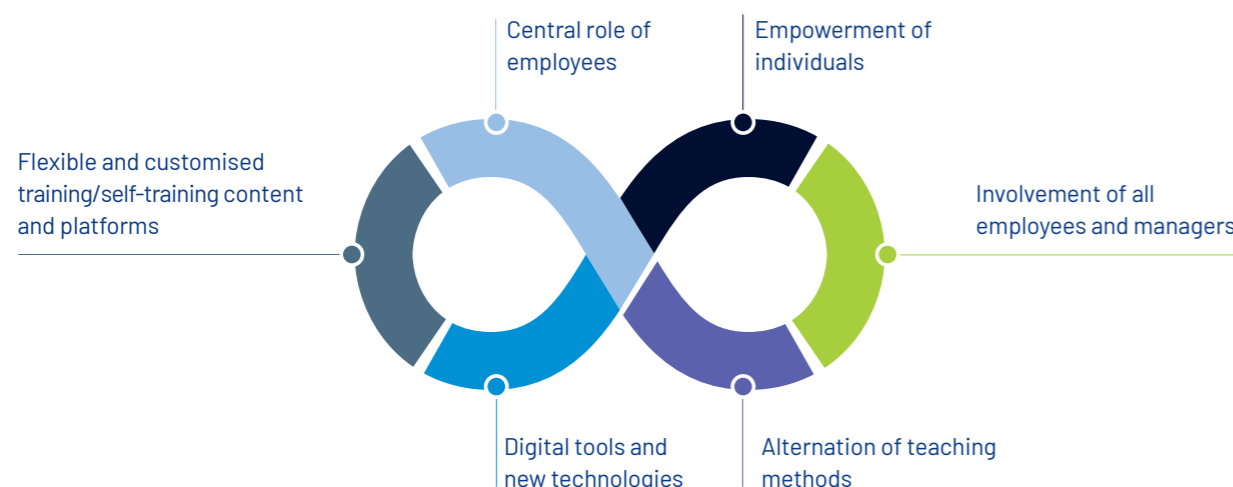
- Respect for the rights of its employees pursuant to specific national and international regulations
- Equal opportunities, not only in terms of gender, through egalitarian selection, training and development policies
- Work-life balance by granting leave (maternity, paternity, parental, medical examinations, specific therapies for health reasons), transformation of the employment relationship into part-time work, access to flexible working hours 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 about two years after birth, reserved for employees with children
- Free supply of disposable feminine sanitary towels
- Scholarships for the children of employees who excel in the school course they attend, in accordance with Group policies ("Francesco Angelini Scholarship").

Furthermore, in order to ensure the conditions for a serene organisational climate within a social culture of openness and inclusion, Fameccanica promotes the **"Female Leadership Project"** with the aim of increasing gender diversity **for technical and managerial positions**, encouraging professional development in an effort to help increase gender diversity.

# Training and development of people

Today's rapidly changing environment makes it increasingly important to hone and retain skills. For this reason, Fameccanica considers training and skills development processes a strategic asset for its business. The logic adopted for training is based on the idea that continuous training is one of the most significant processes

in employee management, as it ensures harmonious and synergistic growth of the company's distinctive skillsets. To this end, the company implemented the Lifelong-Continuous Learning project aimed at creating a lifelong and continuous path of learning based on the key values illustrated in the figure.



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 programme
3. Organisation of the training programme
4. Execution of the training programme
5. Verification of learning and skills/ knowledge developed
6. Feedback to participants
7. Record of participation and qualifications pursued.

Employees are trained through in-house and on-the-job training courses, in cooperation with leading national and international training institutes and Business Schools, and in collaboration with Angelini Academy.

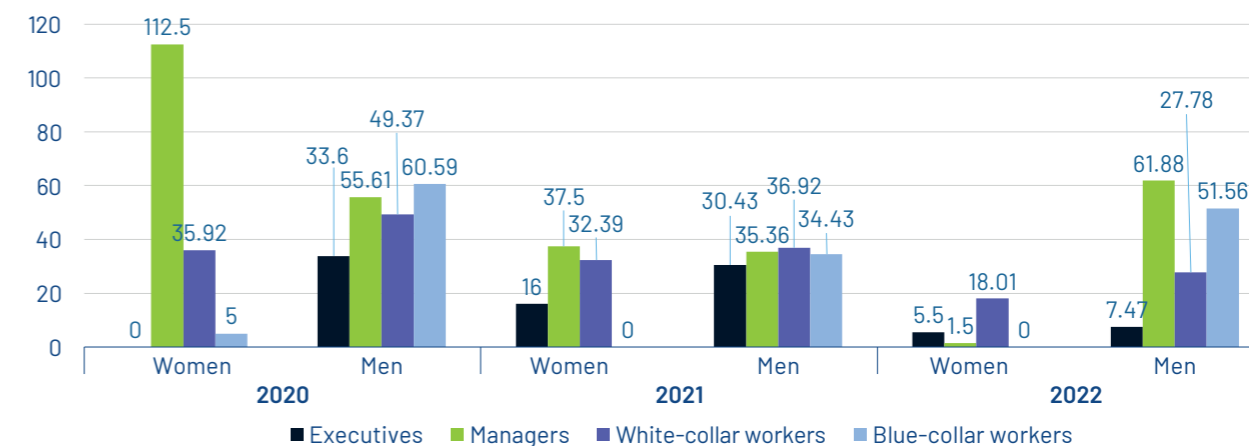
The courses are:

- Technical courses
- Courses on digital skills
- Courses on interpersonal and/or managerial skills
- Language courses
- Courses on quality, safety, environment, energy and sustainability.

In 2022, the total hours of training provided in the Fameccanica Group were 19,282. The training courses mainly covered health and safety and technical training, the development of skills in the fields of management, information technology and quality systems. The average hours of training per person, calculated as the ratio between the total hours provided and the total number of employees, were 30 in the last year.

AVERAGE HOURS OF TRAINING PROVIDED by Fameccanica Group	2020			2021			2022		
	Women	Men	TOTAL	Women	Men	TOTAL	Women	Men	TOTAL
Executives	0.0	32.7	32.7	49.0	33.8	34.4	46.0	18.6	19.8
Managers	56.3	45.6	47.3	14.8	32.9	31.7	0.8	55.3	51.9
White-collar workers	27.0	42.9	41.6	38.4	35.5	35.8	15.6	25.2	24.1
Blue-collar workers	5.0	50.7	50.4	0.0	29.7	29.7	2.5	43.6	42.7
<b>TOTAL</b>	32.0	44.6	43.8	37.3	33.9	34.2	14.7	31.6	30.0

Below is a graph showing the average hours of training provided by Fameccanica.Data S.p.A. in the three-year period.



