

2021-2022

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Report



FAMECCANICA
Non stop innovation

Part of Angelini Industries

2021-2022 Sustainability Report



FAMECCANICA
Non stop innovation

Part of Angelini Industries

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REPORT OF THE INDEPENDENT AUDITORS

For the second year, I am pleased to present you our Sustainability Report.

For the purpose of this Report, we took the opportunity to increase the level of involvement of our internal and external stakeholders, both while defining the Enterprise Value and while collecting the qualitative and quantitative information on our operations. We are working assiduously, in line with recent international developments, on new metrics and new concepts of measurement to portray the creation of value and the quality of relations with our stakeholders in an increasingly comprehensive and transparent manner. In this context, the “Leader della Sostenibilità” initiative carried out by Statista and Il Sole 24 Ore included us in their ranking of the most sustainable companies in Italy.

We are experiencing a profound process of technological and social transformation the effects of which propagate in space and time and across generations and borders.

It is a process that has changed and is changing not only the economic and production structures of Countries, but society as a whole and the forms in which it expresses itself.

The year 2021, and to some extent 2022, was dominated by the Covid-19 pandemic, albeit countered by the search for medical solutions, critical supply chains, and a sharp rise in the prices of raw materials and energy. This scenario was made even more complex by the recent conflict in Ukraine.

In this regard, sustainability means even more to us the creation of value that can last over time and of value for all our stakeholders: our people and customers, suppliers and partners, but also the territory in which we operate and society as a whole.

In 2022, we changed our shareholding structure: Angelini Industries acquired 50% of Fameccanica from P&G, which had been an equal joint venture between Angelini Industries and the American multinational since 1992.

As a result of this agreement, Angelini Industries gained 100% ownership of Fameccanica, creating an ecosystem of companies dedicated to the design and development of technologies, products and services for improving production and industrial processes. P&G, although exiting the shareholding structure, remains a major partner for Fameccanica.

In such a changing environment, we feel the need to develop the business on the basis of three key factors: operational excellence,

sustainable growth and human capital. We will continue to preside over our target markets through our established leadership in the sector of disposable hygiene products, while at the same time exploring, on the strength of our expertise in factory automation, other adjacent business segments.

It has become imperative for us to diversify our product and customer portfolio. To pursue growth and innovation, we are aware that we need to acquire new expertise and strengthen the managerial skills of our people by leveraging Angelini Academy, the Corporate University of Angelini Industries.

We partnered with the Università Federico II di Napoli and the Politecnico di Milano, the Università di Bari and the Istituto Tecnologico Italiano di Torino, to attract new talent. With the same look to the future, we have also started an initiative called “alternanza scuola-lavoro” with some local schools that has allowed many young people to find out about our company and the world of automation.

Over the years, we have constantly strived to make our business model sustainable throughout the value chain, and we have brought sustainability to the different areas of our business. One of these is diversity, where we achieved 30% female participation in the Leadership Team in 2022.

In response to the rise in energy costs, we have taken significant steps to reduce consumption, with production efficiency projects and investments in photovoltaic systems that will reduce our energy consumption by 20%.

Furthermore, in order to reduce CO₂ emissions, we have undertaken several projects including working with our partner Treedom, balancing our direct CO₂ emissions by planting a corporate forest of 12,000 trees in developing Countries.

Earlier this year, we collaborated with Angelini Industries, Angelini Academy and Codemotion to launch the “Hack 4 Change” initiative, a “competition” open to 400 students from Italian universities and engineering faculties who challenged each other on topics such as digital transformation, augmented reality, and artificial intelligence applied to business organisation and industry.

As part of the product development process, we are working to include sustainability in design activities, with the aim of reducing

our environmental impact. We initiated the “LIFE ALL-IN” project, funded by the European Community, for a more sustainable production and conversion of materials.

Lastly, we are committed to exploring new packaging solutions; we have set up an engineering hub in Bologna that aims to foster the design of machines and packaging using innovative and recyclable materials.

Everything we do is geared towards creating an ecosystem of Fameccanica: we are confident that sustainability can be a stepping stone for improving the quality of human life and society and of the environment we live in, with a long-term perspective.

Chief Executive Officer Fameccanica

Alessandro Bulfon



Alessandro Bulfon
Chief Executive Officer Fameccanica

Sustainability means the creation of value that can last over time for all our stakeholders: the shareholders, our people and customers, suppliers and partners, but also the territory in which we operate and society as a whole

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The Fameccanica Sustainability Report is prepared on an annual basis and covers the financial year from 1st July 2021 to 30th June 2022, in line with the balance sheet.

SCOPE OF THE REPORT

Compared to the previous fiscal year, 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. 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 was 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 5th 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 STRUCTURE OF THE REPORT

The Report is divided into the following six main chapters:

1. Materiality, 2. Identity and Governance, 3. Productive and intellectual capital, 4. Economic and financial capital, 5. Natural capital, 6. Human capital, 7. Social and relational capital. These chapters are preceded by the Letter to Stakeholders, this Methodological Note and the following sections: Highlights, important facts during the period. The GRI Table of Contents can be found in the Appendix.

THE COLLECTION AND VERIFICATION PROCESS FOR THE REPORT

Data collection forms and qualitative information, suitably expanded to include foreign companies, were used for collection and

consolidation of the information and data referred to in this Report. The data and information collection process for the financial year 2021-2022 involved the contact persons of Fameccanica Data S.p.A., who in turn coordinated the data collection of 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 has been indicated when determining the indicators. 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 issuance of the “Auditor’s Report” at the end of this document.

STAKEHOLDERS AND MATERIALITY ANALYSIS

The stakeholder map, shown in the “Stakeholder map and ways of involvement” section, in the “Social and relational capital” chapter, was further improved with the contribution of the Sustainability Team and documentary evidence.

The extra-financial reporting was preceded by a thorough materiality assessment, carried out throughout May-June 2022 with the involvement of stakeholders, which resulted in a more in-depth analysis of the previous financial year 2020-2021, identifying the important issues for Fameccanica according to the impacts (positive and negative) generated and the effect they may have on stakeholders’ decisions.

With reference to the GRI Standards on materiality analysis, Fameccanica’s external and internal impacts were appropriately assessed during the stakeholder engagement activities (see the “Materiality” chapter). This document describes the Group’s most significant economic, environmental and social impacts, identified on the basis of the materiality analysis, in order to put the company’s activities into a broader context.

EXTERNAL ASSURANCE

Fameccanica’s top management decided to audit this Sustainability Report, with the aim of verifying the accuracy of the information contained in the Report.

The document has been audited by an independent auditor, who conducted a limited review in accordance with the International Standard on Assurance Engagements (ISAE 3000 Revised), and who expressed his or her opinion based on his or her knowledge and understanding of the Company and the adequacy of the systems, processes and procedures used to prepare the document.

For further information, please use the following communication channels:

- corporate website www.fameccanica.com
- Sustainability Area email address sustainability@fameccanica.com

HIGHLIGHTS 2021-2022

Identity and Governance

47

years of activity

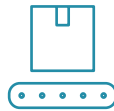
3

locations
(Italy, North America, China)



+1200

machines delivered worldwide



Productive and intellectual capital

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

85

new patent applications at the European
Patent Office (EPO), with a total of more
than 750 recognised patents

LIFE ALL-IN
project for the online processing
of materials

100%

installations certified in accordance with
Legislative Decree 17/2010

Economic and financial capital

195.3

mln EUR, approx:
FY 2021-2022 total revenue

158

mln EUR, approx:
FY 2021-2022 revenue in Italy



88%

share of generated value distributed
to stakeholders

72%

share of the value distributed to suppliers
(amounting to EUR 110.7 mln)

1,399

number of suppliers (869 managed in Italy,
of which 213 are in Abruzzo)



**ECOVADIS SUSTAINABILITY
RATING: GOLD MEDAL**

123.7

mln EUR, approx:
value of supplies in Italy

Natural capital

ISO 14001 Environmental Management and
ISO 50001 Energy Management systems

SUSTAINABLE CLICK initiative
for the use of new company PCs with
recovered materials and plant-based
bioplastics

Involvement in the **RIVENDING** Circular
Economy Project for the recovery and
recycling of PET plastic cups and pallets



12,000

trees planted to neutralise
CO₂ emissions as part of the
BOSCO FAMECCANICA project



Human capital

639

employees (82% in Italy)



49

new hires in FY 2021-2022
(17 women and 35 men)

100%

persons with a permanent contract

9.4%

female employees
(+36.2% year-on-year)



22,878

total hours of training provided
(of which 10,566 in technical and safety
training)

35.8

average training hours
(27.8 for women)

655

performance evaluation sessions
(+34% compared to FY 2019-2020)

0

serious accidents

FAMECCANICA WELFARE

platform for the use of social services
by employees

ISO 45001 Occupational Health and
Safety Management System

Social and relational capital

Creation of the Engineering
Hub in Bologna for
SUSTAINABLE PACKAGING



CHRISTMAS MARKET in
support of the non-profit WeWorld and
Heart4Children Foundations

HACK4CHANGE, an initiative in
collaboration with Angelini Academy
and Codemotion, aimed at 400 students
from Italian universities and engineering
faculties

Involvement in the **MOBILITÀ
GARANTITA** project sponsored by the
Municipality of Chieti







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Materiality refers to all **aspects that have a real impact on a company's ability to create value over time.**

Over the past two years, several standardisation and regulatory bodies have begun to develop the concept of material sustainability. In particular, **the Corporate Sustainability Reporting Directive (CSRD) proposed by 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 second Sustainability Report, Fameccanica, although not obliged to do so, has decided to pursue the principle of double materiality, providing information required to understand the impact it, as a company, 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, on the other hand, 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 first 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 second 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.**

Fameccanica provides the information required to understand the impact it has on society and the environment, and how ESG issues affect it



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 second edition of the Sustainability Report, **Fameccanica conducted a thorough materiality assessment in May-June 2022 to better understand the company's impacts and to further integrate sustainability within the company.**

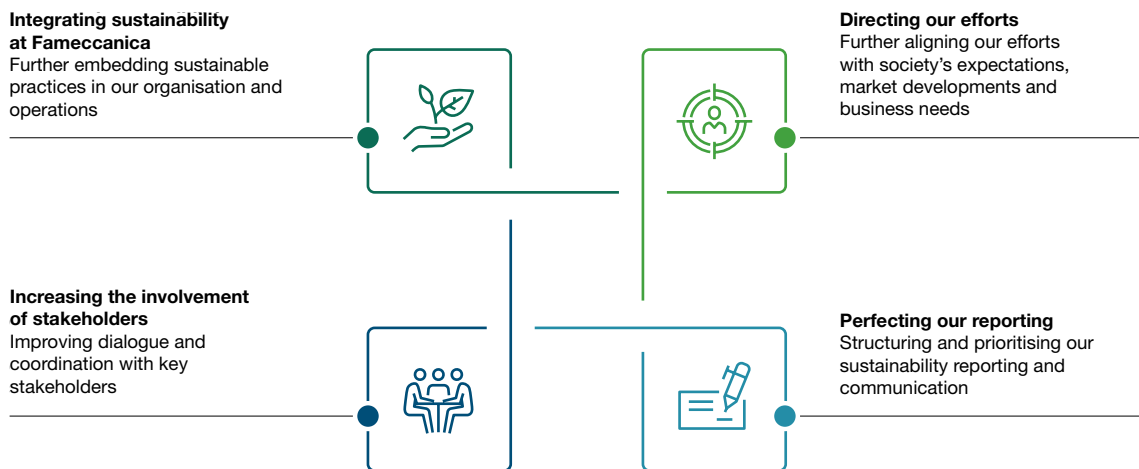
The assessment process took into account internal developments related to: the rapid advancement of business evolution; the ambition to embark on its own path of growth and development, also after conclusion of the 50:50 joint venture with the American multinational Procter & Gamble; and the

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.

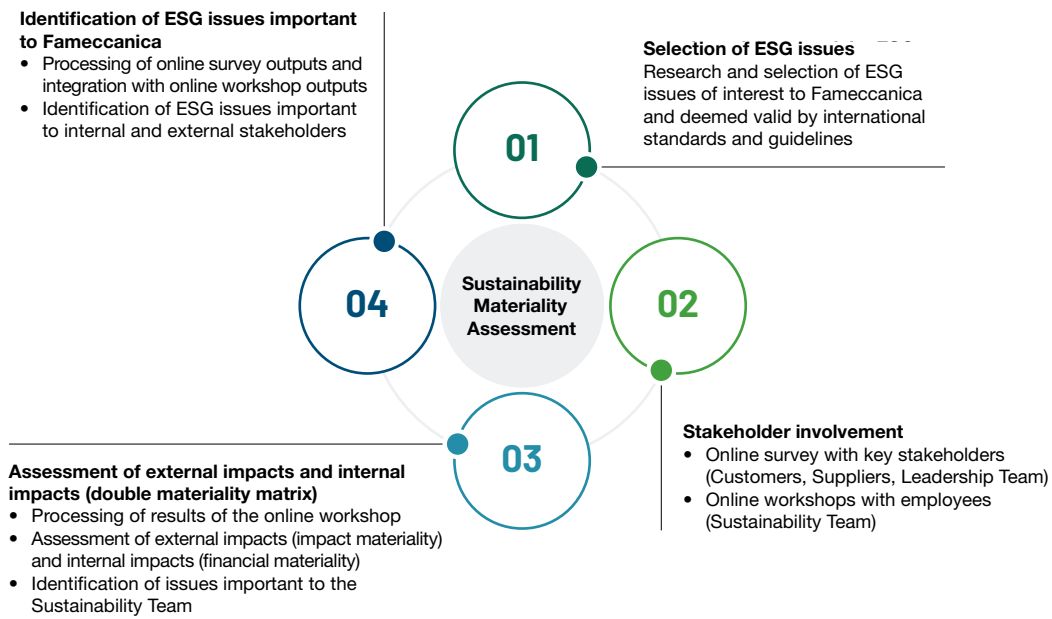
As a company operating on a global scale in a rapidly changing world, **Fameccanica strongly believes that its success depends on continuous monitoring and adaptation to significant social, environmental, economic, political and technological changes.**

This approach is summarised in the diagram shown in the figure.



In 2022, the materiality assessment was expanded, building on the analysis conducted in the financial year 2020-2021 and acknowledging the value that the integration of different perspectives

can bring to the analysis as well as providing a deeper understanding. The following figure shows the methodological approach followed for analysis of the materiality assessment.



The first step was to prepare a **list of potentially important ESG topics**, which were assessed from three different perspectives:

- **The perspective of stakeholders:** the point of view of the main stakeholders able to influence business operations and decisions;
- **External impact (inside-out):** the impact on society and the planet at different stages of the Fameccanica value chain;

- **Internal impact (outside-in):** the impact on Fameccanica's overall performance and business in terms of risks and opportunities that have or will have an impact on business value.