The average hours of training do not include the hours provided by Angelini Academy.

Further information on the main training courses provided by Fameccanica during the period concerned is given below.

#### ANGELINI ACADEMY

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Proper development of the company is achieved by exploiting the full potential of all employees within the organisation. 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. There are three focus points:

- Leadership models: leadership development programmes and inspirational moments aimed at the entire Angelini Group population to learn more about leadership skills directly associated with 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.

#### MANAGEMENT TRAINING AND DEVELOPMENT

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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 evaluation system and potential evaluation systems described below in point 5. The input from these assessments is useful for preparing customised management training plans, growth and career paths, and succession plans.

#### ONBOARDING

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Fameccanica planned an onboarding course to help new employees acquire the knowledge, skills and mindset required to become effective members of the company.

#### TECHNICAL TRAINING

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The complexity and high technological content of the activities require continuous investment in the technical skills of the partners. Preserving, updating and improving technical know-how is the company's competitive advantage.

The courses held in 2021 and 2022 therefore included:

- SAP Concur: new platform for travel management
- Teamcenter PLM: new platform for managing the lifecycle of an order in the design phase (PLM - Product Lifecycle Management)
- Lean Six Sigma: training in the Lean Six Sigma approach for obtaining Green Belt and Yellow Belt certifications
- Technical training on robotics (anthropomorphic robots, basic and advanced programming), automation, PLC, vision systems, testing procedures on new platforms
- In-house training on patents and intellectual property, platforms, contracts
- IT: Cybersecurity, Office 365 suite, Scrum Agile, Cloud Computing
- Training on the new smart working system
- ISO 27001 training on information security.

## ASSESSMENT OF INDIVIDUAL PERFORMANCE

The assessment of resources in their development process represents a fundamental step for the growth of the company and must reflect the company's strategies. Adopting the right approach to manage human resources assessment and development processes allows Fameccanica to align employees' intangible skillset with its growth objectives. This is why the group created My Performance, the proprietary process for assessing the entire workforce in Italy and abroad. My Performance is a structured and integrated system comprising different phases and processes that are managed on an annual basis. Methods and metrics common to the entire Angelini Industries Group are used to set procedural and evaluation criteria that are the same for all and centred on meritocracy, fairness and transparency. It was created as a strategic and operational tool to support the company's short-, medium- and long-term objectives, in line with the vision of the company, which strongly believes in everyone's contribution to continuous growth and maintaining market leadership. The principles adopted are:

- **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.

In the 2022 fiscal year, Fameccanica carried out 655 assessments on the goals and conduct of employees, both in Italy and abroad, confirming the key role of this method, which has grown constantly over the years<sup>[17]</sup>.

EMPLOYEES WHO RECEIVE A PERIODIC PERFORMANCE ASSESSMENT <sup>[18]</sup>	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Executives	-	100.0%	100.0%	100.0%	100.0%	100.0%
Managers	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
White-collar workers	72.2%	85.6%	100.0%	100.0%	100.0%	100.0%
Blue-collar workers	-	43.1%	-	100.0%	100.0%	100.0%
<b>TOTAL</b>	<b>79.2%</b>	<b>76.3%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## TRAINING, HEALTH, SAFETY AND ENVIRONMENT BY CATEGORY AND BY GENDER

Health, Safety & Environment training is decisive for the company.

The training programme was developed on the requirements of compliance with the relevant regulations and in particular on regular training updates for all cases. Namely, a training programme was implemented in Italy in 2022 with the use of Fondimpresa funding for the provision of courses on Health and Safety topics<sup>[19]</sup>

Similarly, during the year, a special course was held for all employees of the Fameccanica Group, including those of subsidiaries, on sustainable development issues, also in English and Chinese, with reference to the 2030 Agenda, with the aim of increasing and spreading awareness within the company.

[17] It should be noted that the performance assessment system at Fameccanica has always been based on the fiscal year and not the calendar year, starting in July with the assignment of objectives and ending in June of the following year with the final assessment. Starting from 2023, Fameccanica will adopt the calendar year assessment system, thereby align itself with the Angelini Group's calendar. To promote this transition, the latest performance assessment system was carried out over 18 months: from July 2021 to December 2022.

[18] Percentage calculated as the total assessments carried out in the reference period compared to the total number of those entitled.

[19] Courses covering the following thematic areas:  
• Supervisor course • Forklift truck course • Self-propelled crane course • PLE course (elevating work platforms) • Overhead crane course • ADR course for internal waste handling forklift drivers • Work at a height • CEI course • TSL - Laser safety technician • Firefighting workers course • APVR Self-contained breathing apparatus course • Confined spaces course • Environmental emergency course • Modules for ASPP and RSPP • Five-year updates

# Health and safety

Fameccanica's objective is to ensure the effective protection of occupational health and safety and, at the same time, to improve the supervision and coordination of those responsible for overseeing compliance with the rules on prevention.

Inspired by its own Health, Safety and Environment Policy, the company's vision for the welfare and safety of its employees is 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 occupational health and safety and the environment, while respecting, where applicable, Group standards
- Ensure adequate levels of information, education and training of staff
- Prepare targeted health, safety and environmental procedures in order to define appropriate and correct prevention/protection measures to ensure a safe working environment
- Design, build and install systems and equipment in accordance with the relevant regulations
- Use and maintain work equipment under the design conditions
- Make appropriate resources available.

To this end, the company has implemented an Occupational Health and Safety Management System in its plant in Italy that complies with the ISO 45001 standard. The system is subject to annual third-party auditing and is linked to the Organisational, Management and Control Model OMCM 231, which provides for the creation of a regular and formalised information flow on the most relevant aspects of HS&E. To support the Management System, Fameccanica.Data S.p.A. has adopted a specific Policy describing the Top Management's real commitment to health and safety in the workplace, 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 work contracts. There is also an annual audit programme carried out by the HS&E area on the basis of which improvements can be shared and assigned to the various heads of department for appropriate handling.

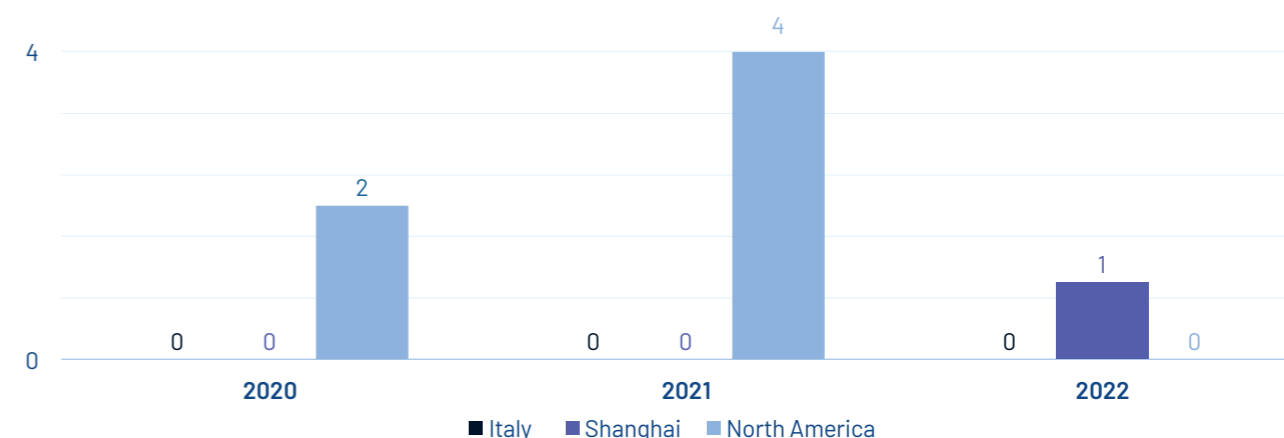
With regard to the foreign facilities in the United States and China, an improvement process was set up for the management of occupational health and safety aspects. The first initiative directly involves the foreign facilities on Health and Safety issues with a number of dedicated functions that handle the general coordination and implementation of specific health and safety management systems. The aim is to increase awareness with courses on risk management and compliance, as well as observance of local regulations, for example with the introduction of guidelines on management and reporting in order to standardise the approach at corporate level and exploit the related synergies.

Over the last year, the Fameccanica Group recorded an injury at the Fameccanica Machinery Shanghai plant.

The rate of recordable accidents therefore stands at 0.931, a decrease compared to the previous fiscal year, in which the rate was about 3.6.

ACCIDENTS AND OCCUPATIONAL DISEASES	2020	2021	2022
Work-related deaths	-	-	-
Occupational accidents with serious consequences	-	-	-
Other accidents at work	2	4	1
Commuting accidents	2	-	-
Deaths from occupational diseases	-	-	-
Other cases of recordable occupational diseases	-	-	-
Number of hours worked <sup>[20]</sup>	1,146,848	1,097,291	106,8018
EMPLOYEE ACCIDENT RATES			
Death rate <sup>[21]</sup>	-	-	-
Rate of accidents with serious consequences <sup>[22]</sup>	-	-	-
Recordable accident rate <sup>[23]</sup>	0.174	3.645	0.931

## RECORDABLE EMPLOYEE INJURIES BY LOCATION



As for contractors, two injuries were recorded in Italian and Chinese plants in 2022.

[20] The hours worked by gender of Fameccanica North America for 2020, 2021 and 2022 were estimated by dividing the total hours in proportion to the number of employees by gender at the end of the reference year (example: total hours worked by women in FNA in 2020 equal to the total hours worked by FNA staff in 2020 multiplied by the total FNA women at 31/12/2020 and divided by the total FNA staff at 31/12/2020).  
 [21] (Number of deaths resulting from accidents at work/Number of hours worked)\*1,000,000.  
 [22] (Number of accidents at work with serious consequences (excluding deaths)/Number of hours worked)\*1,000,000.  
 [23] (Number of recordable accidents at work/Number of hours worked)\*1,000,000

The main dangers faced in the sector in which the company operates are:

- Risks associated with biological, chemical and burning agents
- Fumes, vapours and dust
- Lifting equipment and risks of falling materials
- Risk of fire and explosion
- Risks associated with the use and operation of systems and equipment
- Risks associated with common physical agents (noise, vibrations, artificial optical radiation, electromagnetic fields).

With the aim of mitigating and counteracting the occurrence of such risks, each company operates in compliance with the domestic regulations in force on the basis of the principle of territoriality and the relevant preventive, protective and organisational measures. The plant in China, for example, observes the GB/T33000-2016 Guideline of China Occupational Safety and Health Management System and achieved Level II Certification during the last audit. As for the plant in Italy, in order to contain these dangers and guarantee the safety of its employees, risk assessments are carried out so that the company can take appropriate measures to safeguard the health and safety of workers and/or other people present at the workplace. The Risk Assessment Document, which sets out how to identify dangers and assess all risks to workers' health and safety, is one such measure. The Risk Assessment is issued as a single document and with a certain date, adopting the methods provided for in Legislative Decree no. 81/08. The risk assessment is carried out according to a specific procedure:

- **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.

- **Preparation of the Risk Assessment**

**Document:**

Risk Assessment document containing the outcome of the assessment of all risks to occupational 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 as a single, dated document, adopting the procedures covered in the Consolidated Law on the protection of health and safety in the workplace.

- **Dissemination of the outcome of the**

**risk assessment:** the Risk Assessment document is published on the company's intranet site accessible to all 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.

At the same time, during 2022, Fameccanica Data S.p.A. invested several resources to upgrade and improve the existing structures (Building C and HQ Building) of the plant in Chieti to ensure better working conditions and more usable shared spaces for company staff, also with a view to having more resilient structures in case of adverse events.

The project allowed for the allocation of the offices in a single structure and the conversion of the car park to be used for external trucks, including a hospitality office, toilets and refreshment facilities for the drivers.

There is also a project underway for the installation of photovoltaic panels in the company's car park and for the construction of new production buildings to replace obsolete structures.

At its plant in Italy, Fameccanica also offers health services for its employees at its Medical Centre where there is:

- A company doctor
- A daily professional infirmary service provided by a contractor
- A dedicated HS&E staff member (for business organisational support).

The Company 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. The Company also contributes, on behalf of its employees, to a supplementary Health Care Fund for workers in the engineering industry that offers health care services in addition to the National Health Service, such as:

- Hospital services following surgery
- Out-patient services
- Dentistry
- Prevention
- Physiotherapy
- Social benefits
- Support for permanent disability.