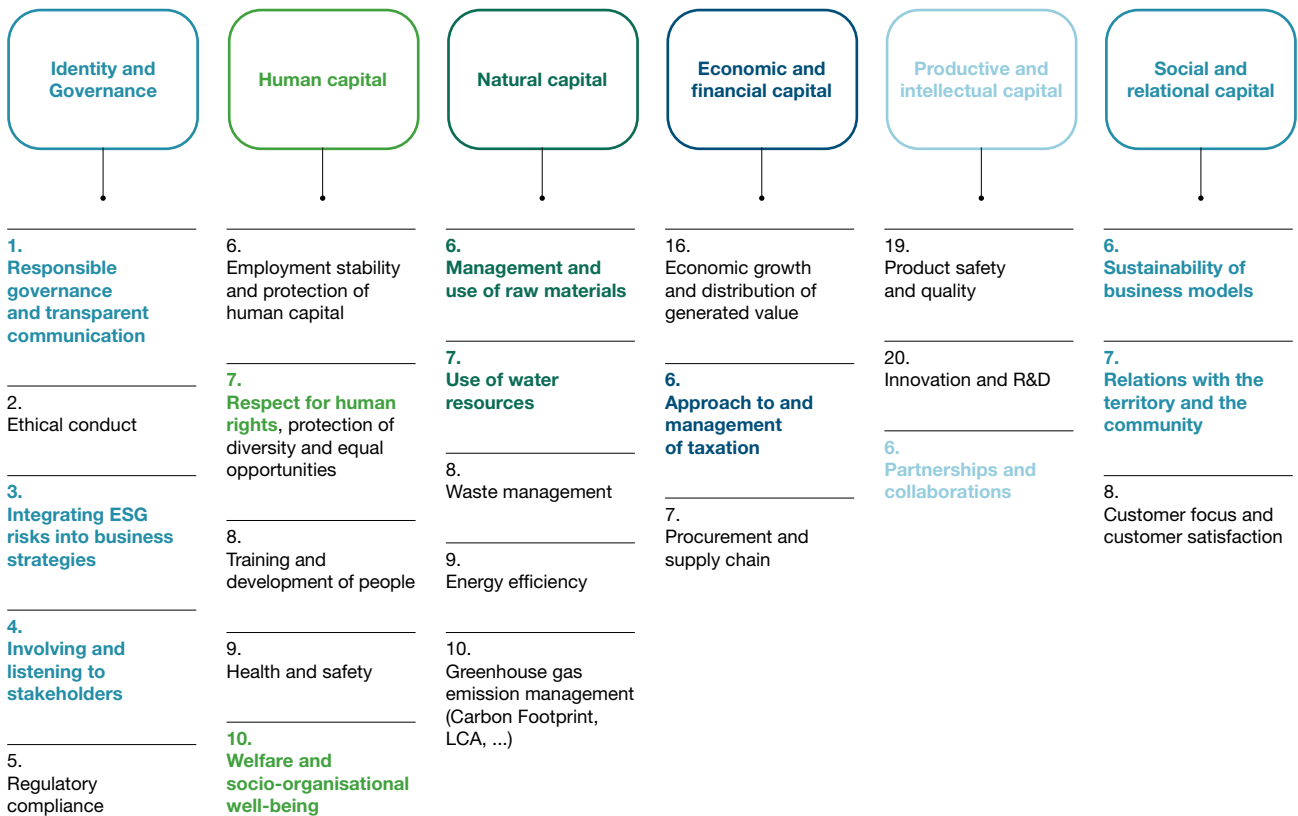
The results of these three perspectives were then integrated to construct the double materiality matrix and identify the points on which Fameccanica should focus for maximum impact.

PHASE 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 ESG aspects. 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).

The list of **24 ESG issues** summarised in the figure is based on this in-depth analysis.



Note: New issues compared to the first edition of the 2020-2021 Sustainability Report

The list of issues considered here, while taking into account the assessment during last year’s materiality analysis, has changed significantly. Most of the issues have been renamed to try to define them in a neutral way, taking into account their potential positive and negative impacts. Compared to last year, **11 new issues (in bold in the diagram above) were introduced** to reflect changes in Fameccanica’s business and value proposition and the evolution of its corporate structure and market position.

More specifically, the “human rights” topic was not considered as a separate issue but was merged with that of “Protection of Diversity and Equal Opportunities”, considering it an ever-present and pervasive subject in Society and in all ESG issues.

In contrast, “Energy Efficiency” and “GHG Emissions Management” were considered separate issues, unlike in the previous report where they were merged into the single “Energy and Emissions” topic.

PHASE 2 STAKEHOLDER INVOLVEMENT

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.

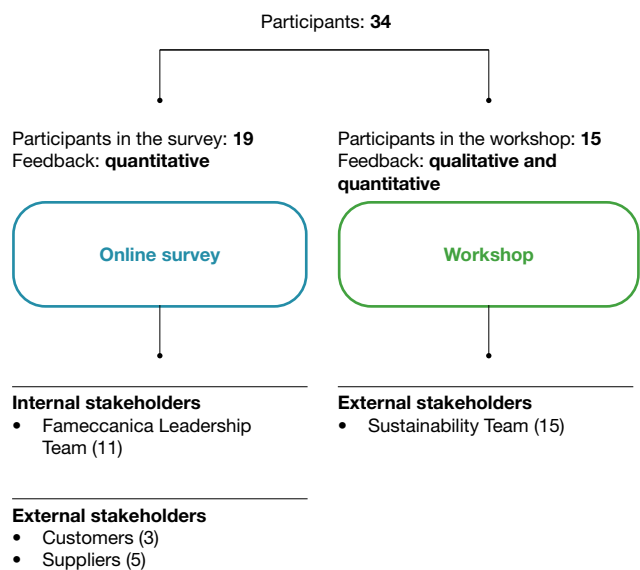
Engaging with stakeholders in an open and transparent manner helps the company to understand their expectations and concerns and thereby address the context - characterised by continuous change and industrial challenges - in which it operates.

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.

The collection of qualitative and quantitative data and the subsequent materiality assessment was carried out in the following two ways:

- 1. Online survey** mainly addressed to external stakeholders, in particular 3 main customers and 5 strategic suppliers. 11 members of the Fameccanica Leadership Team also participated in the same survey, making a total of **19 participants**;
- 2. Online workshop** with selected Fameccanica employees, divided into two groups for a total of **7 participants**.



A total of 26 individuals were involved on the two occasions, of whom **11 were internal (42%)** and **15 external (58%)**.

Internal and external stakeholders were asked in the online survey to give their qualitative and quantitative assessment of the sustainability issues listed above, considered important and of greatest interest to Fameccanica.

A rating scale of 1 to 5 was used for the individual questions of the survey: not important, not very important, important, very important, extremely important. The latter, in particular, indicates that the issue is extremely important and strategically contributes to creating sustainable value. It is therefore crucial for Fameccanica to have clear objectives on this issue, to actively manage and monitor it, and report on the results achieved.

In order to prevent the issues from all having a top rating, each participant was asked to prioritise the issues in descending order of priority.

In the survey, the members of the Fameccanica Leadership Team were also asked, as internal stakeholders of the company, to give a quantitative rating (from 1 to 5) on the following:

- **the impact Fameccanica has on the following categories of stakeholders:** Customers, Suppliers/Business Partners, Banks and Financial Institutions, Communities and Public Institutions, Universities and the Scientific Community;
- **the influence that the categories of stakeholders listed above have on Fameccanica's business processes.**

In addition, an open-ended question was posed to all participants in order to explore any other sustainability issues that were not included in the questionnaire and were nevertheless considered potentially material in the context of Fameccanica.

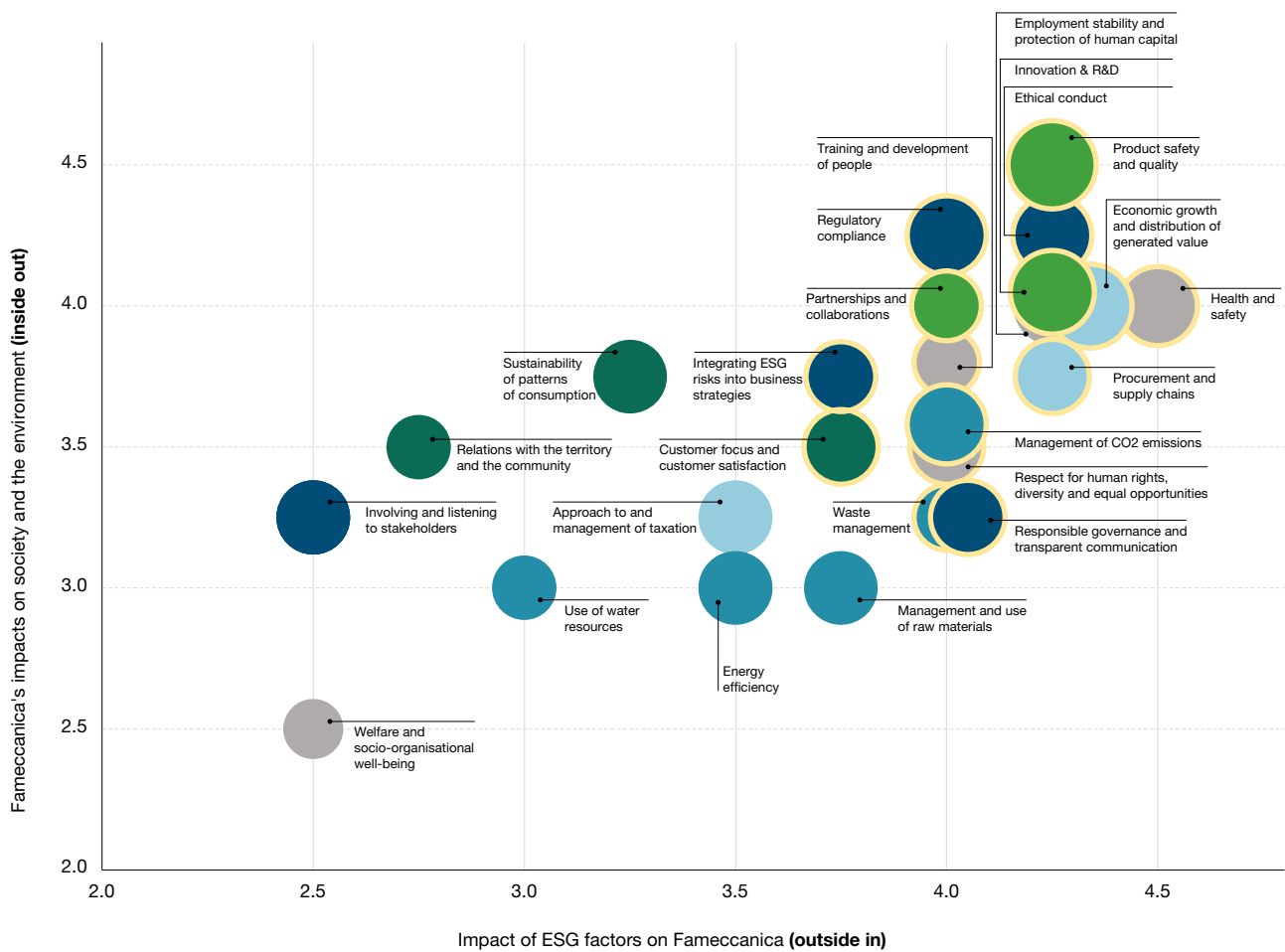
During the **Online Workshop**, members of the Fameccanica Sustainability Team were invited to:

- offer a **considered opinion on Fameccanica's standing on sustainability issues** (unique sustainability value proposition);
- perform a **qualitative and quantitative assessment**, in order for the company to gather information on stakeholders' perception of its external and internal impact (concept of "double materiality").



PHASE 3 ASSESSMENT OF EXTERNAL IMPACTS AND INTERNAL IMPACTS (DOUBLE MATERIALITY MATRIX)

The double materiality matrix was generated using all the input gathered through the online workshop conducted with the Sustainability Team.



Key

- Identity and Governance
- Economic and financial capital
- Human capital
- Productive and intellectual capital
- Natural capital
- Social and relational capital
- The most important topics

High importance for stakeholders

High/Medium high Medium Medium/Low

Looking at the matrix, you can see that:

- the issues are shown in a different colour according to type of capital;
- the issues involving the most significant risks and opportunities for Fameccanica’s creation of value (outside-in) are represented on the X-axis of the matrix;
- the significance of Fameccanica’s impacts on society and the environment (inside-out) is represented on the Y-axis;
- the perspective of internal stakeholders is represented by assigning a different size to each topic bubble, depending on the importance attributed by the participants of the workshop.

The “Product Quality and Safety” issue is ranked significantly higher than all other ESG issues compared to the average of the three proposed assessments in terms of inside-out impact, outside-in impact and importance of the issue.

A further **nine issues in the upper right-hand part of the matrix** (those that cumulatively received the highest score in both the outside-in and inside-out impact assessment) were identified as the most important: “Ethical conduct”, “Regulatory compliance”, “Economic growth and distribution of generated value”, “Innovation and R&D”, “Employment stability and protection of human capital”, “Health and safety”, “Procurement and supply chains”, “Training and personal development”, “Partnerships and collaborations”.

From the matrix, **six other issues can be observed that received medium-high scores both outside-in and inside-out and in terms of importance (bubble size)**: “Integration of ESG risks into corporate strategies”, “Management of CO₂ emissions”, “Customer focus and customer satisfaction”, “Respect for human rights, protection of diversity and equal opportunities”, “Responsible governance and transparent communication”, “Waste management”.

There are also **four issues characterised by a medium level of significance in terms of inside-out and outside-in impacts, but which have a medium-high importance score** (bubble size): “Sustainability of patterns of consumption”, “Energy efficiency”, “Management and use of raw materials”, “Approach to and management of taxation”.

Lastly, we would like to point out:

- **the “Involving and listening to stakeholders” issue**, which, although not currently considered significant in terms of its inside-out and outside-in impacts, **recorded a high average**

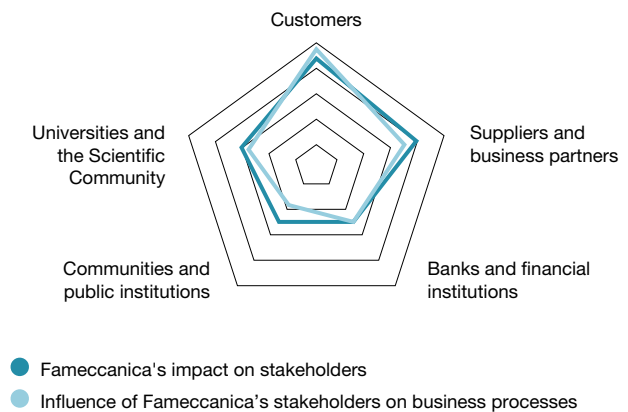
score of importance, proving it to be an emerging and extremely interesting issue for Fameccanica;

- **the good level of importance of three other issues** “Relations with the territory and the community”, “Use of water resources”, “Welfare and socio-organisational well-being”.

PHASE 4 IDENTIFICATION OF MATERIAL ESG ISSUES FOR FAMECCANICA

As mentioned above, **members of the Leadership Team, as well as external stakeholders (customers and suppliers), also participated in the online survey.**

Namely, the Leadership Team was asked to prioritise the issues submitted for evaluation by the stakeholders not only by assigning a score from 1 to 5, but also by ranking the issues in each category of the questionnaire in order of priority. This made it possible to revise some point scores in the event that all issues in a category of questions were given an equally high rating by the individual participant.



The Leadership Team was also asked to give a quantitative assessment, as part of the online survey, of the impact Fameccanica has on stakeholders and the influence the categories of stakeholders have on Fameccanica’s business processes, the results of which are shown in the figure.

Customers, Suppliers and Business Partners, and Banks and Financial Institutions are the categories of stakeholders that have the greatest influence on Fameccanica’s operations

and processes. The same stakeholders are those on whom Fameccanica can have the greatest impact, to which the Universities and the Scientific Community, and Communities and Public Institutions categories are also added, and towards which the Company strives to produce positive and lasting effects.

Lastly, a list of **material** issues was prepared based on the results of the scores given in the online survey by the external stakeholders (Customers and Suppliers) and by the internal stakeholders (Leadership Team)*.

The issues covered in the survey are the same as those covered in the workshop described above, and the ranking of the material issues is the result of the importance attributed to each of them with respect to internal stakeholders (relevance to Fameccanica) and external stakeholders (relevance to stakeholders).

The **14 material issues for Fameccanica** can be identified by applying a threshold value of 3.5 to both dimensions:

Identity and governance:

- Ethical conduct
- Responsible governance and transparent communication

- Regulatory compliance
- Integration of ESG risks into corporate strategies

Productive and intellectual capital:

- Partnerships and collaborations
- Product quality
- Innovation and R&D

Economic and financial capital:

- Economic growth and distribution of generated value

Natural capital:

- Energy efficiency

Human capital:

- Health and safety
- Human rights, diversity and equal opportunities
- Training and development of people
- Employment stability and protection of human capital

Social and relational capital:

- Customer focus and customer satisfaction

Summary of results

Overall, both the survey and the workshop confirmed that sustainability continues to grow in importance and that ESG factors play an increasingly important role for all stakeholders, regardless of the group they represent.