In the last year, the Company has also installed vending machines containing Personal Protective Equipment (PPE) for production operators, to make it easier for them to find the PPE, thereby reducing administrative management costs and streamlining the paper-to-digital filing process for proof of delivery and also for compliance aspects.

In 2022, a number of activities related to the observation and measurement of workers' behaviour were also carried out with the Behavioral Observation System (BOS), alongside and with the support of the supervisor and contractor monitoring processes.

The main objectives of these systems and processes include:

- Identifying unsafe behaviour and determining preventive actions
- Providing performance measurement indices
- Complying with health and safety regulations and standards in a timely manner.

Training also plays an important role in making operators aware of the correct use of machinery and the safety procedures to be adopted as mentioned in the previous section.

On this topic, Fameccanica organises regular meetings and gatherings with employees in order to raise awareness and educate the workforce on possible risks at work, share updates on implemented safety systems, and ensure the proper preparation and disclosure of the HSE Policy.

## Welfare and socio-organisational well-being

With regard to working conditions and terms of employment, Fameccanica Italy operates in compliance ILO Conventions, employment law and the criteria of the national collective bargaining agreement (CCNL) for engineering and plant installation companies. On the other hand, as far as Fameccanica North America and Fameccanica Machinery Shanghai are concerned, since there is no national bargaining agreement to refer to in their respective legal systems, the Company has carried out individual bargaining that reflects the Group's policies and values. In addition to the benefits mentioned above in the "Diversity and Inclusion" section, Fameccanica.Data S.p.A. has developed a welfare plan for its employees that includes, on the one hand, the payment of a sum of money (EUR 200), provided for by the relevant national collective bargaining agreement, and, on the other hand, the option of converting the company's performance bonus into welfare.

The sums made available in this way can be used to purchase social services on the "Fameccanica Welfare" platform.

The services on the portal cover the main social categories such as:

- **Family:** reimbursement of education and care costs incurred for family members; purchase of admissions to theme parks, museums, cinemas, concerts and events in general
- **Health insurance:** reimbursement of medical expenses incurred for the employee and his/her family members
- **Mortgages:** repayment of a portion of mortgage interest
- **Sport and wellness:** purchase of services related to physical wellbeing with the option of gym subscriptions and treatments at specialised facilities
- **Training courses:** training solutions for the personal and professional growth of the employee

- **Health and personal support:** medical, psychological and babysitting services and support for the elderly, depending on the needs of the worker
- **Transport and mobility:** reimbursement of expenses incurred by employees and their families for the purchase of public transport season tickets
- **Welfare vouchers:** vouchers for services provided by contracted partners, related to sport, personal education, wellness, leisure and medical check-ups.

During 2022, Fameccanica has also reserved for its employees two further initiatives to support personal and family income, in consideration of the difficulties arising from the increase in energy costs and consumer goods: fuel vouchers for a cash equivalent of 200 euros, usable at national supermarkets and via a specific digital platform, and the Angelini Industries Group 500 euros in welfare goods and services for the "Angelini Always Next to You" initiative, which can be used via the "Fameccanica Welfare" platform.

On the topic of work-life balance, building on the work organisation model tested in 2020, it was decided to follow up on the implementation of a proper remote work programme. This initiative made it possible to introduce a stable regulation for working from home (smart working) from 1<sup>st</sup> April 2022.

In June 2022, Fameccanica set up a cross-functional Working Group, representing all Departments and Offices in Italy, to examine the data related to smart working and define/propose changes to the current rules, which would then be translated into a new set of regulations as of October 2022. The initiative also contributes to the reduction of indirect CO<sub>2</sub> emissions due to the less frequent on home-work journeys.





# SOCIAL AND RELATIONAL CAPITAL



Fameccanica engages with different categories of stakeholders. Their involvement, through dialogue and listening, helps to align social, environmental and economic objectives with the company's strategy and to 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 involvement 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: regular communications, face-to-face meetings, discussion panels, street events, internal and external social media communications.

# Stakeholder map and involvement methods

CATEGORY	STAKEHOLDERS
 <p><b>INTERNAL STAKEHOLDERS</b></p>	<ul style="list-style-type: none"> <li>• Shareholders</li> <li>• Board of Directors and Corporate Bodies</li> <li>• RSU (Trade Union Representatives)</li> <li>• Employees/Collaborators</li> </ul>
 <p><b>MARKET</b></p>	<ul style="list-style-type: none"> <li>• Customers</li> <li>• Suppliers</li> <li>• End users</li> <li>• Competitors</li> <li>• Partners</li> <li>• Innovative startups</li> </ul>
 <p><b>COMMUNITY, TERRITORY &amp; EDUCATION</b></p>	<ul style="list-style-type: none"> <li>• Schools, Universities and Scientific Community</li> <li>• Local Communities</li> <li>• Media</li> </ul>
 <p><b>BODIES, INSTITUTIONS AND ASSOCIATIONS</b></p>	<ul style="list-style-type: none"> <li>• Trade unions</li> <li>• Control bodies</li> <li>• Accredited certification bodies</li> <li>• Category and Sector Association</li> <li>• Credit Institutions and banks</li> <li>• Government Agencies</li> <li>• International Agencies, institutes and bodies</li> </ul>






## INVOLVEMENT METHODS



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, regardless of the reporting activity
- Initiatives planned as part of a structured listening process, involving stakeholders directly in the construction of scenarios and solutions.