Altogether, the importance scores assigned during the workshop and in the surveys are averaged by giving each category of stakeholders involved the same weight in the weighting of values. This way **the top 10 most universally important ESG issues are identified:** “Customer focus and customer satisfaction”, “Economic growth and distribution of generated value”, “Innovation and R&D” “Ethical conduct”, “Respect for human rights, protection of diversity and equal opportunities”, “Health and safety”, “Regulatory compliance”,

“Employment stability and protection of human capital”, “Energy efficiency”, “Product quality and safety”.

The integration of the two engagement emerge activities therefore reveals an alignment of views in the assessment of the importance assigned to the issues.

With this approach to the analysis, the involvement of 3 categories of external stakeholders means that the external perspective carries more weight than the internal one. The substantial consistency of the issues that emerged from this further analysis with respect to the material issues identified in the previous section also demonstrates that Fameccanica is in line with its stakeholders in the appropriate assessment of the impacts of ESG issues.

* The score assigned by the employees (Sustainability Team) is not integrated, as it was considered within the double materiality matrix, represented with sizes of the bubble.







Identity and Governance

01

Fameccanica today

Fameccanica is an international Group operating in the field of automation for the consumer goods industry. The Group 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 has 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.

In 2021, it was the most innovative Italian company according to the EPO (European Patent Office) report, with 85 European patent applications filed.

Today, with **more than 1,200 machines delivered worldwide, more than 750 recognised patents, and around 700 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.

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.

Today, guided by its philosophy of **"Non Stop Innovation"**, 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

History

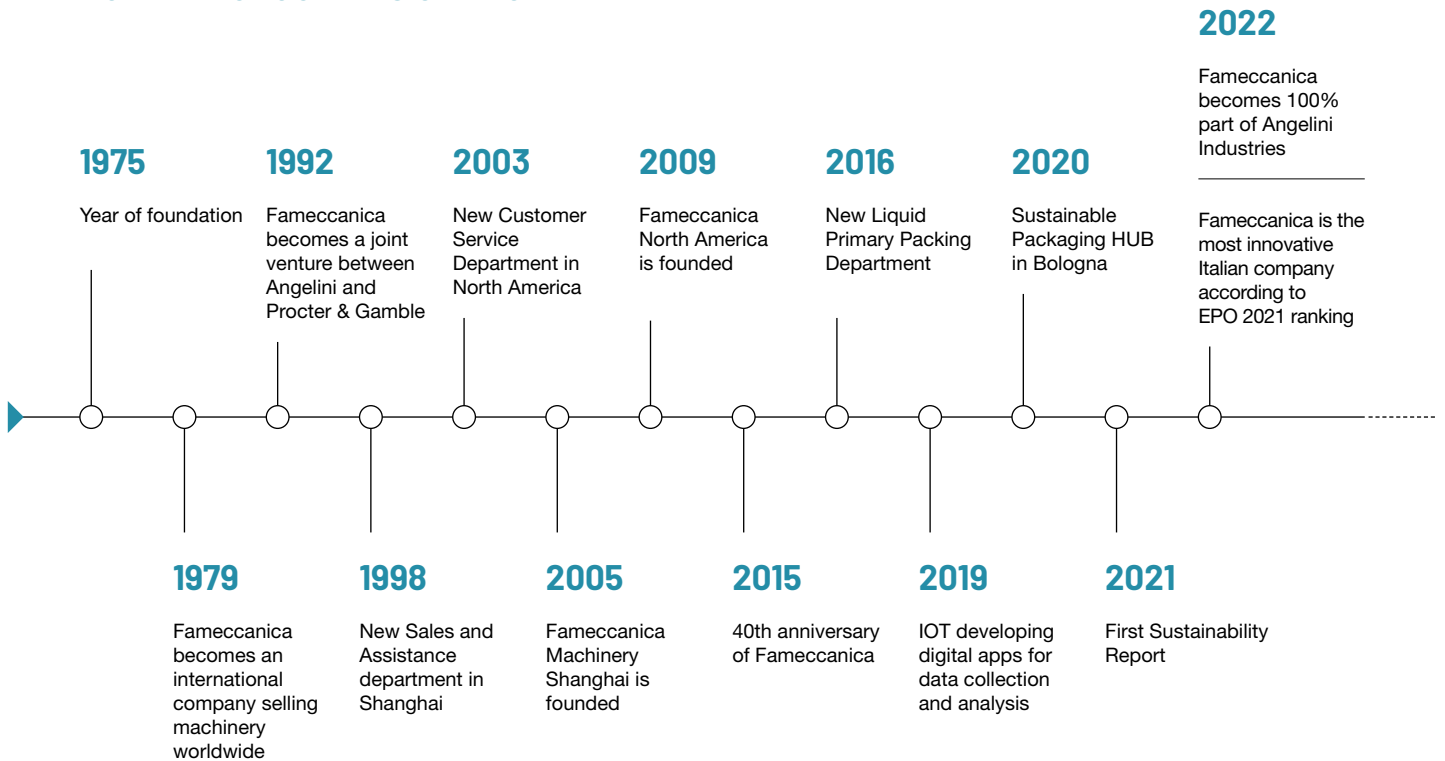
Founded in 1975, in the province of Chieti, Fameccanica today is an international Group with great ambitions, thanks to the intuition of a young engineer and the Angelini family. Since its inception, it has become synonymous with quality, innovation and reliability, thanks to strategic alliances across 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 1,200 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 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.**

HOW THE GROUP HAS CHANGED



Corporate structure

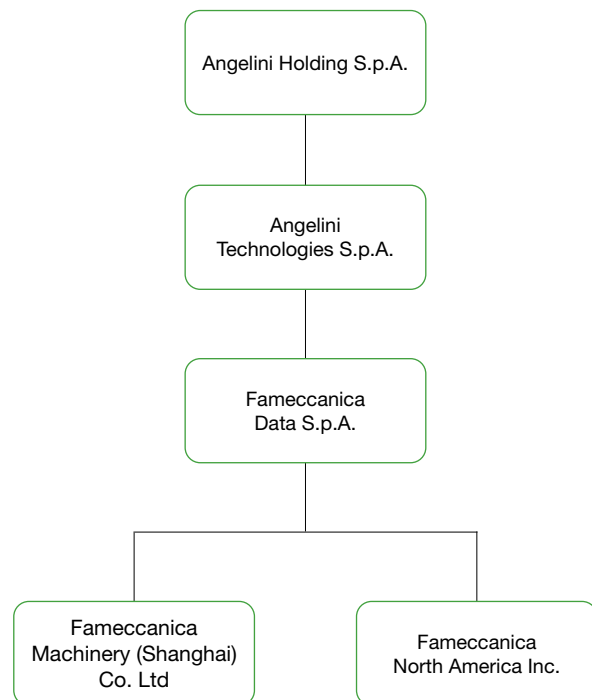
The Fameccanica Group consists of Fameccanica DATA S.p.A. with a single shareholder, and the two subsidiaries Fameccanica Machinery Shanghai Co. Ltd and Fameccanica North America Inc., wholly owned. Fameccanica DATA S.p.A., with a single shareholder, is subject to the Management and Coordination of Angelini 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.



Governance structure

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 year.

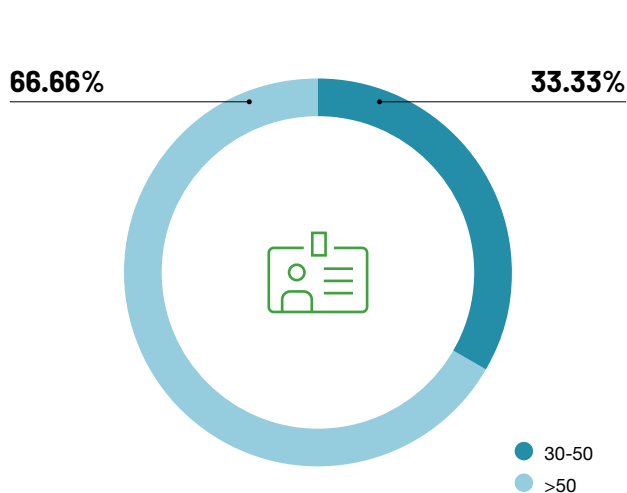
The Board of Directors is the body entrusted with the management of the Company's ordinary and extraordinary activities, with the exception of those activities that by law or by the Articles of Association are entrusted to the Shareholders' Meeting; within the scope of its powers, the company is represented 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.



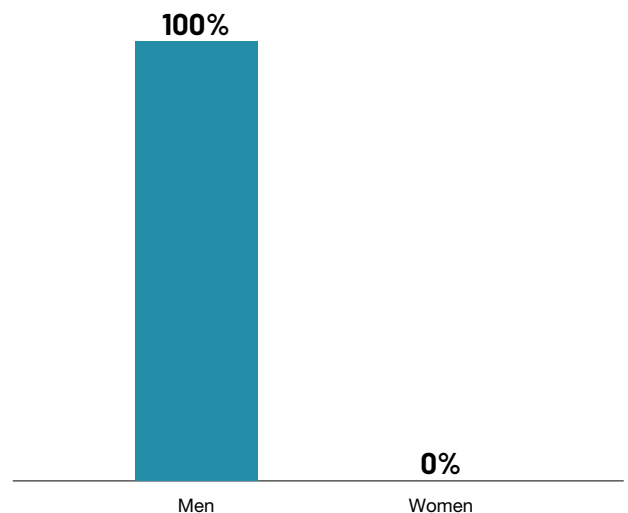
The **Board of Directors, made up of three members**, intervenes in all decision-making processes by establishing the hierarchical relationship for each of them, the methods for distributing tasks, the measures to be taken, the control principles and the persons to be held responsible for non-compliance or incorrect compliance.

Board of Directors as of 30/6/2022	Gender	Age group	Role
Marco Morbidelli	Man	>50 years	Chairman of the Board of Directors
Alessandro Bulfon	Man	>50 years	Chief Executive Officer
Massimo Marin	Man	30-50 years	Councillor

Composition of the 2022 BOARD OF DIRECTORS by age (%)



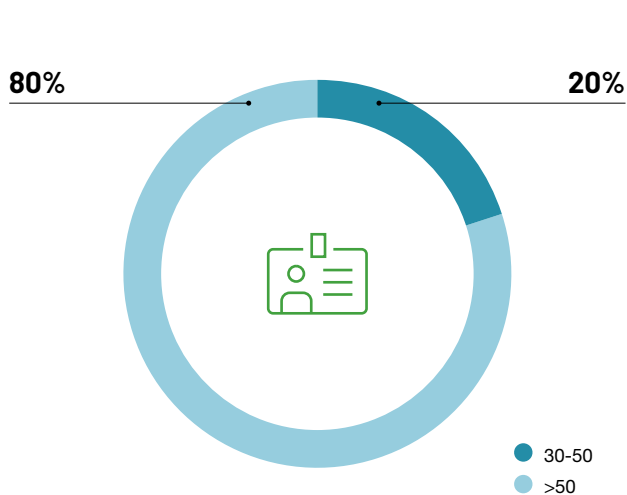
Composition of the 2022 BOARD OF DIRECTORS by gender (%)



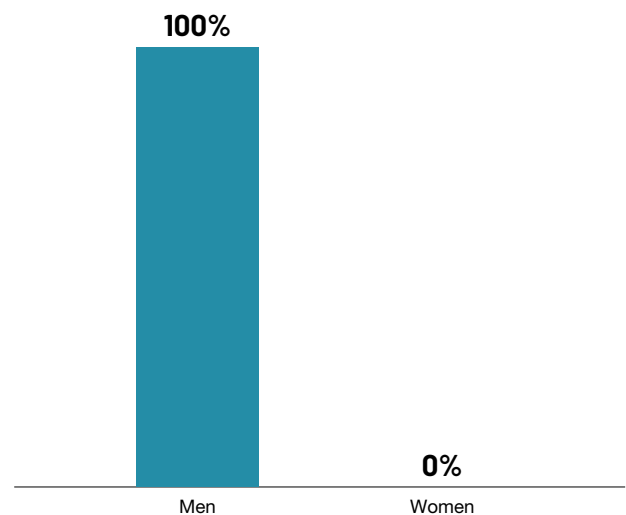
The **Board of Statutory Auditors, consisting of three permanent auditors and two substitute auditors**, is responsible for supervising the activities of the directors and checking that the management and administration of the company are carried out in accordance with the law and the articles of incorporation.

Board of Statutory Auditors as of 30/06/2022	Gender	Age group	Role
Fabrizio Marchetti	Man	>50 years	Permanent auditor
Lorenzo Barbone	Man	>50 years	Permanent auditor
Riccardo Tiscini	Man	>50 years	Permanent auditor - chairman
Gianluca Leone	Man	30-50 years	Substitute auditor
Giuseppe Marciano	Man	>50 years	Substitute auditor

Composition of the 2022 Board of Statutory Auditors by age (%)



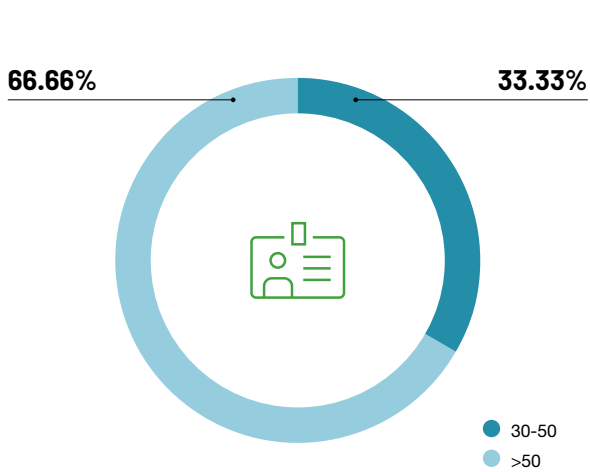
Composition of the 2022 Board of Statutory Auditors by gender (%)



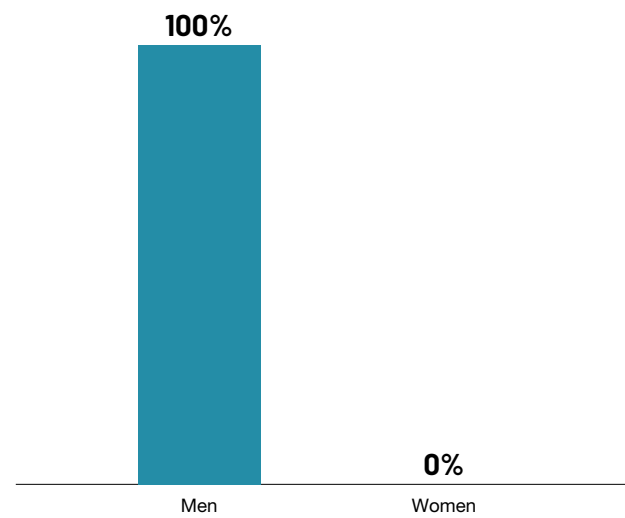
The **Supervisory Board** has the task of regularly monitoring and verifying the effectiveness of the Company's Organisation, Management and Control Model, as well as updating the Model itself following regulatory or organisational changes.

Supervisory Board as of 30/06/2022	Gender	Age group	Role
Daniele Del Monaco	Man	>50 years	Permanent members
Giuseppe Emiliano Vaciago	Man	30-50 years	Permanent members
Giovanni Cali	Man	>50 years	Permanent members

Composition of the 2022 Supervisory Board by age (%)



Composition of the 2022 Supervisory Board by gender (%)



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

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



MISSION

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



RESEARCH

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



INNOVATION

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



INTERNATIONALITY

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



RESPECT

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



COMFORT

- Caring about the well-being of people and their families.
- Listening and 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 and all people in general. 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 strive for excellence, constantly looking to reach ambitious goals. We face difficulties with determination and resilience.



INNOVATION

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



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 in 2021, the company started the project of integrating the Management Systems in order to avoid duplication or overlapping of procedures, to create synergies between important management phases, 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 policies of reference.

FAMECCANICA'S INTEGRATED POLICY SYSTEM

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.

This certification also includes specific controls (which may also cover aspects related to stakeholders such as employees, suppliers and customers) comprising human resources security, asset management, logical access control, encryption, physical and environmental security, operational security, communications security, application security management, relations with suppliers involved in information security management, incident management (relating to information security), regulatory compliance and Business Continuity management.

In particular, with regard to the information security process, the company manages this issue in the following ways:

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

OUR ISO CERTIFICATIONS

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

AEO

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 authorisation 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)

ISO 9001 defines the requirements for the implementation of a Quality Management System and is the best known and most widespread standard for quality improvement 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)

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)

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)

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)

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

ECOVADIS (SUSTAINABILITY RATING)

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.

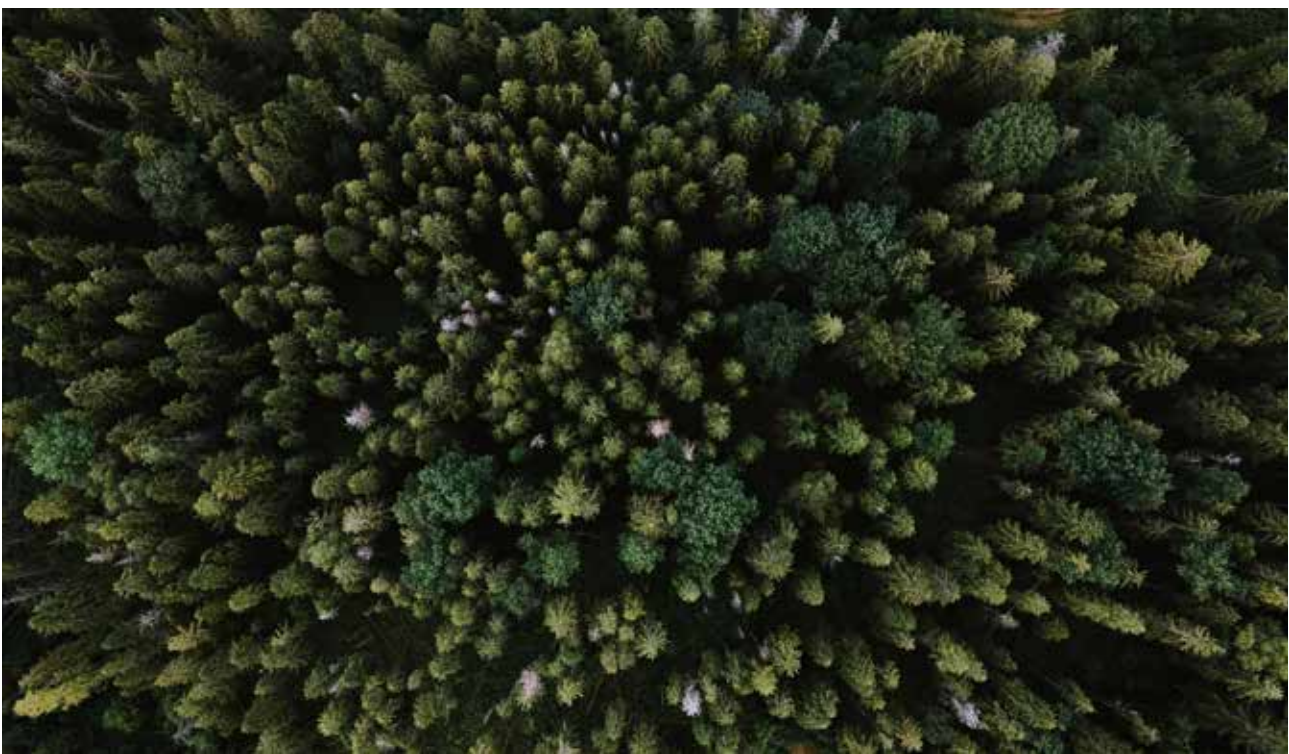
More and more companies require their suppliers to fulfil a set of ethical and eco-sustainability requirements for mapping the value chain, in order to ensure a sustainable business model with a proactive approach to the management of multiple stakeholders and a medium- to long-term time span.

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 an assessment 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.**



Non stop sustainable innovation: approach to sustainability

In line with its vision, mission and founding values and 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.

ETHICAL CONDUCT AND REGULATORY COMPLIANCE

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

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

PREVENTION OF ACTIVE AND PASSIVE CORRUPTION

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 training has been implemented in accordance with Legislative Decree 231/01, which 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 above all the segregation of duties; in particular, all processes must include the following elements:

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

LEGAL AFFAIRS AND CORPORATE GOVERNANCE

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.

When carrying out its activities, it therefore seeks to propose innovative and alternative solutions that can improve sustainability, transferring the values and knowledge gained in its professional field to other areas of the company.

In fact, compliance with ESG rules and parameters by all corporate functions also involves the Legal Office, which offers its knowledge and technical and implementation support, mediating between the different corporate functions. A practical example from an environmental point of view is also the reduction of paper by encouraging the use and management of digital archiving processes (DiliTrust platform) of all company documentation of legal/probationary value.

The Area has the essential objective of developing a corporate governance and culture based on the principles of legality, transparency, traceability, fairness, preventing and combating corruption, and protection of rights, and ensures corporate compliance with:

- the adoption, promotion and continuous updating of corporate models or codes of conduct through the OMCM (Organisational, Management and Control Model pursuant to Article 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. Privacy compliance is ensured not only by monitoring compliance with the regulations and measures adopted by the national and European supervisory authorities, but also by adopting a Privacy Organisational Model (POM) and identifying, for this model, strategies, general guidelines and internal operating procedures, as well as roles, tasks and responsibilities for the proper protection of personal data within the company, in accordance with the provisions of the privacy regulations.

CODE OF ETHICS

For Fameccanica, the Code of Ethics is not a mere bureaucratic requirement, nor is it a simple list of general and abstract rules. It represents a tool that clearly expresses the set of values, principles and responsibilities that the Angelini Industries Group to which it belongs recognises, accepts, shares and adopts. This Code of Ethics has been formalised with a specific resolution of the Board of Directors and, to all intents and purposes, represents a binding company document.

The Code of Ethics was last updated in May 2021. The Code of Ethics represents a guideline for the company that is capable of satisfying, in the best possible way, the needs and expectations of ethical and moral conduct of stakeholders such as employees, the community, the market, society as a whole and future generations. The highest ethical principles of business, such as honesty, sincerity, fairness, integrity, responsibility, 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 Code is essential to the quality of their work and professional performance.

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

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

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

The adoption of an organisational, management and control model and its effective and constant implementation, in addition to representing a reason for exempting the company from liability 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 Model was last updated in May 2021.

One of the aims of the Model is to instil in employees, corporate bodies, consultants and business partners, who work on behalf of and in the interest of the Company within the scope of cases of sensitive activities, respect for the roles, operating methods,

protocols and the organisational module adopted and awareness of the social and procedural value of this Model in order to prevent offences. Consequently, the effective implementation of the Model is ensured through the constant control of the Supervisory Body and the combination of sanctions, whether disciplinary or contractual, which make the primary intent to effectively stop all unlawful conduct undeniable.

WHISTLEBLOWING

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

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.

The whistleblowing system has been set up for reporting alleged irregularities or wrongdoings of which people become aware

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: SDG 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 2021-22



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 / function involved	SDGs	ESG issues	Area / function 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 CONTRIBUTION TO THE SDGS

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:

- **digitisation** (e.g. Paperless, Meeting Rooms, Digital signature);
- **production** (e.g. Server 2.0, Digital Factory, Digital App & IOT-Internet of Things, Service 2.0, Car fleet upgrade);
- **procurement** (e.g. warehouse picking & paperless, warehouse internalisation, 3D printing);
- **HR & organisation** (e.g. Work-life balance, Agile work, work orientation and collaborative development, TecnicaMente, Alternanza scuola-lavoro);

- **HSE/Health Safety Environment** (e.g. Waste management, Phytostatic risk assessment and CO₂ 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 CO₂ 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.



**Productive and
intellectual capital**

02

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, the Group 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 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.

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



Operational 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.

Distinctive features of the Italian office are the constant process of innovation and a high level of specialised expertise

FAMECCANICA MACHINERY SHANGHAI

Fameccanica Machinery Shanghai represents excellence in the production and marketing of high-tech machinery mainly destined 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 Design 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 (FNA)

Fameccanica North America, 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.



ITALY



CHINA



USA





Product safety and quality

To guarantee the excellence of its products, Fameccanica has obtained **ISO 9001 certification for its Quality Management System**, which covers the entire product life cycle, from Research & Development to the sales phase, delivery, installation and after-sales service. 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**, defined as "new approach" and 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.

Over the past few years, the Group has been able to finance and implement several national and international projects thanks to continuous investments in the introduction of new technologies and improvement of the skills and knowledge of human resources in the area of Research and Development. 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 CO₂. This includes processes developed for the in-line processing of material such as 3D Topsheet and in-line perforation of non-woven material.

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 the performance of work teams;
- monitor the wear and tear of components.

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

- increased productivity;
- internalisation of processes;
- lower maintenance costs;
- efficiency and reduction of spare parts (and therefore maintenance);
- improvement of safety aspects.

Lastly, Fameccanica attaches strategic importance to patents. Fameccanica currently has a portfolio of more than 750 recognised patents. In 2021, it filed **85 new patent applications with the European Patent Office (EPO), a record in Italy.**

The combination of product and innovation guarantees the company a prominent position in the market and the ability to satisfy complex needs

* The LIFE Programme is the EU's funding instrument for the environment and climate action. Created in 1992, it has co-financed more than 5,500 projects across the EU.



Economic and financial capital

03

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.

Below are tables showing, for **Fameccanica as a whole in Italy and abroad, the breakdown of revenues by geographical area, type of service** (sales, after-sales services) and **Company***.

Revenues by geographical area (Euro)	FY 2019-20	FY 2020-21	FY 2021-22
EMEA (Europe and Middle East & Africa)	126,572,913	189,057,721	101,285,875
NAM (North America)	49,725,280	28,164,849	67,341,522
LAM (Latin America)	2,424,073	9,271,060	13,268,474
APAC (Asia Pacific)	43,282,885	12,564,565	13,394,847
Total	222,005,151	239,058,196	195,290,719

* The values in the three tables exclude intercompany turnover.

Turnover for services (Euro)	FY 2019-20	FY 2020-21	FY 2021-22
Sales	188,737,573	202,147,494	162,893,755
After-sales services	33,267,578	36,910,702	32,396,964
Other	-	-	-
Total	222,005,151	239,058,196	195,290,719

Turnover per Company (Euro)	FY 2019-20	FY 2020-21	FY 2021-22
Fameccanica DATA S.p.A.	168,344,069	202,147,494	162,893,755
Foreign Legal Entities	53,661,082	38,789,997	37,380,912
Total	222,005,151	239,058,196	195,290,719

The Turnover per Company table shows that more than 80% of turnover is generated in Italy by Fameccanica DATA S.p.A.

DETAILS OF FOREIGN TURNOVER

Below are tables detailing the breakdown of turnover by geographical area and type of service.

Profits by geographical area (Foreign Legal Entities) (Euro)	FY 2019-20	FY 2020-21	FY 2021-22
EMEA (Europe and Middle East & Africa)	15,080,585	20,599,451	141,950
NAM (North America)	13,882,656	10,317,258	29,937,841
LAM (Latin America)	-	112,012	814,834
APAC (Asia Pacific)	24,697,841	7,761,276	6,486,287
Total	53,661,082	38,789,997	37,380,912

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 2021-2022, Fameccanica generated an economic value of EUR 173.9 million, down 17.4% from the value of the previous fiscal year (EUR 210.7 million). Turnover for

the year was down compared to the previous year, a year in which, however, a major project for the supply of machines for the one-off production of surgical masks was carried out. In addition, the global shortage of raw materials, especially semiconductors, had a significant impact on the financial year just ended.

In fact, 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.

Economic value generated, distributed and retained (Euro)*	FY 2019-20	FY 2020-21	FY 2021-22
Revenues	169,678,608	200,987,648	170,709,259
Financial income	11,819,827	9,737,647	3,204,216
Total economic value generated	181,498,435	210,725,295	173,913,475
Operating costs	117,653,290	135,208,173	110,674,024
Staff remuneration (corresponds to Pay and Benefits)	44,208,087	43,632,596	39,464,071
Remuneration of lenders	117,106	81,883	47,411
Remuneration of investors	-	-	-
Remuneration of Public Administration	478,974	2,733,755	3,009,354
External donations (corresponds to investments in the community)	6,587	128,052	-
Total distributed economic value	162,464,044	181,784,459	153,194,860
Depreciation, write-downs and adjustments	4,680,082	4,757,520	7,949,909
Provisions for risks and other provisions	2,252,225	4,949,160	1,197,127
Profit for the year allocated to reserves (Profit - Dividends distributed)	12,102,084	19,234,156	11,571,579
Economic value retained	19,034,391	28,940,836	20,718,615

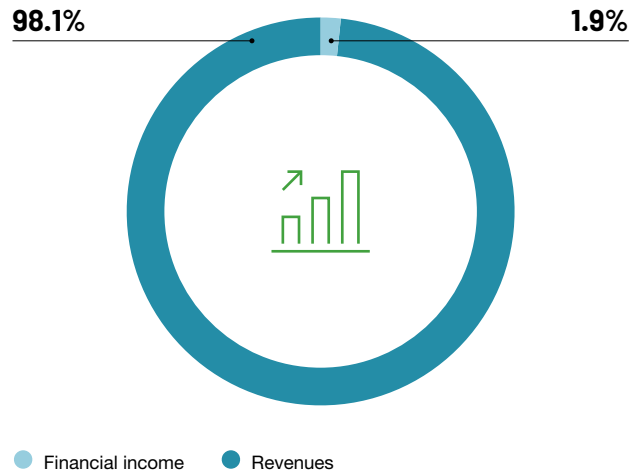
* The values in the table refer to Fameccanica DATA S.p.A.

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.

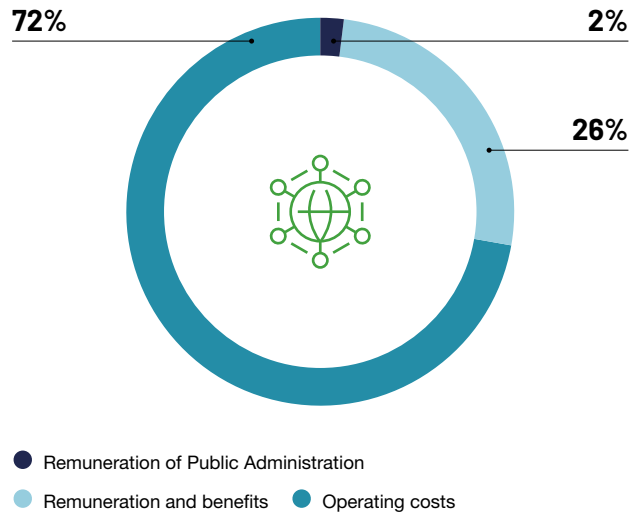
Total revenues also include other revenues and income and include all positive non-financial income components related to ancillary activities (income for royalties from the use of technology and know-how and for the provision of centralised services to foreign subsidiaries, reimbursement of shipping 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, rising from EUR 181.7 million as at 30th June 2021 to **EUR 153.2 million as at 30th June 2022** (+15.7%). The main recipients of this value were suppliers, to whom EUR 110.7 million was distributed (EUR 135.2 million in the previous year) and accounting for approximately 72% of the value distributed, and human resources to whom EUR 39.5 million was distributed (25.7% of the total value distributed compared to 24% in the previous fiscal year). The 0.03% share of the value distributed to capital providers is wholly represented by interest expenses on bank debt. The share allocated to the public administration, in the form of Italian and foreign taxes and duties, amounted to EUR 3 million (2% of the value distributed). The value retained in the company is EUR 20.7 million and consists mainly of depreciation, write-downs and self-financing generated.