STAKEHOLDERS	DOMAINS OF INTEREST	MAIN INITIATIVES FOR DIALOGUE AND INVOLVEMENT	SDGs
SHAREHOLDERS	<ul style="list-style-type: none"> <li>Economic and financial performance</li> <li>Corporate Governance</li> <li>Group strategy and business diversification</li> </ul>	<ul style="list-style-type: none"> <li>Shareholder meetings</li> <li>Special meetings at conferences organised by banks or other institutions</li> </ul>	
CUSTOMERS	<ul style="list-style-type: none"> <li>Products</li> <li>Services</li> <li>Partnerships</li> <li>Developments</li> </ul>	<ul style="list-style-type: none"> <li>Customer meetings</li> <li>CRM (Customer Relationship Management)</li> <li>Visits</li> <li>Periodic calls</li> </ul>	
FINANCIAL COMMUNITY - Banks - Financial analysts - Providers/Rating agencies	<ul style="list-style-type: none"> <li>Economic results and their sustainability</li> <li>Compliance with the law</li> <li>Corporate Governance</li> <li>Transparency</li> <li>Market trends and business sustainability</li> <li>Group growth strategy</li> <li>Acquisition operations</li> </ul>	<ul style="list-style-type: none"> <li>Regular conference calls and meetings with investors</li> <li>Special meetings at conferences organised by banks or other institutions</li> </ul>	
EMPLOYEES	<ul style="list-style-type: none"> <li>Economic results and company solidity</li> <li>Collective Bargaining</li> <li>Intranet Site</li> <li>Skills enhancement and career paths</li> <li>Work-life balance</li> <li>Socio-organisational well-being</li> <li>Smart working</li> <li>Transparency</li> <li>Health and safety at work</li> <li>Environment and Energy</li> </ul>	<ul style="list-style-type: none"> <li>Town Hall of Angelini Group/Fameccanica</li> <li>Corporate Conference</li> <li>Angelini Future Leaders (talent and manager development paths, promoted by Angelini Academy)</li> <li>Sustainability Workshop Angelini Group &amp; Fameccanica</li> <li>Other people engagement initiatives and surveys</li> <li>Survey Materiality Assessment</li> <li>HS&amp;E Meeting</li> <li>Innovation Portal</li> <li>Sustainability/ESG Training</li> </ul>	
TRADE UNION	<ul style="list-style-type: none"> <li>Economic results and company solidity</li> <li>Work-life balance</li> <li>Smart working</li> <li>Socio-organisational well-being</li> <li>Health and safety at work</li> <li>Environment and Energy</li> </ul>	<ul style="list-style-type: none"> <li>Meetings with Trade Union representatives (United Trade Union Representatives) and RLS (Workers' Safety Representatives)</li> <li>Periodic Health and Safety Meeting (art. 35 TUS)</li> <li>Meeting with trade unions</li> </ul>	

STAKEHOLDERS	DOMAINS OF INTEREST	MAIN INITIATIVES FOR DIALOGUE AND INVOLVEMENT	SDGs
<p>SUPPLIERS</p> <ul style="list-style-type: none"> <li>- Suppliers and business partners</li> <li>- Suppliers of goods and products</li> <li>- Direct and indirect service providers</li> <li>- Distributors</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with contractual commitments</li> <li>• Continuity of the relationship</li> <li>• Innovation</li> <li>• Willingness to work in partnership and for new business models</li> <li>• Digitisation</li> <li>• Compliance with the MOCG 231 Model and Code of Ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier visits and meetings</li> <li>• Contractor initiatives</li> <li>• Supplier Procunity Portal</li> <li>• Victoria RMS Contractors Portal</li> </ul>	
<p>INSTITUTIONS, BODIES, ASSOCIATIONS, ORGANISATIONS</p> <ul style="list-style-type: none"> <li>- MOCG 231 Supervisory Board</li> <li>- Special Commissioner Covid-19 Emergency</li> <li>- National and local government institutions (Ministry of Health, Local Authorities, etc.)</li> <li>- Civil Protection</li> <li>- 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.)</li> <li>- Certification and Auditing Bodies</li> <li>- Employers' Associations</li> <li>- Trade Union Associations</li> <li>- Professional associations</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with health, labour, environmental, etc. laws and regulations.</li> <li>• Privacy and information/data security</li> <li>• Adherence to international ISO standards</li> <li>• Certification of the Budget</li> <li>• Reducing CO<sub>2</sub> emissions</li> <li>• Responsible use of natural resources (energy, water) and energy efficiency (clean and renewable energy)</li> <li>• Management of hazardous substances and responsible treatment of hazardous waste</li> <li>• Improving and maintaining adequate health and safety standards</li> <li>• Compliance with the MOCG 231 Model and Code of Ethics</li> <li>• Networking and benchmarking</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous dialogue with local, national and European institutions</li> <li>• Specific meetings and working groups</li> <li>• Initiatives in partnership with the Civil Protection (e.g. Covid-19 emergency machinery supply)</li> <li>• Confindustria/UCIMA (Union of Italian Manufacturers of Automatic Packaging Machinery) meeting and recommendations</li> <li>• Regular meetings and information flows with Supervisory Board</li> <li>• Provision of space for the Demonstration Centre</li> <li>• Webinars, meetings, professional workshops (Sustainability Makers, AIAS, ASSIDAL)</li> </ul>	
<p>COMMUNITY</p> <ul style="list-style-type: none"> <li>- Territorial and local communities</li> <li>- Third-sector organisations (non-profit institutions, NGOs, etc.)</li> <li>- Media and opinion leaders</li> </ul>	<ul style="list-style-type: none"> <li>• Support for solidarity initiatives</li> <li>• Social investments in favour of the Community</li> <li>• Support for young people and families</li> <li>• Social Innovation</li> <li>• Transparency</li> <li>• Supporting the training of young people</li> <li>• Contribution to art, culture and music</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in initiatives with Group companies (e.g. Christmas Market 2022 with WeWorld, Heart4Children)</li> <li>• Treedom project</li> <li>• Guaranteed Mobility</li> <li>• Pescara Jazz Festival</li> </ul>	
<p>UNIVERSITIES, SCHOOLS AND THE WORLD OF RESEARCH</p>	<ul style="list-style-type: none"> <li>• Social Innovation</li> <li>• Partnerships of Excellence</li> <li>• Technological Innovation</li> <li>• Supporting the training of young people</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborations and Projects with Universities</li> <li>• Work Orientation and Collaborative Project Development (Collaborative Research)</li> <li>• Work orientation and development of technical knowledge (PCTO - Paths for transversal skills and orientation)</li> <li>• TecnicaMente</li> </ul>	

## Relationship with customers

Customers that make use of Fameccanica's technologies and services are large, medium and small multinational or private label companies operating in the manufacturing or logistics sector. The customers work in the target market of personal care and hygiene, household and logistics of consumer goods.

These customers operate in both the Italian and international markets: most of them are concentrated in Europe, the United States, the Middle East and Latin America, although Fameccanica's customer base reaches geographic areas on all other continents.

Fameccanica classifies its more than 90 groups of customers into clusters that allow it to plan customer-orientated strategies for its technologies, products and level of "customisation" to be offered, as well as the after-sales services to be provided. In particular, after-sales services include:

- **Sale of spare parts:** supply of original Fameccanica system components to ensure quality and continuity of the production process
- **Technical support services:** for interventions after 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 customer, so as to ensure a straightforward start-up of the system 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. Thanks to these services, customers can access performance and process data of their production lines.