ECONOMIC VALUE GENERATED



DISTRIBUTED ECONOMIC VALUE



Management of the supply chain

Fameccanica designs, purchases, installs and tests its own products, high-production systems and technologies and provides digital services of high added value, also with the ongoing support of the supply chain, meeting the company's needs in the various areas.

Fameccanica and its suppliers have always taken sustainability to heart, adopting practices that combine growth and economic performance with social and environmental sustainability. For Fameccanica, in fact, a good supplier is able to meet demands efficiently, operating to specific standards, keeping information up to date, always striving to improve by learning from audit results, demonstrating an innovation-orientated approach.

Availability, reliability, timeliness and customer service, together with a proactive attitude, are all key factors in meeting supply needs and increasing the level of the company's competitiveness. The supply chain is defined on the basis of the bill of materials (code list) drawn up for the machines, which defines the list of components that make up the machine. The purchase of raw materials is followed by reception, storage, preparation for production and assembly of the parts and final testing of the machine before delivery to the end customer.

The process involving the Fameccanica supply chain starts with the issue of the BOM for the machine to be manufactured by the design department. Following the make or buy, the management system, after checking stock availability, issues purchase requests for the materials needed to assemble the line. The purchase requests issued are then converted into purchase orders. In accordance with cost, time and quality criteria, only part of the supply chain is involved in the production of the purchased parts. 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, it is the Purchasing organisational unit that 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.

In addition to the supply of parts for production of the machines, **the Company also acquires ancillary services for the different company departments** (technical and commercial consultancy as well as ancillary services such as canteen, cleaning, maintenance). Furthermore, for the technical supply chain for machine construction, given the purely specific nature of machine design and the related BOM which has restrictions sometimes linked to customer choices and/or technical needs, the criteria are mainly linked to technical and cost/quality principles. For suppliers of manufactured materials, on the other hand, there is a tendency towards practicality with the selection of possible suppliers close to each other for engineering change management and quality control.

During 2021, the management of Fameccanica's warehouse, located close to the production site, was internalised in order to improve the related process. The largest concentration in terms of number of suppliers and turnover is located in Italy in the vicinity of Fameccanica's headquarters in San Giovanni Teatino (CH), Abruzzo. Local suppliers, based in Abruzzo, make up 25% of the total and account for 41% of annual expenditure.

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

The medium- and long-term objective is to maintain, through **continuous scouting for new suppliers, a professionally and technologically up-to-date 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 have to evolve in line with the company's strategic plans and be increasingly orientated towards exploring new business areas.

In the fiscal year 2021-2022, for the entire Industrial Technology segment (Fameccanica DATA Spa and its subsidiaries), **the total number of suppliers was 1,399, of which 869 are managed**

in Italy and the remainder managed by foreign companies (224 in China and 306 in the USA).

In the same period, the **total value of supplies amounted to EUR 152,820,240**, of which EUR 123,748,339 in Italy and EUR 29,071,901 abroad (EUR 7,127,599 in China and EUR 21,944,302 in the USA).

DETAILS OF THE ITALIAN CONTEXT (FAMECCANICA DATA S.P.A.)

The total number of suppliers managed by Fameccanica DATA S.p.A. in Italy in the fiscal year 2021-2022 was 869. 80% of suppliers are from Italy, 11% from other European countries, and 9% from America, Asia and the rest of the world.

Number of suppliers	FY 2019-20		FY 2020-21		FY 2021-22	
	no.	% of total	no.	% of total	no.	% of total
Number of local suppliers*	239	26.6%	205	23.8%	213	25%
Number of suppliers located in Italy	471	52.3%	469	54.5%	480	55%
Number of suppliers located in Europe	112	12.4%	106	12.3%	99	11%
Number of suppliers located in America	44	4.9%	53	6.2%	47	5%
Number of suppliers located in Asia	7	0.8%	6	0.7%	5	1%
Number of suppliers located in the rest of the world	27	3.0%	22	2.6%	25	3%
Total suppliers	900	100%	861	100%	869	100%

* Local suppliers are defined as suppliers operating in Abruzzo.

In the same fiscal period 2021-2022, **the total value of Fameccanica DATA S.p.A.'s deliveries was EUR 123,748,339, with deliveries in Italy accounting for 86.5% of this.**

Budget spent by suppliers	FY 2019-20		FY 2020-21		FY 2021-22	
	no.	% of total	no.	% of total	no.	% of total
Budget spent by local suppliers*	52,138,263	41.1%	46,482,345	40.8%	48,105,896	38.9%
Budget spent by suppliers located in Italy	52,364,755	41.3%	50,648,136	44.5%	58,874,189	47.6%
Budget spent by suppliers located in Europe	15,659,245	12.3%	11,170,987	9.8%	7,631,945	6.2%
Budget spent by suppliers located in America	4,185,966	3.3%	3,251,624	2.9%	5,163,015	4.2%
Budget spent by suppliers located in Asia	1,653,630	1.3%	1,225,567.7	1.1%	2,818,948	2.3%
Budget spent by suppliers located in the rest of the world	823,640	0.6%	1,099,419.4	1.0%	1,154,346	0.9%
Total spent by suppliers (Euro)	126,825,499	100%	113,878,080	100%	123,748,339	100%

With regard to the application of ESG criteria in evaluating suppliers, 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.

DETAILS OF THE FOREIGN CONTEXT (FAMECCANICA MACHINERY SHANGHAI AND FAMECCANICA NORTH AMERICA)

The foreign context consists of the two companies Fameccanica Machinery Shanghai (China) and Fameccanica North America (USA), whose total number of suppliers managed in 2021-2022 was 530, of which 224 were for the company operating in China (Fameccanica Machinery Shanghai) and 306 were for the US company (FNA-Fameccanica North America).

Number of suppliers (Fameccanica Machinery Shanghai)	FY 2019-20		FY 2020-21		FY 2021-22	
	no.	% of total	no.	% of total	no.	% of total
Number of local suppliers*	130	43.9%	116	47.3%	105	46.9%
Number of suppliers located in Italy	39	13.2%	32	13.1%	30	13.4%
Number of suppliers located in Europe	30	10.1%	21	8.6%	21	9.4%
Number of suppliers located in America	23	7.8%	16	6.5%	15	6.7%
Number of suppliers located in Asia	69	23.3%	58	23.7%	52	23.2%
Number of suppliers located in the rest of the world	5	1.7%	2	0.8%	1	0.4%
Total suppliers	296	100%	245	100%	224	100%

* Local suppliers are defined as suppliers operating in Shanghai

Number of suppliers (Fameccanica North America)	FY 2019-20		FY 2020-21		FY 2021-22	
	no.	% of total	no.	% of total	no.	% of total
Number of local suppliers*	93	28.8%	105	29.8%	97	31.7%
Number of suppliers located in Italy	47	14.6%	42	11.9%	38	12.4%
Number of suppliers located in Europe	17	5.3%	14	4.0%	9	2.9%
Number of suppliers located in America	161	49.8%	189	53.7%	159	52.0%
Number of suppliers located in Asia	2	0.6%	2	0.6%	2	0.7%
Number of suppliers located in the rest of the world	3	0.9%	0	0.0%	1	0.3%
Total suppliers	323	100%	352	100%	306	100%

* Local suppliers are defined as suppliers operating in the state of Ohio (USA)

The total value of supplies managed in the period 2021-2022 by the foreign companies amounts to a total of EUR 29,071,901. In particular, the foreign subsidiaries

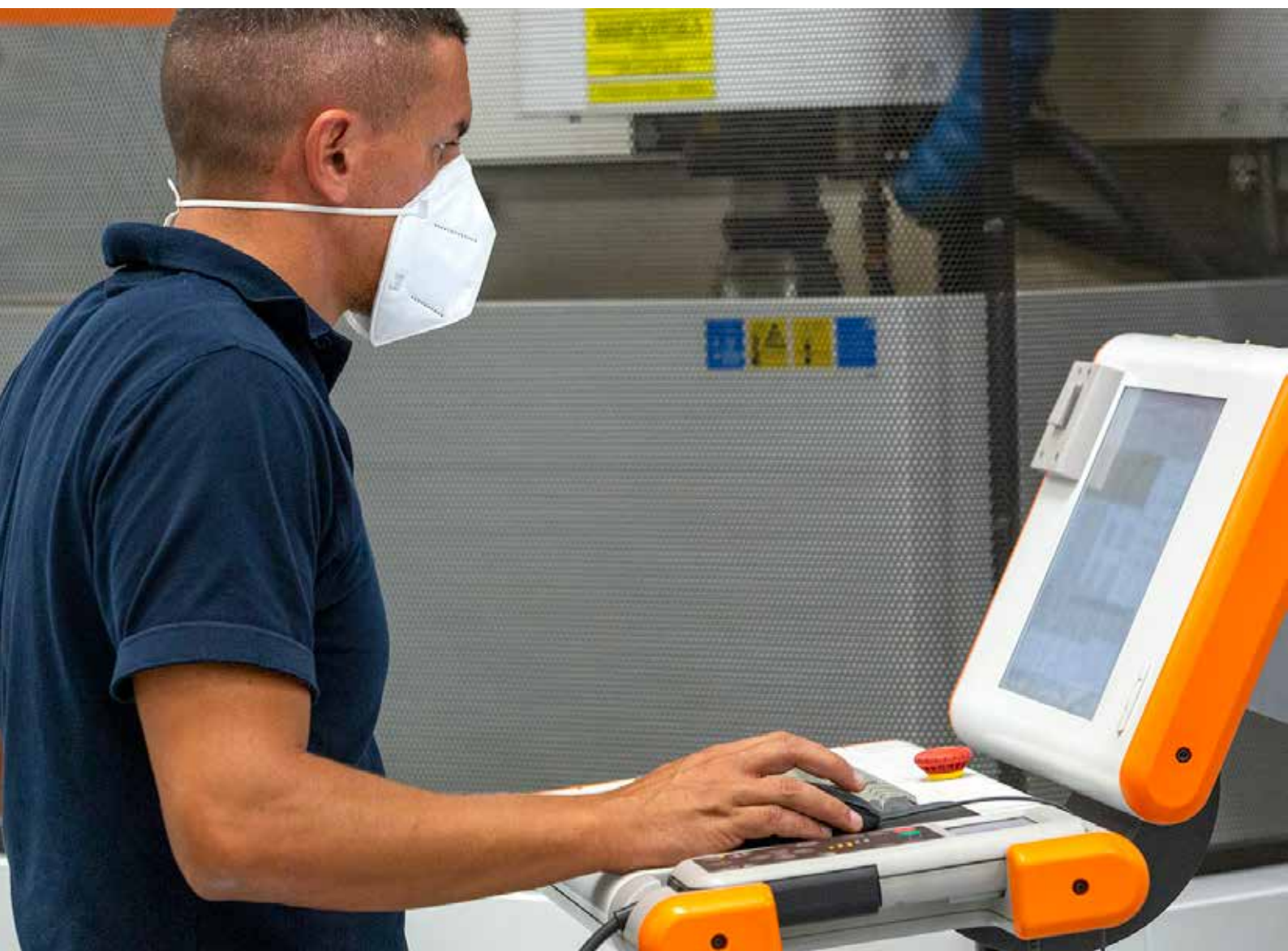
Fameccanica Machinery Shanghai and Fameccanica North America recorded an expenditure in supplies of EUR 7,127,599 and EUR 21,944,302, respectively.

Budget spent by suppliers (Fameccanica Machinery Shanghai)	FY 2019-20		FY 2020-21		FY 2021-22	
	no.	% of total	no.	% of total	no.	% of total
Budget spent by local suppliers*	7,596,586	39.7%	4,729,823	50.3%	3,398,668	47.7%
Budget spent by suppliers located in Italy	2,344,505	12.2%	1,090,070	11.6%	756,903	10.6%
Budget spent by suppliers located in Europe	3,136,244	16.4%	527,575	5.6%	197,633	2.8%
Budget spent by suppliers located in America	817,810	4.3%	303,073	3.2%	934,121	13.1%
Budget spent by suppliers located in Asia	4,619,856	24.1%	2,716,482	28.9%	1,831,148	25.7%
Budget spent by suppliers located in the rest of the world	638,838	3.3%	36,560	0.4%	9,126	0.1%
Total spent by suppliers (Euro)	19,153,838	100%	9,403,584	100%	7,127,599	100%

* Budget spent on suppliers located in Shanghai (China)

Budget spent by suppliers (Fameccanica North America)	FY 2019-20		FY 2020-21		FY 2021-22	
	no.	% of total	no.	% of total	no.	% of total
Budget spent by local suppliers*	3,893,328	22.6%	4,926,644	16.8%	3,931,578	17.9%
Budget spent by suppliers located in Italy	7,506,450	43.6%	12,128,919	41.3%	10,398,647	47.4%
Budget spent by suppliers located in Europe	276,555	1.6%	192,685	0.7%	371,034	1.7%
Budget spent by suppliers located in America	5,172,367	30.1%	10,875,181	37.1%	6,999,223	31.9%
Budget spent by suppliers located in Asia	296,134	1.7%	1,212,611	4.1%	8,792	0.0%
Budget spent by suppliers located in the rest of the world	63,725	0.4%	0	0.0%	235,029	1.1%
Total spent by suppliers (Euro)	17,208,558	100%	29,336,039	100%	21,944,302	100%

* Budget spent by suppliers located in Ohio (USA)





**Natural
capital**

04

Commitment to the environment

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. 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 routine **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**. Further to the analyses, the Company removed asbestos from certain areas and plants through an authorised supplier, in compliance with the relevant regulations.

In addition, following the acquisition of a plot of land for the planned expansion of the production site, the company is following the procedure for the Remediation of Sites Contaminated by Third Parties (Article 242 of Italian Legislative Decree 152/06) according to the procedure provided for in the relevant regulations.

As part of its commitment, the company made the following technical improvements during the fiscal year:

- completion of the efficiency upgrading of lighting fixtures throughout the production area of the Fameccanica building in San Giovanni Teatino, in order to optimise energy consumption and limit light pollution;
- improvement of the energy performance of Building C's air conditioning systems during refurbishment of the offices;
- expansion of the energy monitoring system and related remote management of some plants.









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.

The company also ensures care for the environment with the adoption of appropriate management systems for company operations

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.

<p>Cameroon 1,100 trees</p> 	<p>Colombia 2,000 trees</p> 	<p>Guatemala 506 trees</p> 
<p>Haiti 1,674 trees</p> 	<p>Kenya 3,408 trees</p> 	<p>Madagascar 2,500 trees</p> 
<p>Nepal 506 trees</p> 	<p>Tanzania 306 trees</p> 	

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). 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 planned, developed and joined a number of special initiatives over the past year:

- 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 CO₂ emissions, as well as savings in energy and water consumption;
- the circular economy project “**RiVending**”^{**} 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 CO₂ 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.

* 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.

Methane gas, instead, is used for general services such as heating and in the company canteen.

Fameccanica's aim is to become increasingly energy efficient and more independent in terms of electricity production, for example by installing photovoltaic panels in the car park and expanding the site of its headquarters in Italy.

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.



Consumption of fuel*	FY 2019-20		FY 2020-21		FY 2021-22	
	SMC	GJ	SMC	GJ	SMC	GJ
Natural Gas**	28,938.32	1,037.15	88,026.88	3,154.87	65,794.65	2,358.07
Diesel for generating sets	It	GJ	It	GJ	It	GJ
	500.00	18.18	500.00	18.18	500.00	18.18
Fuel for motor vehicles or company fleet	It	GJ	It	GJ	It	GJ
Diesel	796.40	28.78	785.04	28.37	745.47	26.94
Petrol	1,100.00	35.85	2,200.00	71.71	1,500.00	48.89
LPG***	1,109.88	27.01	2,245.13	54.64	1,355.18	32.98
Electricity consumption****	FY 2019-20		FY 2020-21		FY 2021-22	
	Kwh	GJ	Kwh	GJ	Kwh	GJ
Electricity purchased from non-renewable sources*****	7,883,965.00	28,382.27	7,516,706.00	27,060.14	8,206,140.00	29,542.10
Electricity purchased from renewable sources	-	-	-	-	-	-

* The figures for the "Diesel for generator sets" and "Fuel for motor vehicles or company fleet" for the three-year period have been estimated.