In the digital environment, the secure management of information is of great importance, which is why, in June 2022, Fameccanica completed the **ISO 27001 "Information Security Management" System Certification project** at its Italian plant, in order to guarantee the security of data managed.

The ISO 27001 standard certifies that the **Information Security Management System** components are in line with best practice for protecting information assets. See "Identity and Governance, Qualifying Management Systems and Certifications, and Continuous Improvement" for further information.

Fameccanica carries out several **customer satisfaction** surveys with the aim of providing increasingly efficient and high-performance products and services, while also monitoring and measuring the level of satisfaction of its customers. The company adopts a survey-based

evaluation system, with questions based on the type of product analysed by the Marketing department, for the collection and management of information. The questionnaires for the after-sales service survey 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 opinion and suggested areas for improvement, in order to continuously improve the range of products and services offered.

Fameccanica, with the introduction of the Strategic Marketing function, also aims to assess customers' needs in advance with dedicated **market analyses** in order to prepare a product portfolio in line with market requirements and innovative solutions in response to macro-trends.

At the same time, Fameccanica carries out many initiatives in the field of environmental sustainability to offer its customers solutions to reduce their impact and CO<sub>2</sub> emissions.

First and foremost among these is the opening of the HUB for the development of sustainable packaging solutions and ongoing research into new biodegradable and compostable material for use in Hygiene and Personal and Home care products.

An example of innovation created in this area by Fameccanica is Greenpackt<sup>®</sup>, a patented all-in-one production system developed to make the packaging industry 100% sustainable. It is a revolutionary solution that provides a greener alternative in strategic consumer markets. Considering that a traditional polypropylene (PP) packaging of 15 single doses weighs 57 grams and has a carbon footprint of 178.6 grams of CO<sub>2</sub> eq, while a Greenpackt<sup>®</sup> packaging of 20 single doses weighs 58.7 grams and has a carbon footprint of only 83.4 grams of CO<sub>2</sub> eq, we are talking about a 53% reduction in CO<sub>2</sub> emissions. Furthermore, the Greenpackt<sup>®</sup> system only involves the use of recycled cardboard or biodegradable materials, thus saving 4 million trees and making packaging recyclable and biodegradable again even if discarded into the sea.

Moreover, activities have been carried out to **publicise the results of the** European Community-funded project, **LIFE-GLUELESS**, which aims to reduce the use of glue in disposable baby nappies, and the initial results of the LIFE ALL-IN **project on the online processing of materials**.

Direct contact with the customer and constant disclosure of the sustainability aspects of these projects have helped to raise customers' awareness of the adoption of increasingly sustainable solutions and technologies.

## Relationship with the territory and the community

Fameccanica's activities contribute 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. An example of Fameccanica's innovative capacity and its vision focused on solutions that contribute to improving the lives of end users is the project developed in collaboration with the Civil Protection during the first wave of Covid-19. In a particularly difficult and challenging 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.



Moreover, the company, which has made sustainability one of its strategic missions, was awarded the **2022 Top 100 Sustainability Award** promoted by Credit Suisse and Kon Group, the award that recognizes top Italian companies in the sustainability field.



The **Christmas market** is a charity initiative promoted by the Angelini Group companies in support of various Foundations. This event is

held during the Christmas period and allows employees to purchase products made available by Group companies at a reduced price. These include ACE hygiene and household cleaning products, Lines sanitary towels, 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 2022, the entire proceeds of the initiative (EUR 256,289.82) were donated to the WeWorld Onlus Foundations. 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.



As part of its corporate social responsibility, Fameccanica cultivates and develops **relations with local** schools and universities to create and promote technical, generic and digital skills, as well as to provide experiences and learning opportunities for students. The main initiatives introduced by the Company concern the reception of high school students for PCTO projects – Paths for transversal skills and orientation, the offer of curricular internships and the provision of research grants, scholarships and PhDs. In this context, the company has contributed to the following main projects:

- **TecnicaMente**, an initiative promoted by Adecco for the year five students of IIS A. Volta in Pescara, who developed and presented projects on Industry 4.0 and Sustainability to a number of companies in the area during the course of a dedicated day. In 2022, Fameccanica participated in the "jury" together with other companies in the area, listening to and evaluating the best projects.
- **PCTO** (Percorso per le Competenze Trasversali e l'Orientamento), involving collaborative projects between companies and schools aimed at reducing the gap between the world of education and the labour market, thanks both to students being offered opportunities for training experiences in companies ("gli studenti in azienda") and teaching sessions in schools held by company experts on issues of interest ("l'azienda a scuola"). In 2022, Fameccanica started PCTO courses with the institutes IIS A. Volta in Pescara and IIS E. Alessandrini in Montesilvano, for year four students doing mechanical, mechatronic, IT, electronic courses. During these partnerships, some technical specialists from Fameccanica held lessons in schools on topics in line with the curriculum. Furthermore, in July, 26 students undertook a three-week internship in various company areas (design, production, purchasing, quality control) and, under the supervision of company tutors, alternated between formal training and practical activities.



Fameccanica also promotes various initiatives with the academic world. More specifically:

- **Traineeships** for university students in the various areas of the organisation, which are a formidable orientation tool, 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 the calendar year 2022, four internship paths were launched: two with the "Gabriele d'Annunzio" University of Chieti-Pescara (Faculty of Economics), with an internship in the Purchasing area and one in the Sales Support area, one with the LUISS University (Master in Business & Company Law) in the Legal Affairs area and one with the University of Brescia (Economics & Management) in the Management Control area
- Research grants, scholarships, PhDs, which Fameccanica makes available with the aim of drawing on the academic world to carry out specific projects.

The Company turns to universities for the organisation of competitions, the selection of candidates and projects, basic or applied research activities with a high technical content. In May 2021, Fameccanica entered into a one-year cooperation agreement (ending May 2022) with the Università Politecnica delle Marche for the study and design of objects using Additive Manufacturing technology. The university issued a call for tenders for the implementation of this activity, providing for an annual research grant. Fameccanica also sponsored the Level II Master's Degree "Chief Financial Officer - Administration, Finance and Control Management" of the "G. D'Annunzio" Chieti Pescara, Department of Business Economics.