** The breakdown of gas consumption by destination is not shown in this table because, due to broadening of the scope of reporting to include the entire Fameccanica Group, it was not possible for all companies included to report data at the previous level of detail.

*** In the previous edition of Fameccanica's Sustainability Report, the consumption of LPG was erroneously reported as 100 and 200 litres for FY 2019-20 and FY 2020-21, respectively. The figure is corrected in this table, where consumption is referred to as diesel in litres.

**** 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 July 2009, of the composition of the initial national energy mix of electricity fed into the grid in 2020, equal to 45.04%;
- 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 statistics for 2021.

***** The breakdown of electricity consumption by destination is not shown in this table because, due to broadening of the scope of reporting to include the entire Fameccanica Group, it was not possible for all companies included to report data at the previous level of detail. We should also point out that in the previous edition of Fameccanica's sustainability report, consumption in KWh was incorrectly reported due to a transcription error. The figure is correct in this table.

With regard to atmospheric emissions, Fameccanica holds the Single Environmental Authorisation det. No. 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.

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-404°, R-407C, HFC-134°, R-438°, R-410°, R-32,

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 emissions attributable to fluorinated gases and the energy consumption of the Fameccanica Group, which includes Fameccanica DATA S.p.A., Fameccanica Machinery Shanghai and Fameccanica North America, are shown below in aggregate form.

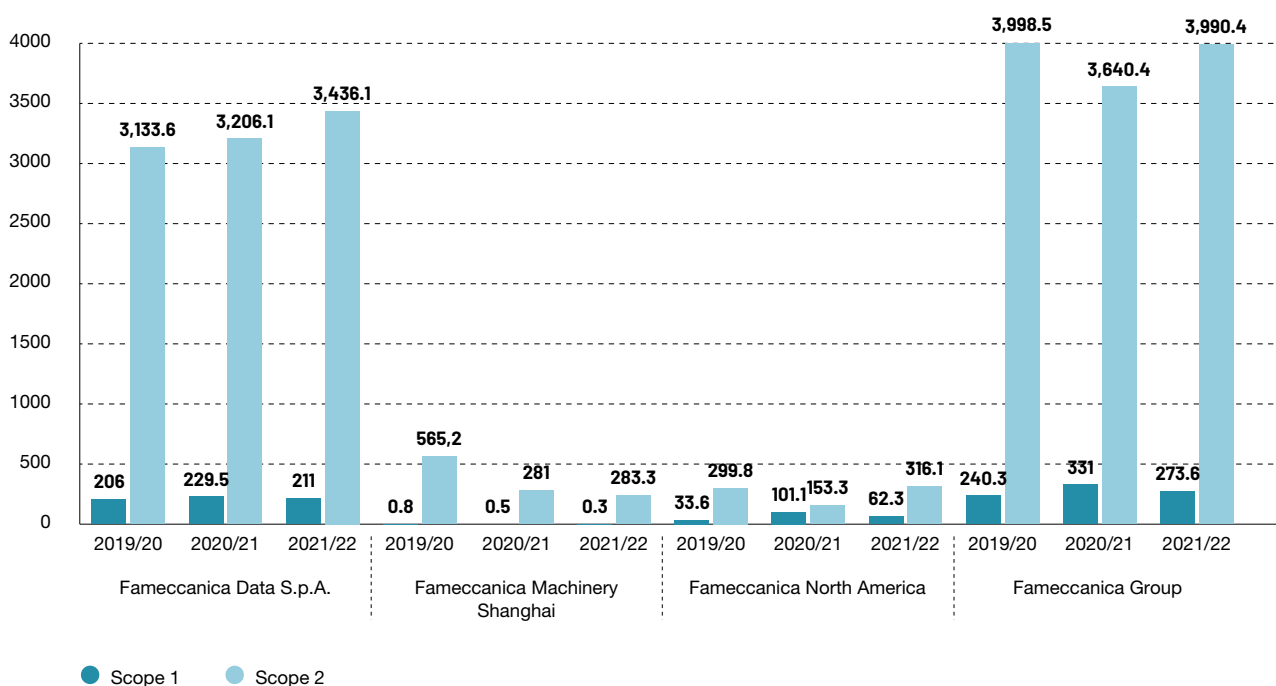
Scope 1 emissions	FY 2019-20		FY 2020-21		FY 2021-22	
Natural Gas	SMC	tonCO₂e	SMC	tonCO₂e	SMC	tonCO₂e
	28,938.32	58.49	88,026.88	177.93	65,794.65	132.99
Diesel for generating sets	lt	tonCO₂e	lt	tonCO₂e	lt	tonCO₂e
	500.00	1.38	500.00	1.38	500.00	1.38
Fuel for motor vehicles or company fleet	lt	tonCO₂e	lt	tonCO₂e	lt	tonCO₂e
Diesel	796.40	2.15	785.04	2.12	745.47	2.02
Petrol	1,100.00	2.57	2,200.00	5.15	1,500.00	3.51
LPG	1,109.88	1.73	2,245.13	3.50	1,355.18	2.11
F GAS	kg	tonCO₂e	kg	tonCO₂e	kg	tonCO₂e
R410A	83.30	173.93	67.50	140.94	63.00	131.54
Total Scope 1		240.26		331.02		273.55

* The sources used for the emission levels are: Terna International Comparisons 2020, European Residual Mixes "AIB" Updated 31.05.2021, DEFRA 2021 - fuel properties sheet, DEFRA 2021 - fuel sheet, DEFRA 2021 - Refrigerant sheet.

Scope 2 emissions*	FY 2019-20		FY 2020-21		FY 2021-22	
	Kwh	tonCO ₂ e	Kwh	tonCO ₂ e	Kwh	tonCO ₂ e
Electricity - Location Based	7,883,965.00	4,394.51	7,516,706.00	4,045.57	8,206,140.00	4,424.63
Electricity - Market Based	7,883,965.00	3,998.55	7,516,706.00	3,640.44	8,206,140.00	3,990.44

Below is a graph showing Scope 1 and 2 emissions for the companies of the Group over the three-year period.

EMISSIONS (TONCO₂E) PER LOCATION



* 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 the annual Modello Unico di Dichiarazione Ambientale (MUD) (Environment Statement Form).

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.

For efficient waste management, there has long since been a specific Waste Management Environmental Procedure, which is periodically reviewed

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, so it is not 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 authorisations of the transporters and plants is assessed in advance, and a hard 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, are shown below in aggregate form.

Please note that for the waste listed below sorted for disposal or recycling, these activities were carried out at an external site.

Waste produced (in tonnes)*	FY 2019-20	FY 2020-21	FY 2021-22
Non-hazardous waste	67.27	1,432.93	1,420.01
intended for disposal	35.39	327.17	390.82
of which: incineration with energy recovery	12.00	16.00	13.00
of which: incineration without energy recovery	-	-	-
of which: landfilling	3.00	2.50	2.00
of which: other disposal operations	-	-	315.46
not intended for disposal	31.88	1,105.76	1,029.19
of which: preparation for re-use	-	-	-
of which: recycling	7.00	4.00	3.50
of which: other recovery operations	2.10	1.00	853.16
Hazardous waste	1,402.43	40.80	8.65
intended for disposal	302.07	40.10	7.94
of which: incineration with energy recovery	-	-	-
of which: incineration without energy recovery	4.00	0.10	0.55
of which: landfilling	-	-	-
of which: other disposal operations	-	-	7.39
not intended for disposal	1,100.36	0.70	0.71
of which: preparation for re-use	-	-	-
of which: recycling	-	-	-
of which: other recovery operations	-	-	0.71

* 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 FY 2019-20 and FY 2020-21.

Waste per location (in tonnes)	FY 2019-20		FY 2020-21		FY 2021-22	
	intended for disposal	not intended for disposal	intended for disposal	not intended for disposal	intended for disposal	not intended for disposal
Fameccanica Data S.p.A.						
Non-hazardous waste	0.38	9.35	223.75	834.49	315.46	851.62
Hazardous waste	298.07	1100.36	40.00	0.70	7.39	0.71
Fameccanica Machinery Shanghai						
Non-hazardous waste	15.00	9.10	18.50	5.00	15.00	4.50
Hazardous waste	4.00	-	0.10	-	0.55	-
Fameccanica North America						
Non-hazardous waste	20.01	13.43	84.92	266.27	60.36	173.07
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., the water withdrawn and consumed is mainly drinking water supplied by ACA S.p.A. (Azienda Consortile Acquedottistica) and 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, and the total discharged is 90% of the supply. 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 consumption represents the difference between total water withdrawal and total water discharge.

Please note that in no case are water resources derived from water-stressed areas.

* Omissions: Fameccanica North America with reference to the specification of the type of third-party water resources. Fameccanica North America's water withdrawals account for less than 1% of total water withdrawals on average over the three-year period of reference.



Water withdrawal by source/type (megalitres)	FY 2019-20	FY 2020-21	FY 2021-22
Third-party water resources*	27.126	16.083	16.535
of which: surface water	1.323	0.915	0.394
of which: Municipal water service provider	9.098	9.128	7.731
of which: water from drainage consortium	16.687	5.971	8.134
Total water withdrawal (m³)	27.126	16.083	16.535

Water drainage by source/type (megalitres)	FY 2019-20	FY 2020-21	FY 2021-22
Third-party water resources	26.994	15.991	16.495

Total water consumption (in megalitres)	FY 2019-20	FY 2020-21	FY 2021-22
Total water consumption	0.132	0.091	0.039





**Human
capital**

05

Strategic approach to human capital

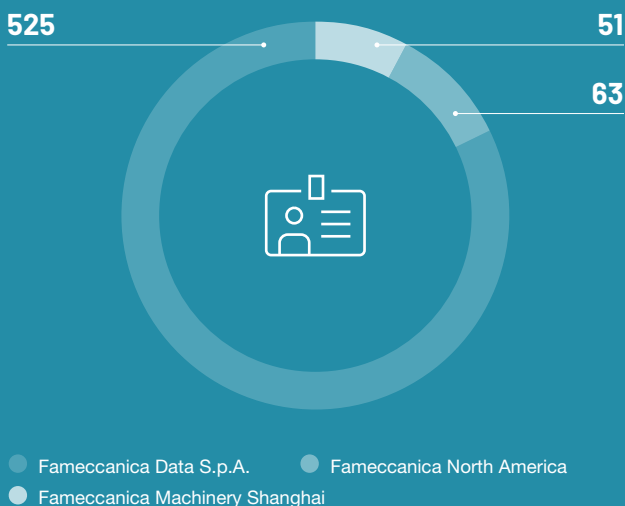
The people within an Organisation are the driving force for generating new ideas and the channel through which a company can offer quality products and services to the market. This is the idea behind the company organisation promoted by Fameccanica, which regularly invests in consolidating the cohesion, 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.

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 **639 people** as at 30/06/2022, 82% of whom are in Italy alone.



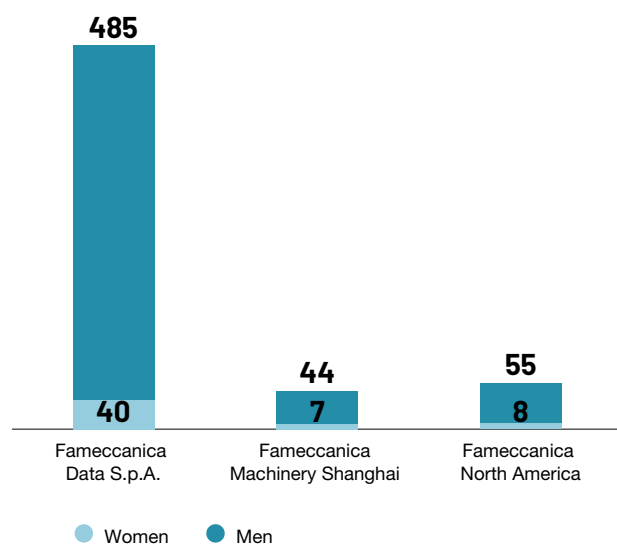
Fameccanica is strongly committed to ensuring the best working conditions

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% work full-time for the company.

Number of employees by type of employment and contract	30/06/2020			30/06/2021			30/06/2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Fixed-term	-	-	-	-	-	-	-	-	-
Permanent	55	618	673	41	596	637	55	584	639
Total	55	618	673	41	596	637	55	584	639
Full time	52	615	667	39	594	633	54	583	637
Part time	3	3	6	2	2	4	1	1	2
Total	55	618	673	41	596	637	55	584	639

NUMBER OF EMPLOYEES WITH PERMANENT CONTRACTS BY ORIGIN AS AT 30.06.2022



100% of the company's employees has a permanent contract and 99% work full-time for the company



Number of employees by type of employment and origin as at 30.06.2022	Fameccanica DATA S.p.A.		Fameccanica Machinery Shanghai		Fameccanica North America	
	Women	Men	Women	Men	Women	Men
Full time	39	484	7	44	8	55
Part time	1	1	-	-	-	-

About 65% of the resources belong to the white-collar category, while middle managers and executives make up 8% and 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 24% of the company's employees. 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.**

Number of employees by type of qualification	30/06/2020			30/06/2021			30/06/2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executives	-	21	21	1	21	22	1	22	23
Middle managers	9	41	50	5	43	48	3	45	48
White-collar workers	42	383	425	33	368	401	47	370	417
Blue-collar workers	4	173	177	2	164	166	4	147	151
Total	55	618	673	41	596	637	55	584	639

Number of employees by type of qualification and origin as at 30.06.2022	Fameccanica DATA S.p.A.			Fameccanica Machinery Shanghai			Fameccanica North America		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executives	1	20	-	1	-	1	1	22	23
Middle managers	1	36	2	4	-	5	3	45	48
White-collar workers	38	319	5	32	4	19	47	370	417
Blue-collar workers	-	110	-	7	4	30	4	147	151
Total	40	485	7	44	8	55	55	584	639

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 fiscal year, Fameccanica DATA S.p.A. employed 26 resources belonging to protected categories at its plant in Italy.

Number of employees belonging to protected categories (Fameccanica DATA S.p.A.)	30/06/2020			30/06/2021			30/06/2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executives	-	-	-	-	-	-	-	-	-
Middle managers	-	-	-	-	-	-	-	-	-
White-collar workers	2	19	21	2	19	21	3	21	24
Blue-collar workers	1	3	4	-	2	2	-	2	2
Total	3	22	25	2	21	23	3	23	26

In addition to relying on the work of its own employees, the Group uses the services of external collaborators to perform certain tasks at its production facilities in Italy and North America. There was a significant increase in these resources in the last fiscal year, from 3 to 20, with the hiring of temporary workers to carry out specific warehouse projects, fill in for female employees

on maternity leave, and support certain HR functions.

External resources were also taken on to support the HR area and fill in temporarily for female employees on maternity leave. In the last fiscal year, it was also possible to resume internship/training courses to introduce new young talent into the workforce.

Number of external collaborators	30/06/2020			30/06/2021			30/06/2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Representative agents	-	2	2	-	2	2	-	3	3
Temporary workers	1	-	1	-	-	-	3	12	15
Interns/Trainees	-	-	-	-	-	-	1	-	1
Other (consultants with various contracts)	-	-	-	1	-	1	1	-	1
Total	1	2	3	1	2	3	5	15	20



Number of external collaborators and origin as at 30.06.2022	Fameccanica DATA S.p.A.		Fameccanica North America	
	Women	Men	Women	Men
Representative agents	-	3	-	-
Temporary workers	3	12	-	-
Interns/Trainees	1	-	-	-
Other (consultants with various contracts)	-	-	1	-
Total	4	15	1	0

The distribution of employees based on the three age groups considered varies significantly according to classification. As shown in the table below, 61% of the corporate population is between 30 and 50 years old, while those over 50 account for 30%.

Number of employees by age group	30/06/2020				30/06/2021				30/06/2022			
	<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	-	10	11	21	-	10	12	22	-	10	13	23
Middle managers	-	39	11	50	-	33	15	48	-	33	15	48
White-collar workers	38	242	145	425	22	247	132	401	26	254	137	417
Blue-collar workers	30	130	16	176	36	107	23	166	29	94	28	151
Other	-	-	1	1	-	-	-	-	-	-	-	-
Total	68	421	184	673	58	397	182	637	55	391	193	639

Number of employees by age group and origin as at 30.06.2022	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	-	9	12	21	-	-	1	1	-	1	-	1
Middle managers	-	23	14	37	-	6	-	6	-	4	1	5
White-collar workers	20	203	134	357	1	36	-	37	5	15	3	23
Blue-collar workers	23	68	19	110	-	5	2	7	6	21	7	34
Total	43	303	179	525	1	47	3	51	11	41	11	63

During the financial year 2021-2022, the Fameccanica Group hired 49 new employees (17 women and 35 men), 92% of whom

are under the age of 50, resulting in a recruitment rate of 8%. Similarly, the termination rate was 8% with 48 resources leaving.

Staff turnover FY 2019-20	Women	Men	Total	<30 years	30-50 years	>50 years
Employees as at 30/06/2020	55	618	673	68	421	184
New hires	3	17	20	6	13	1
Staff leaving	25	78	103	9	70	24
Rate of new hires	5%	3%	3%	9%	3%	1%
Leaving turnover rate	45%	13%	15%	13%	17%	13%

Staff turnover FY 2020-21	Women	Men	Total	<30 years	30-50 years	>50 years
Employees as at 30/06/2021	41	596	637	58	397	182
New hires	5	46	51	14	33	4
Staff leaving	17	69	86	11	48	27
Rate of new hires	12%	8%	8%	24%	8%	2%
Leaving turnover rate	41%	12%	14%	19%	12%	15%

Staff turnover FY 2021-22	Women	Men	Total	<30 years	30-50 years	>50 years
Employees as at 30/06/2022	55	584	639	55	391	193
New hires	17	32	49	16	29	4
Staff leaving	5	43	48	10	32	6
Rate of new hires	31%	5%	8%	29%	7%	2%
Leaving turnover rate	9%	7%	8%	18%	8%	3%

Staff turnover FY 2021-22 Fameccanica DATA S.p.A.	Women	Men	Total	<30 years	30-50 years	>50 years
Employees as at 30/06/2022	40	485	525	43	303	179
New hires	13	15	28	12	15	1
Staff leaving	1	14	15	-	10	5

Staff turnover FY 2021-22 Fameccanica Machinery Shanghai	Women	Men	Total	<30 years	30-50 years	>50 years
Employees as at 30/06/2022	7	44	51	1	47	3
New hires	-	3	3	1	2	
Staff leaving		4	4		4	

Staff turnover FY 2021-22 Fameccanica North America	Women	Men	Total	<30 years	30-50 years	>50 years
Employees as at 30/06/2022	8	55	63	11	41	11
New hires	4	14	18	3	12	3
Staff leaving	4	25	29	10	18	1



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.

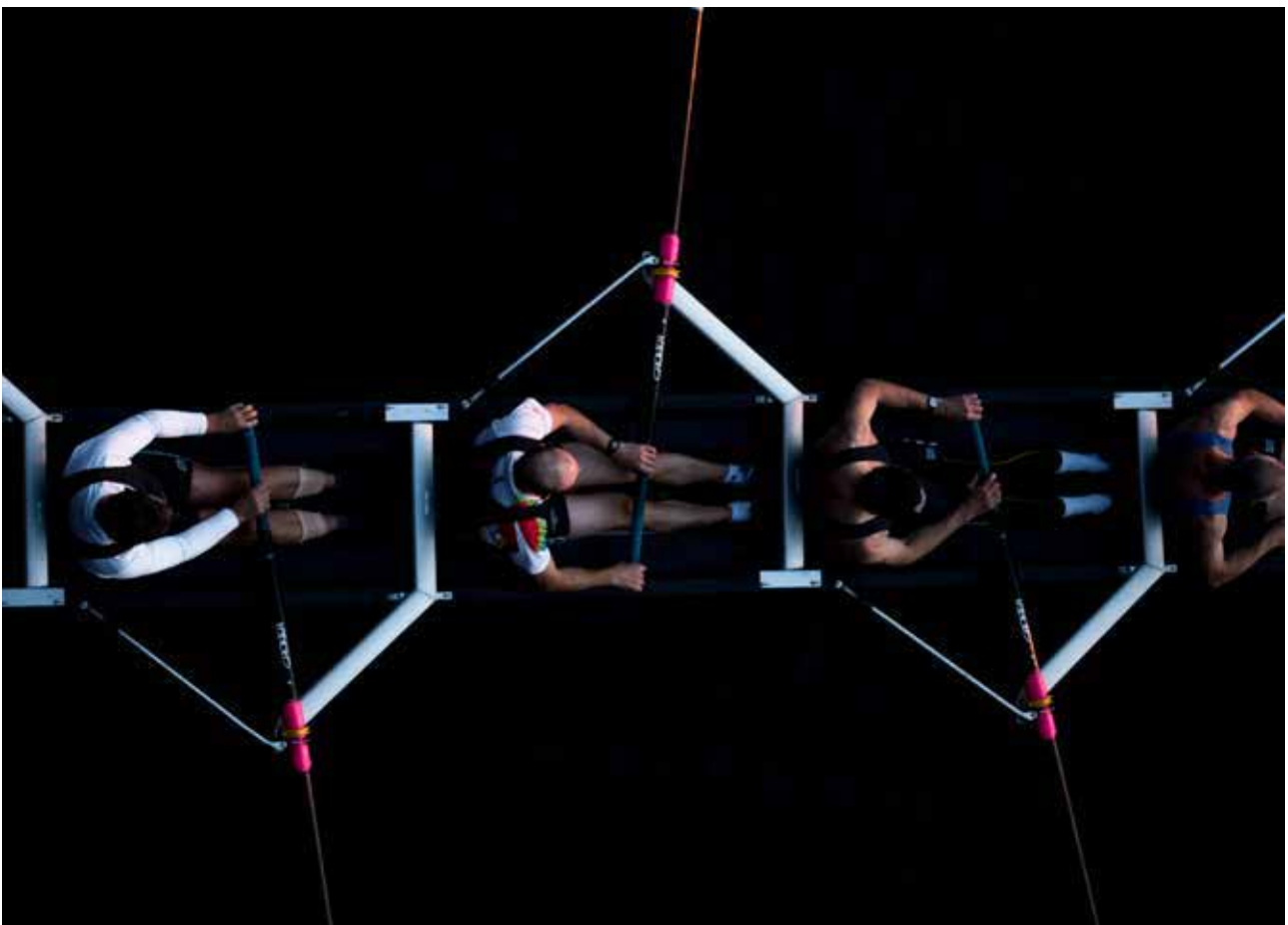
The **protection of diversity** is in fact a guiding principle for the Company, which encourages and safeguards its free expression through the implementation of measures orientated towards the **centrality of the person and actively listening to his or her needs and requirements**. Examples of this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



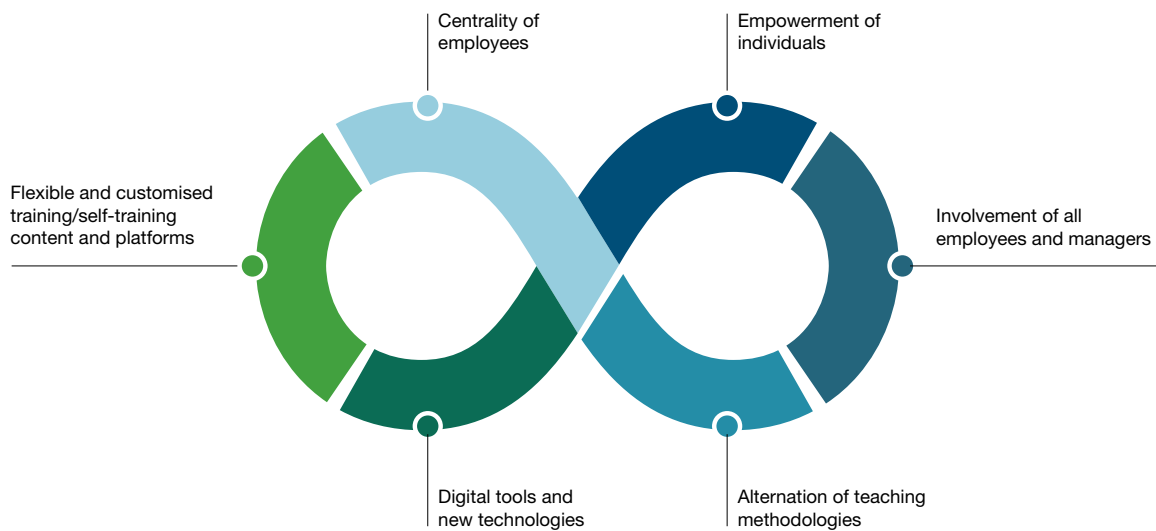
Training and development of people

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 2021-2022, the **training provided by the Fameccanica Group amounted to a total of 22,878 hours**, over 56% more than in the previous fiscal year, which was affected by the pandemic.

50% of the training courses mainly covered health and safety and technical training, plus the development of skills in the fields of management, information technology and quality systems.

Average hours of training provided	FY 2019-20			FY 2020-21			FY 2021-22		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executives	-	42.9	42.9	122.0	21.9	26.4	7.0	27.6	26.7
Middle managers	45.3	58.3	56.0	11.6	33.0	30.8	3.5	59.5	56.0
White-collar workers	17.6	36.3	34.5	16.4	23.0	22.5	32.2	36.6	36.1
Blue-collar workers	-	28.8	28.1	-	21.6	21.3	-	30.8	30.0
Total	20.9	35.9	34.7	17.6	23.3	22.9	27.8	36.6	35.8



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



ANGELINI ACADEMY

Proper development of the company is achieved by exploiting the full potential of all employees within the organisation. This commitment by the Angelini Industries 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 Industries Group population to further enhance leadership skills directly linked to the company culture and values.
- **Advanced Managerial Skills:** programmes that support the professional development paths and role changes of talents.
- **Community Empowerment:** training activities designed for the families of employees and for the local communities in which the Angelini Industries Group operates.



MANAGEMENT TRAINING AND DEVELOPMENT

Fameccanica is able to map and assess the hard and soft skills of its people, provide them with accurate feedback and identify their strengths and areas for development through structured processes such as the annual performance evaluation system and potential evaluation systems described below. The input from these assessments is useful for preparing customised management training plans, growth and career paths, and succession plans.



ONBOARDING

Fameccanica planned an onboarding course to help new employees acquire the knowledge, skills and mindset required to become effective members of the company. Starting in the second half of 2022, this process will be mainly digitalised with the development of an app that guides new employees step by step through all the stages of their induction into the company: from the exchange of documents and information material before they join, to the organisation of all training activities and meetings with the various company representatives, the use of videos and content, the independent construction of a training path, the presence of a mentor, and continuous surveys to gather feedback for improvement.



TECHNICAL TRAINING

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 2021-2022 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 in automation, computers, 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 and development of skills are fundamental steps in the company's growth path and must reflect the company's strategies. Adopting the right approach to manage human resources assessment and development processes allows Fameccanica to align the company's intangible skillset with its growth objectives. This is why the group created **My Performance**, the proprietary process for assessing the performance of the entire workforce in Italy and abroad. 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 evaluation 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 fiscal year 2021-2022, Fameccanica carried out the skills assessment of **655 employees**, both in Italy and abroad, confirming the importance of this practice which has increased by 34% since the fiscal year 2019-2020. At the same time, the performance evaluation of female employees also increased by 44% compared to the previous fiscal year.

FY 2019-20

Employees who received a performance evaluation	Women			Men		
	Employees who received an appraisal	Total employees who were entitled to an appraisal	%	Employees who received an appraisal	Total employees who were entitled to an appraisal	%
Executives	-	-	-	21	21	100%
Middle managers	12	12	100%	49	49	100%
White-collar workers	26	36	72%	314	367	86%
Blue-collar workers	-	-	-	66	153	43%
Total	38	48	79%	450	590	76%

FY 2020-21

Employees who received a performance evaluation	Women			Men		
	Employees who received an appraisal	Total employees who were entitled to an appraisal	%	Employees who received an appraisal	Total employees who were entitled to an appraisal	%
Executives	1	1	100%	19	19	100%
Middle managers	7	7	100%	47	47	100%
White-collar workers	26	26	100%	362	362	100%
Blue-collar workers	-	-	-	131	131	100%
Total	34	34	100%	559	559	100%

FY 2021-22

Employees who received a performance evaluation*	Women			Men		
	Employees who received an appraisal	Total employees who were entitled to an appraisal	%	Employees who received an appraisal	Total employees who were entitled to an appraisal	%
Executives	1	1	100%	22	22	100%
Middle managers	6	6	100%	53	53	100%
White-collar workers	41	41	100%	384	384	100%
Blue-collar workers	1	1	100%	147	147	100%
Total	49	49	100%	606	606	100%



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.

In Italy, a training programme was launched in 2022 with funding by Fondimpresa for the provision of courses on safety issues in the following areas:

- Supervisor course
- Forklift course
- Self-propelled crane course
- AWP (aerial work platform) course
- Overhead crane course
- ADR course for internal waste handling drivers
- Working at a height
- IEC course
- LST – Laser Safety Technician
- Fire-fighting course
- Self-contained respiratory protective devices course
- Confined spaces course
- Environmental emergency course
- Modules for Protection and Prevention Service Officers and Managers
- Five-yearly updates

* With the acquisition of 100% of Fameccanica by the Angelini Industries Group, the figure shown in the table for FY 2021-2022 indicates the resources to which certain targets have been assigned. Actual performance evaluations will be carried out in January 2023 in order to align the FY with that of Angelini Industries.

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.

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 objective 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.

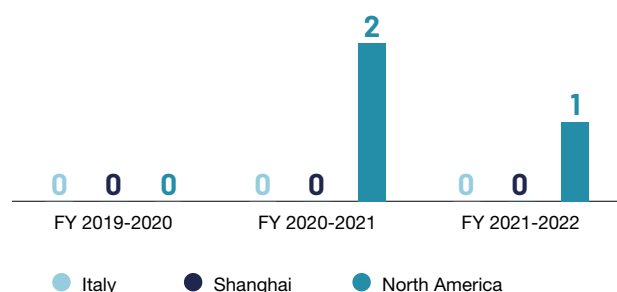
In the last fiscal year, the Fameccanica Group recorded an accident involving an employee at the North American plant.

Therefore, the total accident rate stood at 0.88 in contrast to the previous fiscal year when the total accident rate was 1.79.

Accidents and occupational diseases	FY 2019-20			FY 2020-21			FY 2021-22		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Work-related deaths	-	-	-	-	-	-	-	-	-
Occupational accidents with serious consequences	-	-	-	-	-	-	-	-	-
Other recordable occupational accidents	-	-	-	-	2.00	2	-	1	1
Deaths from occupational diseases	-	-	-	-	-	-	-	-	-
Other cases of recordable occupational diseases	-	-	-	-	-	-	-	-	-
Number of hours worked*	73,593	1,132,005	1,205,598	61,577	1,053,153	1,114,730	81,327	1,049,465	1,130,793

Employee accident rates	FY 2019-20			FY 2020-21			FY 2021-22		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Death rate**	0	0	0	0	0	0	0	0	0
Rate of accidents with serious consequences***	0	0	0	0	0	0	0	0	0
Recordable accident rate****	0	0	0	0	1.90	1.79	0.00	0.95	0.88

EMPLOYEE ACCIDENTS (NUMBER OF ACCIDENTS PER LOCATION)



With regard to self-employed workers, there were 3 accidents in Italy and North America in 2021/2022.