Also in the world of education for young people, Fameccanica promoted the Hack4Change initiative, in collaboration with Angelini Academy, with a twofold objective: on the one hand, to increase Employer Branding, fostering the image of a leading and innovative company in the technology sector at Italy's most prestigious technical universities; on the other hand, in terms of talent attraction, to create opportunities to evaluate brilliant undergraduates or graduates who will try their hand at activities and challenges of interest to the company. The 2022 initiative involved cooperation with 6 Italian Universities (University of L'Aquila, University of Naples Federico II, Bari's Polytechnic, Milan's Polytechnic, University of Bologna, Turin's Polytechnic).

Fameccanica posed four challenges on the issues of digital transformation and smart working (Work-Life Balance; Data Control Room; Remote troubleshooting; Networking: the power of data sharing) in which around 400 students participated. The teams of the four winning projects were given awards during a ceremony streamed live on the Group's social channels in May 2022.

In 2021, the company, which is particularly attentive to the communities in which it operates, also joined the Guaranteed Mobility project of the municipality of Chieti, carried

out in partnership with the PMG Italia Benefit Company for categories of people in difficulty. The initiative involves the provision of an equipped vehicle for a free transport service for disabled and elderly people with reduced mobility, as well as the provision of a range of services such as transport to physiotherapy clinics and hospitals and the accompaniment of disabled children to and from school.

During the summer of 2022, Fameccanica decided to support the Pescara Jazz Festival, in cooperation with the Ministry of Cultural Heritage and Activities and the Abruzzo Region and the Department of Culture. This festival has, for more than 50 years now, brought national and international artists to the Abruzzo region such as Simple Minds, Fiorella Mannoia and Alex Britti, who have performed in the Pescara Tourist Port Arena and the Teatro d'Annunzio. The event has, throughout its history, featured all the greatest innovators of this musical genre, from early jazz masters Earl Hines and Red Norvo to futuristic experimenters Sun Ra and Cecil Taylor. It is an important initiative for Pescara and the area and, therefore, also for the company that has been linked to Abruzzo and its people for over 40 years.

In April 2022, Ab.Side inaugurated a Demonstration Centre at the Italian headquarters of Fameccanica: a new open innovation space, promoted by Confindustria Chieti Pescara, Fameccanica, AB.Side and Fraunhofer Italia. It represents a reference point for industrial and manufacturing companies, and houses the devices of the major international players of Industry 4.0 such as ABB, KUKA, Roboze, Fortek, DASSAULT SYSTEMES and Fraunhofer.

The hub features specialised researchers who help companies with the process of digital transition, and technologies ranging from additive manufacturing and augmented reality to collaborative robots and robotic cells.

Fameccanica, which has always made innovation a driving force for the growth of its own people and the Abruzzo region, intends to increase this focus with the Demonstration Centre, also designed for local companies.



# GRI PERFORMANCE INDICATORS

**FAMECCANICA**

**Angelini Technologies**

STATEMENT OF USE The Fameccanica Group has prepared this non-financial information in accordance with the GRI Standards for the period 1<sup>st</sup> January 2022 – 31<sup>st</sup> December 2022

GRI 1 GRI 1 – Fundamental Principles – 2021 version

GRI SECTOR STANDARD No applicable GRI Sector Standard

GRI STANDARD	INDICATOR NUMBER	INDICATOR TITLE	REFERENCE PARAGRAPH OR NOTES/OMISSIONS
GRI 2: General Disclosures 2021	2-1	Organisational details	Methodological note – Identity and governance: corporate structure
	2-2	Entities included in the organisation's sustainability report	Methodological note
	2-3	Reporting period, frequency and point of contact	Methodological note
	2-4	Information restatement	Methodological note
	2-5	External assurance	Report of the independent auditors
	2-6	Activities, value chain and other business relations	Production and intellectual capital – Economic and financial capital: supply chain management – Social and relational capital: relationship with customers
	2-7	Employees	Human capital: staffing: hiring and turnover
	2-8	Self-employed workers	Human capital: staffing: hiring and turnover
	2-9	Governance structure and composition	Identity and governance: governance structure (partially reported)
	2-10	Appointment and selection of the highest governing body	Identity and governance: governance structure (partially reported)
	2-11	President of the highest governing body	Identity and governance: governance structure
	2-12	Role of the highest governing body in overseeing impacts	Identity and governance: approach to sustainability



GRI STANDARD	INDICATOR NUMBER	INDICATOR TITLE	REFERENCE PARAGRAPH OR NOTES/OMISSIONS
GRI 2: General Disclosures 2021	2-13	Delegation of responsibility for impact management	Identity and governance: approach to sustainability
	2-14	Role of the highest governing body in sustainability reporting	Methodological note
	2-15	Conflict of interest	Identity and governance: governance structure (partially reported)
	2-16	Communication of criticalities	No critical issues were reported to the highest governing body as none were encountered during the reporting period.
	2-17	Collective knowledge of the highest governing body	Identity and governance: approach to sustainability
	2-18	Performance evaluation of the highest governing body	Information not available
	2-19	Remuneration policies	Confidential information: Sensitive information relating to the implementation of the business development strategy, to be considered highly confidential and cannot be shared at this stage.
	2-20	Process for determining remuneration	
	2-21	Ratio of total annual fees	
	2-22	Sustainable Development Strategy Statement	Letter to stakeholders
2-23	Commitments to policies	Identity and governance: approach to sustainability	
2-24	Integration of commitments into policies	Information not available: for this reporting year, the information is not available due to incomplete data. For future years, the organisation will ensure better disclosure.	