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).

* The hours worked by gender at Fameccanica North America for FY 2019-2020 and 2020-2021 were estimated by dividing the total hours in proportion to the number of employees by gender at the end of the relevant FY (example: total hours worked by women at FNA in FY 2019-20 = total hours worked by staff at FNA in FY 2019-20 * total women at FNA at 30.06.2020/ total staff at FNA at 30.06.2020).

** (Number of deaths resulting from accidents at work/Number of hours worked)*1,000,000.

*** (Number of accidents at work with serious consequences (excluding deaths)/Number of hours worked)*1,000,000.

**** (Number of recordable accidents at work/Number of hours worked)*1,000,000.

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 81/08.

The risk assessment is carried out according to a specific procedure:



IDENTIFICATION OF DANGERS

a careful review of each phase of the company's work process, including all equipment, machines 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 systems 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;



DISCLOSURE 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 risk assessment are periodically updated to reflect 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 FY 2021-22, 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 envisages the allocation of offices in a single structure and the conversion of the car park for external lorries including a hospitality office, toilets and refreshment facilities for drivers, the installation of photovoltaic panels in the company car park, and the construction of new buildings to replace outdated structures, including the creation of a nursery school, gym, Angelini Academy (Training), indoor green areas and an outdoor pool.

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;
- physical therapy;
- social benefits;
- support for permanent disability.

In the last fiscal 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 FY 2021-22, 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 Plant Policy.

Welfare and socio-organisational well-being

With regard to working conditions and terms of employment, Fameccanica Italy operates in compliance with 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, 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.

On the topic of work-life balance, building on the work organisation model tested in 2020, it was decided in the last fiscal year 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 1st 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 CO₂ emissions due to the less frequent on home-work journeys.

**the Company
has an individual
bargaining
agreement that
reflects the
Group's policies
and values**



**Social and
relational capital**

06

Relationships with and involvement of stakeholders

STAKEHOLDER MAP AND METHODS OF INVOLVEMENT

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

Category of stakeholders

Stakeholders

Internal stakeholders



Shareholders
Board of Directors and Corporate Bodies
RSU (Trade Union Representatives)
Employees/Collaborators

Market



Customers
Suppliers
End Users
Competitors
Partners
Innovative startups

Community, territory & education



School, University and Scientific Community
Local Communities
Medium

Bodies, institutions & associations



Trade Unions
Control Bodies
Accredited Certification Bodies
Trade and Industry Association
Credit Institutions and Banks
Public Administration
International Agencies, Institutes and Bodies

METHODS OF INVOLVEMENT

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	Fields of interest
Shareholders	<ul style="list-style-type: none"> • Economic and financial performance • Corporate Governance • Group strategy and business diversification
Customers	<ul style="list-style-type: none"> • Products • Services • Partnerships • Developments
Financial community <ul style="list-style-type: none"> • Banks • Financial analysts • Providers/Rating agencies 	<ul style="list-style-type: none"> • Economic results and their sustainability • Compliance with the law • Corporate Governance • Transparency • Market trends and business sustainability • Group growth strategy • Acquisition operations
Employees	<ul style="list-style-type: none"> • Economic results and company solidity • Collective Bargaining • Intranet Site • Skills enhancement and career paths • Work-life balance • Socio-organisational well-being • Smart working • Transparency • Health and safety at work • Environment and Energy
Trade union	<ul style="list-style-type: none"> • Economic results and company solidity • Work-life balance • Smart working • Socio-organisational well-being • Health and safety at work • Environment and Energy

Main initiatives for dialogue and involvement

SDGs

- Shareholder meetings
- Special meetings at conferences organised by banks or other institutions



- Customer meetings
- CRM
- Visits
- Periodic calls



- Regular conference calls and meetings with investors
- Special meetings at conferences organised by banks or other institutions



- Town Hall of Angelini Industries/Fameccanica Group
- Executive Board's Periodical Corporate Convention
- Angelini Future Leaders (talent and manager development paths, promoted by Angelini Academy)
- Gruppo Angelini Industries & Fameccanica Sustainability Workshop
- Other people engagement initiatives and surveys
- HS&E Meeting
- Innovation Portal



- RSU (United Trade Union Representatives) and RLS (Workers' Safety Representatives) meetings
- Periodic Health and Safety Meeting (Article 35 TUS)
- Meeting with Trade Unions



Stakeholders

Fields of interest

Suppliers

- Suppliers and business partners
- Suppliers of goods and products
- Direct and indirect service providers
- Distributors

- Compliance with contractual commitments
- Continuity of the relationship
- Innovation
- Willingness to work in partnership and for new business models
- Digitisation
- Compliance with the MOCG 231 Model and Code of Ethics

Institutions, bodies, associations, organisations

- MOCG 231 Supervisory Board
- Covid-19 Emergency Commissioner
- National and local government institutions (Ministry of Health, Local Authorities, etc.)
- Civil Protection
- PA and Control Bodies ARPA, ASL, IRL, VVF, INAIL, INPS, ASL, etc. (e.g. Regulations: Health and Safety in the Workplace, Environment, Labour and Immigration, Financial Aspects, GDPR, etc.)
- Certification and Auditing Bodies
- Employers' Associations
- Trade Union Associations

- Compliance with health, labour, environmental, etc. laws and regulations.
- Privacy and information/data security
- Adherence to international ISO standards
- Certification of the Budget
- Reducing CO₂ emissions
- Responsible use of natural resources (energy, water) and energy efficiency (clean and renewable energy)
- Management of hazardous substances and responsible treatment of hazardous waste
- Improving and maintaining adequate health and safety standards
- Compliance with the MOCG 231 Model and Code of Ethics

Community

- Territorial and local communities
- Third Sector Organisations (non-profit, charities, NGOs, etc.)
- Media and opinion leaders

- Support for solidarity initiatives
- Social investments in favour of the Community
- Support for young people and families
- Social Innovation
- Transparency
- Supporting the training of young people
- Contribution to art, culture and music

Universities, schools and the world of research

- Social Innovation
- Partnerships of Excellence
- Technological Innovation
- Supporting the training of young people

Main initiatives for dialogue and involvement

SDGs

- Supplier visits and meetings
- Partnership initiatives
- Supplier Procunity Portal
- Victoria RMS Contractors Portal



- Continuous dialogue with local, national and European institutions
- Specific meetings and working groups
- Collaboration initiatives with the Civil Protection (e.g. for the supply of machinery during the Covid-19 emergency)
- Confindustria/UCIMA (Union of Italian Manufacturers of Automatic Packaging Machinery) meeting and recommendations
- Regular meetings and information flows with Supervisory Board
- Provision of space for the Demonstration Centre



- Adhesion to initiatives with Group Companies (e.g. Christmas Market 2022 with WeWorld, Heart4Children)
- Treedom project
- Guaranteed Mobility
- Pescara Jazz Festival



- Collaborations and Projects with Universities
- Work Orientation and Collaborative Development Projects (Collaborative Research)
- Work Orientation and Technical Knowledge Development (PCTO - Alternanza scuola-lavoro)
- TecnicaMente



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 sector. The customers work in the target market of personal care and hygiene, household and 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 its data. 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 CO₂ 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 materials for use in Hygiene and Personal and Home care products. 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. This record, achieved through a willingness to contribute actively during a very difficult time in history, earned Fameccanica recognition as "Excellence of the Year - Innovation & Leadership 2021" in the Automation category by Le Fonti Awards (www.lefontiawards.com), in partnership with the European Commission, Sole 24 Ore and Corriere Economia. The award aims to identify Italian excellence in the business, financial, insurance and legal sectors. The award-winning companies are selected by a survey carried out by the study centre of the Le Fonti publishing group, involving a community of over 50,000 qualified contacts from the world of business and professionals. The prizes are awarded on the judgement of the Scientific Committee, together with a team of legal, economic and financial journalists from over 120 Countries worldwide. This important recognition rewards Fameccanica's innovation and humanity.



The **CHRISTMAS MARKET** is a charity initiative promoted by the Angelini Group Industries 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 2021, the entire proceeds of the initiative (EUR 270,000) were donated to the non-profit foundations WeWorld and Heart4Children. 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. Heart4Children runs a children's home and community school near La Ceiba, Honduras, to educate and empower children, to give them the tools they need for a better life and encourage them to be self-sufficient.



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 involve "alternanza scuola-lavoro" projects for high school students, offering curricular internships and providing 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 5 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; formerly Alternanza Scuola-Lavoro), 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 4 students doing technical courses (mechanical, mechatronic, IT, electronic). During these collaborations, two company experts gave lectures at the schools on issues relating to the curriculum (particularly on mechanical design and HMIs). 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 fiscal year 2021-2022, three traineeships were made available: one with the Università degli Studi dell'Aquila (Faculty of Engineering), with an internship in the Manufacturing area, and two with the Università degli Studi "Gabriele d'Annunzio" in Chieti-Pescara (Faculty of Economics), with one internship in the Manufacturing area and another in the Sales Support 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.

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 fiscal year 2021-22 initiative involved cooperation with 6 Italian Universities (Università degli Studi de L'Aquila, Università Federico II di Napoli, Politecnico di Bari, Politecnico di Milano, Università degli Studi di Bologna, Politecnico di Torino). 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.



Among Fameccanica's future commitments to support the community is a possible collaboration with Arbolia, an Italian benefit company set up on the initiative of Snam S.p.A. and Fondazione CDP, which promotes and carries out afforestation and reforestation projects in Italy. Through these interventions and related services, Fameccanica aims to work towards combating global warming, improving air quality and creating green areas for communities while promoting the social and economic development of territories. The **Bosco Fameccanica** project is part of the Arbolia project, which has the ambition of planting 3 million trees in Italy by 2030, enabling the absorption of around 200,000 tonnes of CO₂ per year and supporting national forestation*.



In 2021, the company, which is particularly attentive to the communities in which it operates, also joined the **Mobilità Garantita** 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

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

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
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GRI performance indicators

Fameccanica has reported the data in this document in accordance with the GRI Standards for the period from 1st July 2021 to 30th June 2022.

GRI Standard	Indicator number	Indicator title	Reference paragraph or notes/ omissions
GRI 2 – General Disclosures	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 restatements	Natural capital: energy consumption and emissions
	2-5	External assurance	Report of the independent auditors
	2-6	Activities, value chain and other business relations	Productive and intellectual capital Economic and financial capital: management of the supply chain 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
	2-10	Appointment and selection of the highest governing body	Omission: for this reporting year, the information is not available due to incomplete data. For future years, the organisation will ensure better disclosure
	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: non stop sustainable innovation: approach to sustainability
	2-13	Delegation of responsibility for impact management	Identity and governance: non stop sustainable innovation: approach to sustainability
	2-14	Role of the highest governing body in sustainability reporting	Methodological note
	2-15	Conflict of interest	Omission: for this reporting year, the information is not available due to incomplete data. For future years, the organisation will ensure better disclosure
	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	Omission: for this reporting year, the information is not available due to incomplete data. For future years, the organisation will ensure better disclosure
	2-18	Performance evaluation of the highest governing body	Omission: 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
	2-19	Remuneration policies	Omission: confidentiality of information
	2-20	Process for determining remuneration	Omission: confidentiality of information
	2-21	Ratio of total annual fees	Omission: confidentiality of information
	2-22	Sustainable Development Strategy Statement	Letter to stakeholders
	2-23	Commitments to policies	Identity and governance: non stop sustainable innovation: approach to sustainability
	2-24	Integration of commitments into policies	Omission: for this reporting year, the information is not available due to incomplete data. For future years, the organisation will ensure better disclosure
	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: non stop sustainable innovation: 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
		Management of material issues	
		Ethical conduct	Identity and governance: non-stop sustainable innovation: approach to sustainability - prevention of active and passive corruption
		Regulatory compliance	Identity and governance: non stop sustainable innovation: approach to sustainability - ethical conduct and regulatory compliance
		Employment stability and protection of human capital	Human capital
		Energy efficiency	Natural capital: commitment to the environment Natural capital: energy consumption and emissions
		Economic growth and distribution of generated value	Economic and financial capital
		Innovation and R&D	Productive and intellectual capital: process and product innovation
	3-3	Customer focus and customer satisfaction	Social and relational capital: relationship with customers
		Responsible governance and transparent communication	Identity and governance: governance structure
		Integrating ESG risks into business strategies	Identity and governance: non-stop sustainable innovation: approach to sustainability - monitoring and management of non-financial risks
		Respect for human rights, protection of diversity and equal opportunities	Human capital: diversity and inclusion
		Training and development of people	Human capital: training and development of people
		Health and safety	Human capital: health and safety
		Product safety and quality	Productive and intellectual capital: product quality and safety
		Partnerships and collaborations	Social and relational capital: relationships with and involvement of stakeholders Social and relational capital: relationship with the territory and the community

GRI Standard	Indicator number	Indicator title	Reference paragraph or notes/ omissions
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: management of the supply chain
GRI 205 – Anti-corruption	205-3	Established incidents of corruption and actions taken	No corruption occurred during the reporting period
GRI 206 – Anti-competitive behaviour	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
GRI 303 – Water and wastewater	303-3	Water withdrawal by source	Natural capital: water resources
	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 401 – Employment	401-1	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
GRI 403 – Health and safety at work	403-1	Occupational Health and Safety Management System	Human capital: health and safety
	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
	403-10	Occupational diseases	Human capital: health and safety

GRI Standard	Indicator number	Indicator title	Reference paragraph or notes/ omissions
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: staffing: hiring and turnover
	416-1	Assessment of health and safety impacts by categories of products and services	Social and relational capital: relationship with customers
GRI 416 – Customer health and safety	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

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of the independent
auditors



Fameccanica Group

Independent Auditors' Report on
"Sustainable Report 2022"

RC133152022BD0857



Independent Auditors' Report on "Sustainable Report 2022"

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

We were engaged to carry out a limited assurance ("limited assurance engagement") of the Sustainability Report of the Fameccanica Group (hereinafter also the "Group") for the year ended June 30, 2022.

Directors' and Board of Statutory Auditors' responsibility for the NFS

The Directors are responsible for the preparation of a NFS in accordance with "*Global Reporting Initiative Sustainability Reporting Standards*" established by GRI - Global Reporting Initiative (hereinafter "GRI Standards"), identified as the reporting standard.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for defining the objectives of the Fameccanica Group in relation to sustainability performance, as well as for identifying stakeholder and significant aspects to be reported.

Auditors' Independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our company applies the International Standard on Quality Management (*ISQM1*) and, accordingly, maintains a system of quality control that includes directives and procedures concerning compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

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

Therefore, our examination resulted in an extension of work less than that required to conduct a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, consequently, does not allow us to have the confidence to have become aware of all the significant facts and circumstances that could be identified by the conduct of such an examination.

The procedures performed on the NFS are based on our professional judgement and include inquiries, primarily of the company's personnel responsible for the preparation of the information presented in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence, as appropriate.

Specifically, we carried out the following procedures:

1. Analysis of the process of defining the relevant issues reported in the Sustainability Report, with reference to the ways of identifying them in terms of their priorities for the different categories of stakeholder and the internal validation of the results of the process.
2. Comparison of the economic and financial data and information contained in the paragraph "Economic and financial performance of the Group and of consolidated companies" of the Sustainability Report and the data and information included in the consolidated financial statements of the Group.
3. Understanding the processes underlying the generation, collection and management of the quantitative data included in the Sustainability Report.

Specifically, we carried out interviews and discussions with the management of Fameccanica S.p.A. and we also performed limited documentary verifications, in order to gather information on the processes and procedures supporting the collection, aggregation, processing and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, with respect to significant information, taking into consideration the Group's business and characteristics:

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

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Fameccanica Group as of June 30, 2022 has not been prepared, in all material respects, in accordance with "Global Reporting Initiative Sustainability Reporting Standards" established by GRI.

Bologna, February 21, 2023

Signed by
BDO Italia S.p.A.

Vittorio Leone
Socio

This report has been translated into English language solely for the convenience of international readers.

Fameccanica DATA S.p.A.

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