GRI STANDARD	INDICATOR NUMBER	INDICATOR TITLE	REFERENCE PARAGRAPH OR NOTES/OMISSIONS
GRI 2: General Disclosures 2021	2-25	Processes to remedy negative impacts	Not covered: falls within the management approach of issues
	2-26	Mechanisms for consultation and expression of doubts	Identity and governance: approach to sustainability
	2-27	Compliance with laws and regulations	No sanctions in the reporting period. No instances of non-compliance with laws and regulations during the reporting period
	2-28	Associations	Fameccanica.Data S.p.A. is a member of Confindustria Chieti Pescara and UCIMA
	2-29	Approach to stakeholder engagement	Materiality - Social and relational capital: relationships with and involvement of stakeholders
	2-30	Collective bargaining agreements	Human capital: welfare and socio-organisational well-being

GRI STANDARD	INDICATOR NUMBER	INDICATOR TITLE	REFERENCE PARAGRAPH OR NOTES/OMISSIONS
GRI 3 Material issues	3-1	Process for determining material issues	Materiality
	3-2	List of material issues	Materiality
	3-3	Management of material issues	Materiality
GRI 201 Economic performance	201-1	Economic value directly generated and distributed	Economic and financial capital: economic value generated and distributed
GRI 204 Procurement practices	204-1	Proportion of expenditure on local suppliers	Economic and financial capital: supply chain management
GRI 205 Anti-corruption	205-3	Established incidents of corruption and actions taken	No corruption occurred during the reporting period.
GRI 206 Unfair competition	206-1	Actions for anti-competitive behaviour, antitrust and monopolistic practices	During the reporting period, no legal actions are pending in the area of anti-competitive behaviour and violations of antitrust and monopolistic practice regulations
GRI 302 Energy	302-1	Energy consumption within the organisation	Natural capital: energy consumption and emissions
	303-3	Water withdrawal by source	Natural capital: water resources
GRI 303 Water and wastewater	303-4	Water drainage	Natural capital: water resources
	303-5	Water consumption	Natural capital: water resources
GRI 305 Emissions	305-1	Direct GHG emissions (Scope 1)	Natural capital: energy consumption and emissions
	305-2	Indirect GHG emissions from energy consumption (Scope 2)	Natural capital: energy consumption and emissions
GRI 306 - Waste	306-2	Waste generation and significant waste-related impacts	Natural capital: waste management
	306-3	Waste generated	Natural capital: waste management
	306-4	Waste not intended for disposal	Natural capital: waste management
	306-5	Waste intended for disposal	Natural capital: waste management

GRI STANDARD	INDICATOR NUMBER	INDICATOR TITLE	REFERENCE PARAGRAPH OR NOTES/OMISSIONS
GRI 401 Employment	401-1	Hiring and turnover	Human capital: staffing: hiring and turnover
	401-2	Benefits for full-time employees that are not available to temporary or part-time employees	Human capital: welfare and socio-organisational well-being
	403-1	Occupational Health and Safety Management System	Human capital: health and safety
GRI 403 Health and safety at work	403-2	Hazard identification, risk assessment and accident investigation	Human capital: health and safety
	403-3	Occupational health services	Human capital: health and safety
	403-5	Training of workers in occupational health and safety	Human capital: health and safety
	403-6	Promotion of the health of workers	Human capital: health and safety
	403-8	Workers covered by an occupational health and safety management system	Human capital: health and safety
	403-9	Accidents at work	Human capital: health and safety 403-9 b partly reported
	403-10	Occupational diseases	Human capital: health and safety
GRI 404 Training and education	404-1	Average hours of training per year per employee	Human capital: training and development of people
GRI 405 Diversity and equal opportunities	405-1	Diversity and equal opportunities	Identity and governance: governance structure - human capital: staff hiring and turnover
GRI 416 Customer health and safety	416-1	Assessment of health and safety impacts by categories of products and services	Social and relational capital: relationship with customers
	416-2	Incidents of non-compliance concerning health and safety impacts of products and services	During the reporting period, there were no instances of non-compliance with regulations and/or self-regulatory codes concerning the health and safety impacts of products and services
GRI 418 Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting period, there were no substantiated complaints concerning violations of customer privacy, nor were there any leaks, thefts or losses of customer data

# REPORT OF THE INDEPENDENT AUDITORS

**FAMECCANICA**



**Angelini**  
Technologies



**Fameccanica.Data S.p.A.**

Independent auditors' report on the  
"Sustainability Report 2022"





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## Independent Auditors' Report on the "Sustainability Report 2022"

To the Board of Directors of Fameccanica.Data S.p.A.

We have been engaged to perform a limited assurance engagement on the Sustainability Report of Fameccanica.Data S.p.A. for the year ended on December 31<sup>st</sup>, 2022.

### Directors' responsibility for the Sustainability Report

The Directors of Fameccanica.Data S.p.A. are responsible for the preparation of the Sustainability Report with reference to the "GRI Sustainability Reporting Standards (GRI Standards)" issued by the GRI - Global Reporting Initiative, as described in the paragraph "Methodological Note" of the Sustainability Report.

The Directors are responsible for that part of the internal control that they consider necessary in order to enable the preparation of a Sustainability Report that is free from material misstatements, whether due to frauds or unintentional behaviors or events.

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

### Auditors' independence and quality control

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

Our audit firm applies the International Standards on Quality Control 1 (ISQC Italia 1) and, consequently, maintains a quality control system that includes documented policies and procedures, regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

### Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Sustainability Report with the requirements of the GRI Standards. We conducted our work in accordance with the principles included in the "International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This standard requires the planning and execution of procedures in order to obtain limited assurance that the Sustainability Report is free from material misstatement.

Therefore, the extent of work performed in our examination was lower than that required for a full examination in accordance with ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would have been identified during a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgement and included inquiries, primarily with Fameccanica.Data S.p.A. personnel responsible for the preparation of the information included in the Sustainability Report, document analysis, recalculations and other procedures in order to obtain evidences considered appropriate.



In particular, we have performed the following procedures:

- analysis of the process relating to the definition of material aspects included in the Sustainability Report, with reference to the criteria applied to identify priorities for the different stakeholder categories and to the internal validation of the process results;
- comparison of economic and financial data included in the specific paragraph of the Sustainability Report with those included in the Financial Statements of Fameccanica.Data S.p.A.;
- analysis of processes that support the generation, collection and management of data and information to the department responsible for the preparation of the Sustainability Report. In particular, we have performed interviews and discussions with the management of Fameccanica.Data S.p.A. to gather information about the accounting and reporting systems used in preparing the Sustainability Report, as well as on the internal control procedures supporting the gathering, aggregation, processing and transmission of data and information to the department responsible for the preparation of the Sustainability Report.

Furthermore, for the most important information, taken into consideration the activities and the characteristics of Fameccanica.Data S.p.A.:

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

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## Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Fameccanica.Data S.p.A. for the period ended on December 31<sup>st</sup>, 2022 is not prepared, in all material respects, with reference to the “GRI Sustainability Reporting Standards (GRI Standards)” issued by the GRI - Global Reporting Initiative, as stated in the paragraph “Methodological Note” of the Sustainability Report.

Milan, December 15<sup>th</sup>, 2023

BDO Italia S.p.A.  
  
 Vittorio Leone  
 Socio

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

Fameccanica.Data S.p.A.

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